

**ENTERTAINMENT PROPERTIES TRUST**  
**INDEPENDENCE STANDARDS FOR TRUSTEES**

**January 2005**

In accordance with Section 301 of the Sarbanes-Oxley Act and Section 303A.02 of the corporate governance rules of the New York Stock Exchange, the Board of Trustees adopts these independence standards for independent trustees. These categorical standards are designed to assist the Board in making determinations of independence in accordance with NYSE rules.

1. A majority of the trustees must be independent in accordance with these standards.
2. No person qualifies as independent unless the Board affirmatively determines that he or she has no material relationship with EPR (either directly or as a partner, shareholder or officer of an organization that has a relationship with EPR). The Company must identify in its proxy statement which trustees are independent and disclose the basis for that determination.
3. In making a determination of independence, the Board should broadly consider all relevant facts and circumstances. In particular, when assessing the materiality of any relationships between a trustee and the Company, the Board should consider the issue not merely from the standpoint of the trustee, but also from that of the persons or organizations with which the trustee is affiliated.
4. Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable or familial.
5. The ownership of even a significant amount of shares of EPR is not, by itself, a bar to independence.
6. The identity of the independent trustees and the basis for a Board determination that any relationship is not material must be disclosed in the annual proxy statement. Any determination of independence for a trustee who does not meet these independence standards must be specifically explained in the proxy statement. The Board may make a general statement, if accurate, that the independent trustees meet these standards without detailing the particular aspects of any immaterial relationship between an individual trustee and the Company. If a trustee with a business or other relationship that does not fit within these standards is determined to be independent, the Board must disclose the basis for that determination in the proxy statement.
7. In addition to, and not in limitation of, the Board's affirmative determination of independence as provided in paragraph 2 above, a trustee is not independent if:
  - the trustee is, or has been within the last three years, an employee of EPR or an immediate family member is, or has been within the last three years, an executive officer of EPR. Employment as an interim Chairman, CEO or other executive officer is not a bar to independence.

- The trustee has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$100,000 in direct compensation from the Company, other than trustee and committee fees and pension or other forms of deferred compensation (provided such compensation is not contingent in any way on continued service). Compensation received by a trustee for former service as an interim Chairman, CEO or other executive officer need not be considered under this test. Compensation received by an immediate family member for service as a non-executive officer employee of EPR need not be considered under this test.
- (A) The trustee or an immediate family member is a current partner of the firm that is the Company's internal or external auditor, (B) the trustee is a current employee of that firm, (C) the trustee has an immediate family member who is a current employee of that firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice, or (D) the trustee or an immediate family member was within the last three years (but is no longer) a partner or employee of such firm and personally worked on EPR's audit within that time.
- The trustee or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of EPR's present executive officers at the same time serves on that company's compensation committee.
- The trustee is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, EPR for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues. In applying this test, both the payments and the consolidated gross revenues to be measured shall be those reported in the last completed fiscal year of the other company. The look-back in this test applies solely to a financial relationship between EPR and the current employer of a trustee or his or her immediate family member. The former employment of a trustee or immediate family member need not be considered.
- Contributions to a tax-exempt organization shall not be considered "payments" for purposes of these tests; provided, that EPR shall disclose in its annual proxy statement any contributions made by EPR to any tax-exempt organization of which any independent trustee serves as an executive officer if, within the preceding three years, contributions in any single fiscal year from EPR to the organization exceeded the greater of \$1 million or 2% of the organization's consolidated gross revenues. The Board should consider the materiality of any such relationship in making an affirmative determination of independence. Payments made to any tax-exempt organization as part of a business relationship are not excluded for purposes of this test.

- For purposes of these tests:
  - (i) An executive officer shall mean the president, principal financial officer, principal accounting officer, any vice president in charge of a principal business unit, division or function, any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for EPR.
  - (ii) An immediate family member includes a spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares the same home. Persons who are no longer immediate family members as a result of legal separation or divorce, or who have died or become incapacitated, need not be considered.
  - (iii) Dividend or interest income is considered investment income and is not considered compensation.
  - (iv) Reimbursements for bona fide documented business expenses are not considered compensation.
  - (v) Payments made as part of a severance package or noncompete arrangement that are not contingent on continued service are not deemed compensation, but payments made under a consulting agreement that calls for continued service are deemed compensation.
  - (vi) Payments to a trustee's wholly-owned business constitute direct compensation.
  - (vii) Loans from financial institutions are not considered "payments," but interest and loan fees are considered payments.
  - (viii) Payments made by a trustee's company to EPR should be aggregated and measured against the consolidated gross revenues of the trustee's company for each fiscal year of the look-back period. Payments made by EPR to a trustee's company should be separately aggregated and measured against the other company's consolidated gross revenues in each fiscal year of the look-back period. Payment made to EPR shall not be netted against payments made by EPR for this purpose.
  - (ix) The "last completed fiscal year" means the last completed fiscal year of the trustee's company.
  - (x) If EPR is not able to make a clear determination that the \$1 million/2% threshold was not crossed by a trustee's company in its last completed fiscal year prior to the date EPR's proxy statement is printed and distributed, it should be assumed that the trustee is not independent.

- A trustee who satisfies all of the bright line tests listed above is not *per se* independent, and a relationship that is not included within any of the bright-line tests is not *per se* immaterial. The Board must still affirmatively determine that the trustee has no material relationship with the Company.
8. A person who is an executive officer or affiliate of an entity that provides non-advisory financial services such as lending, check clearing, maintaining customer accounts, stock brokerage services or custodial and cash management services to EPR or its affiliates may be determined by the Board to be independent if the following conditions are satisfied:
- The entity does not provide any advisory services to EPR
  - The annual interest and/or fees payable to the entity by EPR do not exceed the numerical limitation in Item 7 above
  - Any loan provided by the entity is made in the ordinary course of business of EPR and the lender and does not represent EPR's principal source of credit or liquidity
  - The person has no involvement in presenting, negotiating, underwriting, documenting or closing any such non-advisory financial services and is not compensated by EPR, the entity or any of its affiliates in connection with such services
  - The Board affirmatively determines that the terms of the non-advisory financial services are fair and reasonable and advantageous to the Company, and no more favorable to the provider than generally available from other providers
  - The provider is a recognized financial institution, non-bank commercial lender or securities broker
  - The person abstains from voting as a trustee to approve the transaction
  - All material facts related to the transaction and the relationship of the person to the provider are disclosed by EPR in its Exchange Act reports and proxy statements
9. In light of the critical importance of EPR's real property leases to its business, no person shall be considered independent if he or she, or any member of his or her immediate family, is an officer, director, more than 5% shareholder, partner, member, attorney, consultant or affiliate of any tenant of the Company or any affiliate of such tenant, until three years after the end of the tenancy or such relationship.
10. No member of the audit committee, nor any organization by which he or she is employed or with which he or she is affiliated, may receive, directly or indirectly, any consulting, advisory or compensatory fee from EPR, or any other party on behalf of EPR, other than the fees regularly paid by EPR for Board and committee service and certain forms of deferred compensation permitted under NYSE rules and SEC Rule 10A-3. Board and committee fees may be in cash, shares, options and/or in kind. The Board considers additional compensation for committee service to be appropriate.