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ENTERTAINMENT PROPERTIES TRUST

Form 424B3

October 14, 2004

FILED PURSUANT TO RULE 424(b)(3)
REGISTRATION NO. 333-119160

857,145 COMMON SHARES
ENTERTAINMENT PROPERTIES TRUST

Entertainment Properties Trust is a self-administered real estate investment trust formed to invest in entertainment-related properties. Our real estate portfolio, with over \$1 billion in assets, is comprised of 54 megaplex theatre properties located in twenty states and Ontario, Canada, six entertainment retail centers located in Westminster, Colorado, New Rochelle, New York and Ontario, Canada, other specialty properties, and land parcels leased to restaurant and retail operators adjacent to several of our theatre properties. Our theatre properties are leased to prominent theatre operators, including American Multi-Cinema, Inc. ("AMC"), Muvico Entertainment LLC ("Muvico"), Regal Cinemas ("Regal"), Consolidated Theatres ("Consolidated"), Loews Cineplex Entertainment ("Loews"), Rave Motion Pictures ("Rave"), AmStar Cinemas LLC ("AmStar"), Wallace Theatres ("Wallace"), Crown Theatres ("Crown") and Southern Theatres ("Southern").

To preserve our qualification as a real estate investment trust for U.S. federal income tax purposes and for other purposes, we impose restrictions on ownership of our common shares. See "Description of Common Shares" and "U.S. Federal Income Tax Consequences" in this prospectus.

This prospectus relates to the proposed sale from time to time of up to an aggregate of 857,145 common shares by the selling shareholders named in this prospectus. The selling shareholders may sell the shares held for their own account or the shares may be sold by donees, transferees, pledgees, their beneficiaries or other successors in interest that receive shares from a selling shareholder as a gift, trust distribution or other non-sale related transfer.

The shares being offered by the selling shareholders were originally issued to the sellers of five theatre properties in Louisiana that we acquired in 2002 (the properties are sometimes referred to in this prospectus as the Gulf States Properties, and the sellers of the properties are sometimes referred to as the Property Sellers). The selling shareholders are owners of interests in the Property Sellers or members of their immediate family. The shares are being offered pursuant to a Registration Rights Agreement entered into between us and the Property Sellers (referred to in this prospectus as the Registration Rights Agreement).

The selling shareholders may offer and sell shares from time to time in one or more transactions at fixed prices, at prevailing market prices at the time of sale, at varying prices determined at the time of sale or at negotiated prices. The selling shareholders may sell all or a portion of the shares in market transactions on the New York Stock Exchange, in privately negotiated transactions, through the writing of options, in a block trade in which a broker-dealer will attempt to sell a block of shares as agent but may position and resell a portion of the block as principal to facilitate the transaction, through broker-dealers which may act as agents or principals, directly to one or more purchasers, through agents, or in any combination of the above or by any other legally available means. The selling shareholders will receive all of the proceeds from the sale of the shares. We will not receive any proceeds from such sales. We are paying the expenses of this offering.

Our common shares and 9.50% Series A Cumulative Redeemable Preferred Shares (referred to in this prospectus as the Series A Preferred Shares) are traded on

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the New York Stock Exchange under the ticker symbols EPR and EPR PrA, respectively. The last reported sales price of our common shares on September 20, 2004 was \$38.00 per share.

We have paid regular quarterly dividends to our common and preferred shareholders. See "About EPR" and "Description of Securities."

INVESTING IN THESE SECURITIES INVOLVES CERTAIN RISKS. SEE THE "RISK FACTORS" BEGINNING ON PAGE 3.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DATE OF THIS PROSPECTUS IS OCTOBER 6, 2004.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement (No. 333-119160) that we filed with the Securities and Exchange Commission ("SEC") using a "shelf registration" process. Under this shelf process, the selling shareholders may sell the shares described in this prospectus. This prospectus provides you with a general description of the shares to be sold by the selling shareholders. You should read this prospectus and the other information described in "Where You Can Find More Information" and "Incorporation of Certain Information by Reference" prior to investing.

WHERE YOU CAN FIND MORE INFORMATION

As a public company with securities listed on the New York Stock Exchange (referred to in this prospectus as the NYSE), Entertainment Properties Trust ("we," "EPR," or the "Company") must comply with the Securities Exchange Act of 1934 ("Exchange Act"). This requires that we file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, proxy statements or other information we file at the SEC's Public Reference Room at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W.,

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Washington D.C. 20549 and at the SEC's regional offices at 233 Broadway, New York, New York 10279 and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. Copies of these materials may be obtained by mail from the Public Reference Room of the SEC. You may also access our SEC filings at the SEC's Internet website at www.sec.gov. You can inspect reports and other information we file at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement which includes this prospectus plus related exhibits with the SEC under the Securities Act of 1933 (the "Securities Act"). The registration statement contains additional information about EPR and the shares. You may view the registration statement and exhibits on file at the SEC's website. You may also inspect the registration statement and exhibits without charge at the SEC's offices at 450 Fifth Street, N.W., Washington, D.C. 20549, and you may obtain copies from the SEC at prescribed rates.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to "incorporate by reference" the information we file with the SEC, which means we can disclose important information to you by referring to those documents. The information incorporated by reference is an important part of this prospectus. Any statement contained in a document which is incorporated by reference in this prospectus is automatically updated and superseded if information contained in this prospectus, or information we later file with the SEC, modifies or replaces that information.

The documents listed below have been filed by EPR under the Exchange Act (File No. 1-13561) and are incorporated by reference in this prospectus:

1. EPR's annual report on Form 10-K for the year ended December 31, 2003, as amended by amendment No. 1 thereto filed on April 15, 2004.
2. EPR's definitive proxy statement on Schedule 14A filed on April 8, 2004, except as otherwise stated with respect to information not deemed filed or incorporated by reference.
3. EPR's quarterly reports on Form 10-Q for the quarters ended March 31 and June 30, 2004.
4. EPR's current report on Form 8-K filed on November 12, 2003 and amendment No. 1 thereto filed on January 12, 2004; EPR's current report on Form 8-K filed on March 15, 2004 and amendment No. 1 thereto filed on March 16, 2004; EPR's current report on Form 8-K filed on April 5, 2004; EPR's current report on Form 8-K filed on April 21, 2004; EPR's current report on Form 8-K filed on May 6, 2004; EPR's current report on Form 8-K filed on June 23, 2004; EPR's current report on Form 8-K filed on June 25, 2004; and EPR's current report on Form 8-K filed on July 27, 2004.
5. The description of EPR's common shares of beneficial interest, \$.01 par value, contained in EPR's registration statement on Form 8-A filed November 4, 1997, and the description of such common shares included in EPR's prospectus included as a part of EPR's registration statement on Form S-11 (Registration No. 333-35281) in the form in which it was filed on September 10, 1997, as amended from time to time.
6. All documents filed by EPR under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and prior to the termination of the offering of the securities covered by this prospectus.

To obtain a free copy of any of the documents incorporated by reference in this prospectus (other than exhibits, unless they are specifically incorporated by reference in the documents) please contact us at:

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INVESTOR RELATIONS DEPARTMENT
ENTERTAINMENT PROPERTIES TRUST
30 W. PERSHING ROAD, SUITE 201
KANSAS CITY, MISSOURI 64108
(816) 472-1700 / FAX (816) 472-5794
EMAIL INFO@EPRKC.COM

Our SEC filings are also available from our Internet website at www.eprkc.com. The information on our website is not, and you must not consider the information to be, a part of this prospectus.

As you read these documents, you may find some differences in information from one document to another. If you find differences between the documents and this prospectus, you should rely on the statements made in the most recent document.

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS PROSPECTUS OR INCORPORATED BY REFERENCE. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT. THIS PROSPECTUS MAY ONLY BE USED IN STATES WHERE THE OFFER IS PERMITTED. YOU SHOULD NOT ASSUME THE INFORMATION IN THIS PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE ON THE FRONT OF THIS PROSPECTUS.

CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING INFORMATION

With the exception of historical information, this prospectus and our reports filed under the Exchange Act and incorporated by reference in this prospectus contain forward-looking statements, such as those pertaining to the acquisition and leasing of properties, our capital needs and resources, and our results of operations. Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of actual events. There is no assurance the events or circumstances reflected in the forward-looking statements will occur. You can identify forward-looking statements by use of words such as "will be," "intend," "continue," "believe," "may," "expect," "hope," "anticipate," "goal," "forecast," or other comparable terms, or by discussions of strategy, plans or intentions. Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise. Our actual financial condition, results of operations or business may vary materially from those contemplated by these forward-looking statements and involve various uncertainties, including but not limited to the factors described below:

- o The performance of lease terms by tenants;
- o Risk of our tenants filing for bankruptcy;
- o The concentration of leases with our single largest tenant;
- o Our continued qualification as a REIT;
- o Risks related to real estate ownership and development;
- o Risks associated with use of leverage to acquire properties;
- o Risk of potential uninsured losses;
- o Risks involved in joint ventures;
- o Risks involved in investments in Canada;
- o Risks in operating and leasing multi-tenant properties;
- o Risks of environmental liability;
- o Our continued ability to pay dividends at historical rates; and
- o Certain limits on change in control imposed under law and by our charter and bylaws.

We urge you to review carefully the "Risk Factors" section in this prospectus for a more complete discussion of the risks involved in an investment in our securities. We caution you not to place undue reliance on any forward-looking statements, which reflect our analysis only.

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We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

RISK FACTORS

BEFORE YOU INVEST IN THE SHARES, YOU SHOULD BE AWARE THAT PURCHASING OUR SHARES INVOLVES VARIOUS RISKS, INCLUDING THOSE DESCRIBED BELOW. YOU SHOULD CAREFULLY CONSIDER THESE RISK FACTORS, TOGETHER WITH THE OTHER INFORMATION IN THIS PROSPECTUS, BEFORE PURCHASING SHARES.

RISKS THAT MAY IMPACT OUR FINANCIAL CONDITION OR PERFORMANCE

WE COULD BE ADVERSELY AFFECTED BY A TENANT'S BANKRUPTCY

If a tenant becomes bankrupt or insolvent, that could diminish the income we expect from that tenant's leases. We may not be able to evict a tenant solely because of its bankruptcy. On the other hand, a bankruptcy court might authorize the tenant to terminate its leases with us. If that happens, our claim against the bankrupt tenant for unpaid future rent would be subject to statutory limitations that might be substantially less than the remaining rent owed under the leases. In addition, any claim we have for unpaid past rent would likely not be paid in full.

The development of megaplex movie theatres has rendered many older multiplex theatres obsolete. To the extent our tenants own a substantial number of multiplexes, they have been, or may in the future be, required to take significant charges against earnings resulting from the impairment of those assets. Megaplex theatre operators have also been and may in the future be adversely affected by any overbuilding of megaplex theatres in their markets and the cost of financing, building and leasing megaplex theatres. Two of our tenants, Edwards Theatre Circuits, Inc. (now part of Regal Entertainment Group), which operates two of our theatres, and Loews Cineplex Entertainment, which operates two of our theatres, have filed for, and emerged from, bankruptcy reorganization. We did not incur any significant expenses or loss of revenue as a result of those bankruptcy reorganizations.

OPERATING RISKS IN THE ENTERTAINMENT INDUSTRY MAY AFFECT THE ABILITY OF OUR TENANTS TO PERFORM UNDER THEIR LEASES

The ability of our tenants to operate successfully in the entertainment industry and remain current on their lease obligations depends on a number of factors, including the availability and popularity of motion pictures, the performance of those pictures in tenants' markets, the allocation of popular pictures to tenants and the terms on which the pictures are licensed. Neither we nor our tenants control the operations of motion picture distributors. Megaplex theatres represent a greater capital investment, and generate higher rents, than the previous generation of multiplex theatres. For this reason, the ability of our tenants to operate profitably and perform under their leases could be dependent on their ability to generate higher revenues per screen than multiplex theatres typically produce.

The success of "out-of-home" entertainment venues such as megaplex theatres and entertainment retail centers also depends on general economic conditions and the willingness of consumers to spend time and money on out-of-home entertainment.

A SINGLE TENANT REPRESENTS A SUBSTANTIAL PORTION OF OUR LEASE REVENUES

As of September 1, 2004, approximately 65% of our megaplex theatre

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properties were leased to AMC, a subsidiary of AMC Entertainment, Inc. (referred to in this prospectus as AMCE) and one of the nation's largest movie exhibition companies. AMCE has guaranteed AMC's performance under the leases. We have diversified and expect to continue to diversify our real estate portfolio by entering into lease transactions with a number of other leading theatre operators and acquiring other types of entertainment-related properties. Nevertheless, our revenues and our continuing ability to pay shareholder dividends are currently substantially dependent on AMC's performance under its leases and AMCE's performance under its guaranty.

We believe AMC occupies a strong position in the industry and we intend to continue acquiring and leasing back AMC theatres. However, if for any reason AMC failed to perform under its lease obligations and AMCE did not perform under its guaranty, we could be required to reduce or suspend our shareholder dividends, and may not have sufficient funds to support operations, until substitute tenants are obtained. If that happened, we cannot predict when or whether we could obtain substitute quality tenants on acceptable terms.

THERE IS RISK IN USING DEBT TO FUND PROPERTY ACQUISITIONS

We have used leverage to acquire properties and expect to continue to do so in the future. Although the use of leverage is common in the real estate industry, our use of debt to acquire properties does expose us to some risks. If a significant number of our tenants fail to make their lease payments and we don't have sufficient cash to pay principal and interest on the debt, we could default on our debt obligations. We are obligated to pay principal and interest on our secured indebtedness whether or not the tenants are performing under their leases. We could be in default under some of our indebtedness if a tenant ceases operations at a property securing the debt and we are not able to obtain a substitute tenant or property on a timely basis. Our debt financing is secured by mortgages on our properties. If we fail to make our mortgage payments, the lenders could declare a default and foreclose on those properties.

ONE OF OUR SECURED LOANS HAS A "HYPER-AMORTIZATION" PROVISION WHICH MAY REQUIRE US TO REFINANCE THE LOAN OR SELL THE PROPERTIES SECURING THE LOAN PRIOR TO MATURITY

As of August 31, 2004, we had approximately \$97 million outstanding under a single secured loan agreement that contains a "hyper-amortization" feature, in which the principal payment schedule is rapidly accelerated, and our principal payments are substantially increased, if we fail to pay the balance on the anticipated prepayment date of July 11, 2008. We undertook this debt on the assumption that we can refinance the debt prior to the hyper-amortization payments becoming due. If we cannot obtain acceptable refinancing at the appropriate time, the hyper-amortization payments will require substantially all of the revenues from those properties securing the debt to be applied to the debt repayment, which would substantially reduce our common share dividend rate and could adversely affect our financial condition and liquidity.

WE MUST CONTINUALLY OBTAIN NEW FINANCING IN ORDER TO GROW

As a REIT, we are required to distribute at least 90% of our net income to shareholders in the form of dividends. This means we are limited in our ability to use internal capital to acquire properties and must continually raise new capital in order to continue to grow and diversify our real estate portfolio. Our ability to raise new capital depends in part on factors beyond our control, including conditions in equity and credit markets, conditions in the cinema exhibition industry and the performance of real estate investment trusts generally. We continually consider and evaluate a variety of potential transactions to raise additional capital, but we cannot assure that attractive

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alternatives will always be available to us, nor that our common share price will increase or remain at a level that will permit us to continue to raise equity capital privately or publicly.

IF WE FAIL TO QUALIFY AS A REIT WE WOULD BE TAXED AS A CORPORATION, WHICH WOULD SUBSTANTIALLY REDUCE FUNDS AVAILABLE FOR PAYMENT OF DIVIDENDS TO OUR SHAREHOLDERS

If we fail to qualify as a REIT for U.S. federal income tax purposes, we will be taxed as a corporation. We are organized and believe we qualify as a REIT, and intend to operate in a manner that will allow us to continue to qualify as a REIT. However, we cannot assure you that we will remain qualified in the future. This is because qualification as a REIT involves the application of highly technical and complex provisions of the Internal Revenue Code on which there are only limited judicial and administrative interpretations, and depends on facts and circumstances not entirely within our control. In addition, future legislation, new regulations, administrative interpretations or court decisions may significantly change the tax laws, the application of the tax laws to our qualification as a REIT or the U.S. federal income tax consequences of that qualification.

If we fail to qualify as a REIT we will face tax consequences that will substantially reduce the funds available for payment of dividends:

- o We would not be allowed a deduction for dividends paid to shareholders in computing our taxable income and would be subject to U.S. federal income tax at regular corporate rates
- o We could be subject to the U.S. federal alternative minimum tax and possibly increased state and local taxes
- o Unless we are entitled to relief under statutory provisions, we could not elect to be treated as a REIT for four taxable years following the year in which we were disqualified

In addition, if we fail to qualify as a REIT, we will no longer be required to pay dividends on our common shares. As a result of these factors, our failure to qualify as a REIT could adversely affect the market price for our shares.

OUR DEVELOPMENT FINANCING ARRANGEMENTS EXPOSE US TO FUNDING AND PURCHASE RISKS

We have entered into a number of development financing arrangements with prospective tenants. We intend to meet our funding obligations under these arrangements with debt and/or equity financing. There is no assurance we can obtain this financing at rates which will lock-in a spread between our cost of capital and the rent payable under the leases to be entered into upon completion of construction. We will be obligated to purchase and lease-back the theatres that are subject to these arrangements at predetermined rates, which may or may not reflect the fair market value of the property or the underlying lease on the completion date.

AS WE ACQUIRE ADDITIONAL PROPERTIES, WE MAY HAVE DIFFICULTY MANAGING OUR GROWTH, WHICH MAY HAVE AN ADVERSE IMPACT ON OUR RESULTS OF OPERATIONS.

Our real estate portfolio has grown over 400% since our initial public offering in 1997, including approximately \$235 million in rental property acquisitions since January 1, 2004. Although our administrative staff has grown somewhat, we have conservatively managed our personnel costs relative to the size of our asset base and intend to continue to do so. If we continue to grow

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in the future, we may be required to increase our staffing and implement additional management systems in order to manage that growth. We may have difficulty integrating new people and managing our growth through acquisitions. As a result, management's attention and resources may be diverted from our existing operations. All of this could put a strain on our human resources and may have an adverse effect on our profitability.

RISKS THAT APPLY TO OUR REAL ESTATE BUSINESS

THERE ARE RISKS ASSOCIATED WITH OWNING AND LEASING REAL ESTATE

Although the terms of our single-tenant leases obligate the tenants to bear substantially all of the costs of operating the properties, investing in real estate involves a number of risks, including:

- o The risk that tenants will not perform under their leases, reducing our income from the leases or requiring us to assume the cost of performing obligations (such as taxes, insurance and maintenance) that are the tenant's responsibility under a net lease
- o The risk that changes in economic conditions or real estate markets may adversely affect the value of our properties
- o The risk that local conditions (such as oversupply of megaplex theatres or other entertainment-related properties) could adversely affect the value of our properties
- o We may not always be able to lease properties at favorable rates
- o We may not always be able to sell a property when we desire to do so at a favorable price
- o Changes in tax, zoning or other laws could make properties less attractive or less profitable

If a tenant fails to perform on its lease covenants, that would not excuse us from meeting any mortgage debt obligation secured by the property and could require us to fund reserves in favor of our mortgage lenders, thereby reducing funds available for payment of dividends on our shares. We cannot be assured that tenants will elect to renew their leases when the terms expire. If a tenant does not renew its lease or if a tenant defaults on its lease obligations, there is no assurance we could obtain a substitute tenant on acceptable terms. If we cannot obtain another quality movie exhibitor to lease a megaplex theatre property, we may be required to modify the property for a different use, which may involve a significant capital expenditure and a delay in re-leasing the property.

SOME POTENTIAL LOSSES ARE NOT COVERED BY INSURANCE

Our net leases require the tenants to carry comprehensive liability, casualty, workers' compensation, extended coverage and rental loss insurance on our properties. We believe the required coverage is of the type, and amount,

customarily obtained by an owner of similar properties. We believe all of our properties are adequately insured. However, there are some types of losses, such as catastrophic acts of nature, for which we or our tenants cannot obtain insurance at an acceptable cost. If there is an uninsured loss or a loss in excess of insurance limits, we could lose both the revenues generated by the affected property and the capital we have invested in the property. We would, however, remain obligated to repay any mortgage indebtedness or other

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obligations related to the property. Since September 11, 2001, the cost of insurance protection against terrorist acts has risen dramatically. There can be no assurance our tenants will be able to obtain terrorism coverage, or that any coverage they do obtain will adequately protect our properties against loss from terrorist attacks.

THERE ARE RISKS INVOLVED IN JOINT VENTURE INVESTMENTS

We may continue to acquire or develop properties in joint ventures with third parties when those transactions appear desirable. We would not own the entire interest in any property acquired by a joint venture. Significant decisions with respect to the ownership, leasing, management or disposition of a joint venture property may require the consent of the joint venture partner. If we have a dispute with a joint venture partner, we may feel it necessary or become obligated to acquire the partner's interest in the venture. However, we cannot assure you that the price we would have to pay or the timing of the acquisition would be favorable to us. If we own less than a 50% interest in a joint venture, or if the joint venture is jointly controlled, the assets and financial results of the joint venture may not be reportable by us on a consolidated basis, and the liabilities of the joint venture may not be included within the liabilities reported on our consolidated balance sheet. To the extent we owe commitments to, or are dependent on, any such "off-balance sheet" arrangements, or if those arrangements or their properties or leases are subject to material contingencies, our liquidity, financial condition and operating results could be adversely affected by those commitments to off-balance sheet arrangements.

OUR MULTI-TENANT PROPERTIES EXPOSE US TO ADDITIONAL RISKS

Our entertainment retail centers in Westminster, Colorado, New Rochelle, New York and Ontario, Canada and similar properties we may seek to acquire or develop in the future involve risks not typically encountered in the purchase and lease-back of megaplex theatres which are operated by a single tenant. The ownership or development of multi-tenant retail centers exposes us to the risk that a sufficient number of suitable tenants may not be found to enable the center to operate profitably and provide a return to us. Retail centers are also subject to tenant turnover and fluctuations in occupancy rates, which could affect our operating results. We are dependent on third-party management companies to manage those centers for us. When a tenant's lease expires or is terminated, we may be required to pay leasing commissions and tenant finish costs to attract a substitute tenant. Multi-tenant retail centers also expose us to the risk of potential "CAM slippage," which may occur if common area maintenance fees paid by tenants are exceeded by the actual cost of taxes, insurance and maintenance at the property.

FAILURE TO COMPLY WITH THE AMERICANS WITH DISABILITIES ACT AND OTHER LAWS COULD RESULT IN SUBSTANTIAL COSTS

The operators of our U.S. properties must comply with the Americans with Disabilities Act ("ADA"). The ADA requires that public accommodations reasonably accommodate individuals with disabilities and that new construction or alterations be made to commercial facilities to conform to accessibility guidelines. Failure to comply with the ADA can result in injunctions, fines, damage awards to private parties and additional capital expenditures to remedy noncompliance. Our U.S. leases require the tenants to comply with the ADA.

The operators of our properties are also subject to various other federal, state or provincial and local regulatory requirements. We believe the properties are in material compliance with all applicable regulatory requirements. However, we do not know whether existing requirements will change or whether compliance with future requirements will involve significant unanticipated expenditures. Although these expenditures would be the responsibility of our tenants, if

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tenants fail to perform these obligations, we may be required to do so.

POTENTIAL LIABILITY FOR ENVIRONMENTAL CONTAMINATION COULD RESULT IN SUBSTANTIAL COSTS

Under federal, state and local environmental laws, we may be required to investigate and clean up any release of hazardous or toxic substances or petroleum products at our properties, regardless of our knowledge or actual responsibility, simply because of our current or past ownership of the real estate. If unidentified environmental problems arise, we may have to make substantial payments, which could adversely affect our cash flow and our ability to make distributions to our shareholders. This is so because:

- o As owner we may have to pay for property damage and for investigation and clean-up costs incurred in connection with the contamination
- o The law may impose clean-up responsibility and liability regardless of whether the owner or operator knew of or caused the contamination
- o Even if more than one person is responsible for the contamination, each person who shares legal liability under environmental laws may be held responsible for all of the clean-up costs
- o Governmental entities and third parties may sue the owner or operator of a contaminated site for damages and costs

These costs could be substantial and in extreme cases could exceed the value of the contaminated property. The presence of hazardous substances or petroleum products or the failure to properly remediate contamination may adversely affect our ability to borrow against, sell or lease an affected property. In addition, some environmental laws create liens on contaminated sites in favor of the government for damages and costs it incurs in connection with a contamination.

Most of our loan agreements require the Company or a subsidiary to indemnify the lender against environmental liabilities. Our leases require the tenants to operate the properties in compliance with environmental laws and to indemnify us against environmental liability arising from the operation of the properties. We believe all of our properties are in material compliance with environmental laws. However, we could be subject to strict liability under environmental laws because we own the properties. There is also a risk that tenants may not satisfy their environmental compliance and indemnification obligations under the leases. Any of these events could substantially increase our cost of operations, require us to fund environmental indemnities in favor of our secured lenders and reduce our ability to service our debt and pay dividends to shareholders.

REAL ESTATE INVESTMENTS ARE RELATIVELY NON-LIQUID

We may desire to sell a property in the future because of changes in market conditions or poor tenant performance or to avail ourselves of other opportunities. We may also be required to sell a property in the future to meet obligations or avoid a loan default. Specialty real estate projects such as megaplex theatres cannot always be sold quickly, and we cannot assure you that we could always obtain a favorable price. We may be required to invest in the restoration or modification of a property before we can sell it.

RISKS THAT MAY AFFECT THE MARKET PRICE OF OUR SECURITIES

WE CANNOT ASSURE YOU WE WILL CONTINUE PAYING DIVIDENDS AT HISTORICAL RATES

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Our ability to continue paying dividends on our common shares at historical rates or to increase our common share dividend rate will depend on a number of factors, including our financial condition and results of future operations, the performance of lease terms by tenants, provisions in our secured loan covenants, and our ability to acquire, finance and lease additional properties at attractive rates. If we do not maintain or increase our common share dividend rate, that could have an adverse effect on the market price of our common shares.

MARKET INTEREST RATES MAY HAVE AN EFFECT ON THE VALUE OF OUR SECURITIES

One of the factors investors may consider in deciding whether to buy or sell our securities is our dividend rate as a percentage of our share price, relative to market interest rates. If market interest rates increase, prospective investors may desire a higher dividend or interest rate on our securities or seek securities paying higher dividends or interest.

MARKET PRICES FOR OUR SECURITIES MAY BE AFFECTED BY PERCEPTIONS ABOUT THE FINANCIAL HEALTH OR SHARE VALUE OF OUR TENANTS OR THE PERFORMANCE OF REIT STOCKS GENERALLY.

To the extent any of our tenants or other movie exhibitors report losses or slower earnings growth, take charges against earnings resulting from the obsolescence of multiplex theatres or enter bankruptcy proceedings, the market price for our securities could be adversely affected. The market price for our securities could also be affected by any weakness in movie exhibitor or REIT stocks generally.

LIMITS ON CHANGES IN CONTROL MAY DISCOURAGE TAKEOVER ATTEMPTS WHICH MAY BE BENEFICIAL TO OUR SHAREHOLDERS

There are a number of provisions in our Declaration of Trust, Maryland law and agreements we have with others which could make it more difficult for a party to make a tender offer for our common shares or complete a takeover of EPR which is not approved by our Board of Trustees. These include:

- o A staggered Board of Trustees that can be increased in number without shareholder approval
- o A limit on beneficial ownership of our shares, which acts as a defense against a hostile takeover or acquisition of a significant or controlling interest, in addition to preserving our REIT status
- o The ability of the Board of Trustees to issue preferred shares, and to reclassify preferred or common shares, without shareholder approval
- o Limits on the ability of shareholders to remove trustees without cause
- o Requirements for advance notice of shareholder proposals at annual shareholder meetings
- o Provisions of Maryland law restricting business combinations and control share acquisitions not approved by the Board of Trustees
- o Provisions of Maryland law protecting corporations (and by extension REITs) against unsolicited takeovers by limiting the duties of the trustees in unsolicited takeover situations
- o Provisions of Maryland law providing that the trustees are not subject

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to any higher duty or greater scrutiny than that applied to any other director under Maryland law in transactions relating to the acquisition or potential acquisition of control

- o Provisions of Maryland law creating a statutory presumption that an act of the trustees satisfies the applicable standards of conduct for directors under Maryland law
- o Provisions in secured loan or joint venture agreements putting EPR in default upon a change in control
- o Provisions of employment agreements with our officers calling for forgiveness of share purchase loans upon a hostile change in control

Any or all of these provisions could delay or prevent a change in control of EPR, even if the change was in our shareholders' interest or offered a greater return to our shareholders.

THE JOBS AND GROWTH TAX RELIEF RECONCILIATION ACT OF 2003 MAY ADVERSELY AFFECT THE VALUE OF OUR SHARES

On May 28, 2003, the President signed the Jobs and Growth Tax Relief and Reconciliation Act of 2003 into law, which provides favorable income tax rates for certain corporate dividends received by individuals through December 31, 2008. Under this new law, REIT dividends are generally not eligible for the preferential rates applicable to dividends unless the dividends are attributable to income that has been subject to corporate-level tax or are attributable to certain other dividends received by us. As a result, substantially all of the dividends paid on our shares do not qualify for such lower rates. This new law could cause stock in non-REIT corporations to be more attractive to investors than stock in REITs, which may negatively affect the value of, and the market for, our shares.

THE MARKET PRICE FOR OUR COMMON SHARES COULD BE ADVERSELY AFFECTED BY ANY PREFERRED SHARES, WARRANTS OR DEBT SECURITIES WE MAY OFFER.

We have filed a universal shelf registration statement on Form S-3 to register \$400,000,000 of securities, which may include any combination of common shares, preferred shares, warrants and debt securities. If we offer any additional preferred shares or any warrants or debt securities on terms which are not deemed accretive to our common shareholders, that may adversely affect the market price for our common shares. In addition, the issuance of warrants may create a significant market "overhang" which could be dilutive to our common shareholders and adversely affect our common share price.

ABOUT EPR

BUSINESS

EPR is a self-administered REIT. Our real estate portfolio, with over \$1 billion in assets, is comprised of 54 megaplex theatre properties located in twenty states and Ontario, Canada, six entertainment retail centers located in Westminster, Colorado, New Rochelle, New York and Ontario, Canada, other specialty properties, and land parcels leased to restaurant and retail operators adjacent to several of our theatre properties. Our theatre properties are leased to prominent theatre operators, including AMC, Muvico, Regal, Consolidated, Loews, Rave, AmStar, Wallace, Crown and Southern.

As of September 1, 2004, approximately 65% of our megaplex theatre properties were leased to AMC as a result of a series of sale-leaseback

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transactions pertaining to a number of AMC megaplex theatres, and approximately 61% of our annual lease revenues were derived from rental payments by AMC under these leases.

Megaplex theatres typically have at least 14 screens with stadium-style seating (seating with elevation between rows to provide unobstructed viewing) and are equipped with amenities that significantly enhance the audio and visual experience of the patron. We believe the development of megaplex theatres has accelerated the obsolescence of many previously existing movie theatres by setting new standards for moviegoers, who, in our experience, have demonstrated their preference for the more attractive surroundings, wider variety of films and superior customer service typical of megaplex theatres (see "Operating risks in the entertainment industry may affect the ability of our tenants to perform under their leases" and "Market prices for our securities may be affected by perceptions about the financial health or share value of our tenants or the performance of REIT stocks generally" under "Risk Factors").

We expect the development of megaplex theatres to continue in the United States and abroad for the foreseeable future. With the development of the stadium style megaplex theatre as the preeminent store format for cinema exhibition, the older generation of flat-floor theatres has generally experienced a significant downturn in attendance and performance. As a result of the significant capital commitment involved in building new megaplex theatre properties and the experience and industry relationships of our management, we believe we will continue to have opportunities to provide capital to businesses that seek to develop and operate these properties but would prefer to lease rather than own the properties in order to minimize the impact of real estate ownership on their financial statements. We believe our ability to finance these properties will enable us to continue to grow and diversify our asset base.

EPR was formed on August 22, 1997 as a Maryland real estate investment trust. We completed an initial public offering of our common shares on November 18, 1997. Our executive offices are located at 30 W. Pershing Road, Suite 201, Kansas City, Missouri 64108. Our telephone number is (816) 472-1700.

RECENT DEVELOPMENTS

ACQUISITIONS

Since January 1, 2004, we have acquired approximately \$235 million in rental properties, increasing our rental property asset base by approximately 21%.

On March 1, 2004, we acquired, through our wholly-owned subsidiaries, four entertainment retail centers anchored by AMC megaplex theatres located in Ontario, Canada. The properties are the Mississauga Entertainment Centrum located in suburban Toronto, the Oakville Entertainment Centrum located in suburban Toronto, the Whitby Entertainment Centrum located in suburban Toronto, and the Kanata Centrum Walk located in suburban Ottawa. The properties contained an aggregate of approximately 893,000 square feet of retail and entertainment space on the acquisition date. Our total acquisition cost for the properties was approximately US \$152 million, plus transaction costs. Approximately US \$27 million of the purchase price was paid in the form of 747,243 restricted common shares of EPR valued at US \$36.25 per share. We have filed an effective registration statement with the SEC to register the shares for resale by the sellers of the properties. The cash portion of the purchase price was paid in Canadian dollars and financed through Canadian-dollar nonrecourse fixed rate mortgage loans provided by GMAC Commercial Mortgage of Canada, Limited in the aggregate amount of approximately US \$97 million. For additional information about the acquisitions, see our current report on Form 8-K filed with the SEC on March 15, 2004 and amended on March 16, 2004, and our quarterly report on Form 10-Q for the quarter ended March 31, 2004, incorporated by reference herein.

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The following unaudited pro forma condensed income statements present income statement information for the year ended December 31, 2003 and the six months ended June 30, 2004 as if the Canadian properties and our interest in New Roc Associates, L.P., which owns the New Roc City entertainment retail center in New Rochelle, New York, had been acquired on January 1, 2003. The unaudited pro forma information includes all adjustments considered necessary to present such information in accordance with the requirements of Article 11 of Regulation S-X.

ENTERTAINMENT PROPERTIES TRUST
 UNAUDITED CONDENSED CONSOLIDATED PRO FORMA INCOME STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2003
 (In thousands except per share data)

	Historical Entertainment Properties Trust	Historical Courtney Square LP	Historical Kanata Centrum LP	Historical Whitby Centrum LP	Historical Oakville Centrum LP	Pro Forma Adjustments	
Rental revenue	\$ 89,965	\$ 2,686	\$ 5,232	\$ 3,220	\$ 4,270	\$ -	
Other income	1,195	34	21	8	19	-	
Total income	91,160	2,720	5,253	3,228	4,289	-	
Property operating expense	698	369	144	262	75	-	
General and administrative expense	3,859	-	-	-	-	-	
Interest expense, net	30,570	-	-	-	-	6,343	(1)
Depreciation and amortization	17,285	-	-	-	-	4,059	(2)
Income before minority interest and income from joint venture	38,748	2,351	5,109	2,966	4,214	(10,402)	
Equity in income from joint venture	401	-	-	-	-	-	
Minority interest	(1,555)	-	-	-	-	-	
Net income	\$ 37,594	\$ 2,351	\$ 5,109	\$ 2,966	\$ 4,214	\$ (10,402)	
Preferred dividend requirements	(5,463)	-	-	-	-	-	
Net income available to common shareholders	\$ 32,131	\$ 2,351	\$ 5,109	\$ 2,966	\$ 4,214	\$ (10,402)	

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Basic net income per common share	\$ 1.81
	=====
Diluted net income per common share	\$ 1.77
	=====

Shares used for
computation:

Basic	17,780
Diluted	19,051

747 (3)
747 (3)

NOTES:

- (1) We did not assume any of the existing debt on the Canadian properties; however, the purchase price was financed, in part, with debt of Cdn \$128.6 million with a fixed rate of 6.85% and a term of 10 years. Pro forma interest expense is computed using the average 2003 conversion rate of .72 to convert the annual interest expense of the debt from Canadian dollars to US dollars.
- (2) We purchased approximately US \$152 million in buildings and land with the acquisition of the properties in Ontario, Canada on March 1, 2004. Based on appraisals dated October 1, 2003 and management analysis, \$31.6 million, \$110.7 million and \$9.7 million were allocated to land, buildings and in-place leases, respectively. For the purpose of calculating pro forma depreciation and amortization, buildings are being depreciated over a 40-year life and in-place leases are being amortized over a 10- to 13-year life on a straight-line basis. In addition, term debt fee amortization related to the financing of the properties is being calculated based on \$1.2 million in term debt fees amortized over the term of the debt of 10 years.
- (3) We issued 747,243 common shares to the sellers of the Canadian properties.
- (4) We acquired an ownership interest in New Roc Associates, L.P. (New Roc) on October 27, 2003. Pro forma information related to New Roc for the period from January 1, 2003 to October 27, 2003, as if it had been acquired on January 1, 2003, is presented above. For additional information regarding New Roc, see our current report on Form 8-K/A dated October 27, 2003. Certain reclassifications of pro forma information as presented in that Form 8-K/A have been made in the tabular presentation set forth above.

ENTERTAINMENT PROPERTIES TRUST
UNAUDITED CONDENSED CONSOLIDATED PRO FORMA INCOME STATEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2004
(in thousands except per share data)

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	Historical Entertainment Properties Trust	Historical Courtney Square LP	Historical Kanata Centrum LP	Historical Whitby Centrum LP	Historical Oakville Centrum LP	P Ad Janu Febru
Rental revenue	\$58,964	\$434	\$877	\$514	\$735	\$
Other income	95	-	1	-	1	-
Total income	59,059	434	878	514	736	-
Property operating expense	1,125	53	101	77	11	-
General and administra- tive expense	2,606	-	-	-	-	-
Interest expense, net	19,978	-	-	-	-	-
Depreciation and amorti- zation	11,696	-	-	-	-	-
Income before minority interest and income from joint ventures	23,654	381	777	437	725	-
Equity in income from joint ventures	310	-	-	-	-	-
Minority interest	(919)	-	-	-	-	-
Net income	\$23,045	\$381	\$777	\$437	\$725	\$
Preferred dividend requirements	(2,731)	-	-	-	-	-
Net income available to common shareholders	\$20,314	\$381	\$777	\$437	\$725	\$
Basic net income per common share	\$ 0.97					
Diluted net income per common share	\$ 0.94					
Shares used for computation:						
Basic	20,969					
Diluted	22,411					

Notes:

(1) We did not assume any of the existing debt on the Canadian properties; however, the purchase price was financed, in part, with debt of Cdn \$128.6 million with a fixed rate of 6.85% and a term of 10 years. Pro forma interest expense for the two months ended February 29, 2004 is computed using the average conversion rate for that period of .76 to convert the annual interest expense on the debt from Canadian dollars to U.S. dollars.

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(2) We purchased approximately \$152 million in buildings and land with the acquisition of the properties in Ontario, Canada on March 1, 2004. Based on appraisals dated October 1, 2003 and management analysis, \$31.6 million, \$110.7 million and \$9.7 million were allocated to land, buildings and in-place leases, respectively. For the purpose of calculating pro forma depreciation and amortization, buildings are being depreciated over a 40-year life and in-place leases are being amortized over a 10- to 13-year life on a straight-line basis. In addition, term debt fee amortization related to the financing of the properties is being calculated based on \$1.2 million in term debt fees amortized over the term of the debt of 10 years.

(3) We issued 747,243 common shares to the sellers of the Canadian properties on March 1, 2004. Pro forma shares were calculated for the two months ended February 29, 2004.

On March 31, 2004, we acquired from AMC the AMC Hamilton 24 theatre in suburban Trenton, New Jersey, the AMC Deer Valley 30 theatre in suburban Phoenix, Arizona and the AMC Mesa Grand 24 theatre in Mesa, Arizona for an aggregate purchase price of approximately \$64.2 million. The acquisition price was financed through a term loan in the amount of \$64.2 million which was repaid with the proceeds of the 2,587,500 common share offering referred to below. The theatres contain an aggregate of 78 screens and have been leased-back to AMC under long-term triple-net leases.

On July 28, 2004, we acquired an 18-screen Rave megaplex theatre constructed on real estate owned by us in Peoria, Illinois for a purchase price of approximately \$10.9 million, and a 16-screen Southern Theatres megaplex theatre constructed on real estate of which we are ground lessee in Lafayette, Louisiana for a purchase price of approximately \$8.3 million. The theatres have been leased-back to the operators under long-term triple-net leases.

COMMON SHARE OFFERINGS

On April 26, 2004, we completed an offering of 2,250,000 common shares. The underwriters also exercised an over-allotment option for 337,500 additional shares for a total issuance of 2,587,500 shares. Net proceeds of the offering were approximately \$81.9 million and were used to repay the \$64.2 million term loan referred to above, reduce borrowings under our credit line and for other corporate purposes.

On June 28, 2004, we completed an offering of 1,000,000 common shares. Net proceeds of this offering were approximately \$35.4 million and were used to reduce borrowings under our credit line and for other corporate purposes.

FINANCINGS AND LINES OF CREDIT

On February 27, 2004, we entered into a second general partnership joint venture with Atlantic of Hamburg, Germany (referred to in this prospectus as Atlantic). We contributed the AMC Tampa Veterans 24 theatre to the partnership in exchange for a 20% interest in the partnership and \$8.24 million in cash. Atlantic has an 80% interest in the partnership. Commencing January 1, 2007, Atlantic will have the right to exchange up to 10% of its interest in the partnership annually for common shares of EPR valued at the market price or, at our option, the cash value of those shares.

On March 29, 2004, we amended our secured revolving credit facility with Fleet National Bank (referred to in this prospectus as the Fleet Credit Facility), to increase the maximum amount available for borrowing from \$50 million to \$150 million, subject to compliance with the borrowing base and other covenants, extend the term to three years plus a one-year extension option and

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reduce the cost of the facility to a pricing grid of LIBOR plus 175 to 250 basis points. On April 1, 2004, we used approximately \$20 million in borrowings under the Fleet Credit Facility to pay off our secured credit facility with iStar Financial and terminated the iStar credit facility. As a result of terminating the iStar credit facility, we paid a prepayment penalty of \$404 thousand and recorded a non-cash expense during the second quarter of 2004 to write-off approximately \$730 thousand of unamortized financing fees related to the iStar credit facility. We intend to use future borrowings under the Fleet Credit Facility in the acquisition of properties.

DIVIDEND INCREASE

On March 17, 2004, our Board of Trustees approved a 12.5% increase in our quarterly common share dividend to \$0.5625 per share for the first quarter of 2004. We also paid a dividend of \$0.5625 per share for the second quarter of 2004. We anticipate that the aggregate dividend paid on our common shares for 2004 will be approximately \$2.25 per share, compared to an aggregate dividend of \$2.00 per share paid in 2003.

DEVELOPMENT PROJECTS

We had a total of six theatre projects under development as of September 1, 2004. These theatres will have a total of 96 screens and their total development cost (including land) will be approximately \$70.9 million. We have purchased the underlying land for an aggregate of \$17.1 million, and intend to fund the remaining development costs through our Fleet Credit Facility and/or the issuance of additional equity. The properties are being developed by the prospective tenants. Development costs are advanced by us either in periodic draws or upon successful completion of construction. If we determine that construction is not being completed in accordance with the terms of a development agreement, we can discontinue funding construction draws or refuse to purchase the completed theatre. We have agreed to acquire the theatres and lease them back to the operators at pre-determined rates.

BUSINESS OBJECTIVES AND STRATEGIES

Our primary business objective is to continue enhancing shareholder value by achieving predictable and increasing Funds from Operations ("FFO") per share through the acquisition of high-quality properties leased to leading entertainment and entertainment-related business operators. FFO, a non-GAAP financial measure, as defined by the National Association of Real Estate Investment Trusts (NAREIT), means net income (computed in accordance with GAAP), excluding gains and losses from sales of depreciable operating properties, plus depreciation and amortization, and after adjustments for unconsolidated joint ventures and other affiliates. See our annual report on Form 10-K for the year ended December 31, 2003 and our quarterly reports on Form 10-Q for the quarters ended March 31 and June 30, 2004 incorporated by reference herein for reconciliations of FFO to GAAP Net Income Available to Common Shareholders. We intend to achieve this objective by continuing to execute the Growth Strategies, Operating Strategies and Capitalization Strategies described below.

GROWTH STRATEGIES

FUTURE PROPERTIES

We intend to continue pursuing acquisitions of high-quality entertainment-related properties from operators with a strong market presence. As a part of our growth strategy, we will consider entering into additional joint ventures with other developers or investors in real estate, developing additional megaplex theatre properties and developing or acquiring additional

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multi-tenant, entertainment retail centers and single-tenant, out-of-home, location-based entertainment and entertainment-related properties. We may also evaluate and acquire in the future other types of income - producing properties we believe would add value to our shareholders.

OPERATING STRATEGIES

LEASE RISK MINIMIZATION

To avoid initial lease-up risks and produce a predictable income stream, we typically acquire single-tenant properties that are leased under long-term leases. We believe our willingness to make long-term investments in properties offers tenants financial flexibility and allows tenants to allocate capital to their core businesses. Although we will continue to emphasize single-tenant properties, we have also acquired and may continue to acquire multi-tenant properties that we believe add value to our shareholders.

LEASE STRUCTURE

We typically structure leases on a triple-net basis under which the tenants bear the principal portion of the financial and operational responsibility for the properties. During each lease term and any renewal periods, the leases typically provide for periodic increases in rent and/or percentage rent based upon a percentage of the tenant's gross sales over a pre-determined level. In our multi-tenant property leases and some of our theatre leases, we require the tenant to pay a common area maintenance charge to defray its pro rata share of insurance, taxes and common area maintenance costs.

TENANT RELATIONSHIPS

We intend to continue developing and maintaining long-term working relationships with theatre, retail, restaurant and other entertainment-related business operators and developers by providing capital for multiple properties on a national, international or regional basis, thereby enhancing efficiency and value to those operators and to the Company.

PORTFOLIO DIVERSIFICATION

We will endeavor to further diversify our asset base by property type, geographic location and tenant. In pursuing this diversification strategy, we will target theatre, restaurant, retail and other entertainment-related business operators which management views as leaders in their market segments and which have the financial strength to compete effectively and perform under their leases with us. We may also evaluate and acquire in the future other types of income-producing properties we believe would add value to our shareholders.

CAPITALIZATION STRATEGIES

USE OF LEVERAGE; DEBT TO TOTAL CAPITALIZATION

We seek to enhance shareholder return through the use of leverage (see "Risk Factors - "There is risk in using debt to fund property acquisitions"). In addition, we have issued and may in the future issue additional equity as circumstances warrant and opportunities to do so become available. We expect to maintain a debt to total capitalization ratio (defined as total debt of the Company as a percentage of shareholders' equity plus total debt) of approximately 50% to 55%.

JOINT VENTURES

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We will examine and pursue additional potential joint venture opportunities with institutional investors or developers if they are considered to add value to our shareholders. We may employ higher leverage in joint ventures (see "Risk Factors - There are risks involved in joint venture investments").

PAYMENT OF REGULAR DISTRIBUTIONS

We have paid and expect to continue paying quarterly dividend distributions to our common and preferred shareholders. Our Series A Preferred Shares have a fixed dividend rate of 9.5%. Among the factors the Board of Trustees considers in setting our common share dividend rate are the applicable REIT rules and regulations that apply to distributions, our results of operations, including FFO per share, and our Cash Available for Distribution (defined as net cash flow available for distribution after payment of operating expenses, debt service, and other obligations). We expect to continue periodically increasing distributions on our common shares as FFO and Cash Available for Distribution increase and as other considerations and factors warrant (see "Risk Factors - We cannot assure you we will continue paying dividends at historical rates").

PROPERTIES

The following table lists, as of September 1, 2004, our rental properties, their locations, acquisition dates, number of theatrescreens, number of seats, gross square footage, and the tenant. Except as otherwise noted, all of the real estate investments listed below are owned or ground leased directly by us.

PROPERTY -----	Location -----	Acquisition Date -----	Screens -----	Seats -----
MEGAPLEX THEATRE PROPERTIES				
Grand 24(3).....	Dallas, TX	11/97	24	5,06
Mission Valley 20 (1)(3).....	San Diego, CA	11/97	20	4,36
Promenade 16(3).....	Los Angeles, CA	11/97	16	2,86
Ontario Mills 30(3).....	Los Angeles, CA	11/97	30	5,46
Lennox 24 (1)(3).....	Columbus, OH	11/97	24	4,41
West Olive 16(3).....	St. Louis, MO	11/97	16	2,81
Studio 30(3).....	Houston, TX	11/97	30	6,03
Huebner Oaks 24(3).....	San Antonio, TX	11/97	24	4,40
First Colony 24 (1)(6).....	Houston, TX	11/97	24	5,09
Oakview 24 (1)	Omaha, NE	11/97	24	5,09
Leawood Town Center 20(6).....	Kansas City, MO	11/97	20	2,99
Gulf Pointe 30 (2)(6).....	Houston, TX	2/98	30	6,00
South Barrington 30(6).....	Chicago, IL	3/98	30	6,21
Cantera 30 (2)(5).....	Chicago, IL	3/98	30	6,21
Mesquite 30 (2)(6).....	Dallas, TX	4/98	30	6,00
Hampton Town Center 24(6).....	Norfolk, VA	6/98	24	5,09
Raleigh Grande Cinema 16(4).....	Raleigh, NC	8/98	16	2,59
Pompano 18(4).....	Pompano Beach, FL	8/98	18	3,42
Paradise 24(6).....	Davie, FL	11/98	24	4,18
Boise Stadium (1)(4).....	Boise, ID	12/98	20	4,73
Aliso Viejo 20(6).....	Los Angeles, CA	12/98	20	4,35
Westminster 24(7).....	Westminster, CO	6/99	24	4,81
Woodridge 18 (2)(9).....	Woodridge, IL	6/99	18	4,40
Starlight 20(9).....	Tampa, FL	6/99	20	3,92

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Palm Promenade 24(9)	San Diego, CA	1/00	24	4,57
Crossroads 20(9)	Raleigh, NC	1/00	20	3,93
Elmwood Palace 20(9)	New Orleans, LA	3/02	20	4,35
Clearview Palace 12(9)	New Orleans, LA	3/02	12	2,47
Hammond Palace 10(9)	New Orleans, LA	3/02	10	1,53
Houma Palace 10(9)	New Orleans, LA	3/02	10	1,87
WestBank Palace 16(9)	New Orleans, LA	3/02	16	3,17
Olathe Station 30(9)	Kansas City, MO	6/02	30	4,20
Forum 30(9)	Detroit, MI	6/02	30	5,04
Cherrydale 16(9)	Greenville, SC	6/02	16	2,74
Livonia 20(9)	Detroit, MI	8/02	20	3,80
Hoffman Town Centre 22(9)	Alexandria, VA	10/02	22	4,15
Colonel Glenn 18(11)	Little Rock, AR	12/02	18	4,12
AmStar Cinema 16(11)	Macon, GA	3/03	16	2,95
Star Southfield 20(11)	Detroit, MI	5/03	20	7,00
Southwind 12(11)	Lawrence, KS	6/03	12	2,48
Veterans 24(8)	Tampa, FL	6/03	24	4,58
Columbiana Grande 14(11)	Columbia, SC	9/03	14	2,95
New Roc City 18 and IMAX(10)	New Rochelle, NY	10/03	18	3,24
Harbour View Grand 16(11)	Suffolk, VA	11/03	16	3,09
The Grand 18 (11)(12)	Hialeah, FL	12/03	18	4,01
Mississauga 16(13)	Toronto, ON	3/04	16	3,85
Oakville 24(13)	Toronto, ON	3/04	24	4,77
Whitby 24(13)	Toronto, ON	3/04	24	4,68
Kanata 24(13)	Ottawa, ON	3/04	24	4,76
Deer Valley 30(11)	Phoenix, AZ	3/04	30	5,87
Mesa Grand 24(11)	Mesa, AZ	3/04	24	4,53
Hamilton 24(11)	Hamilton, NJ	3/04	24	4,26
Rave Peoria 18(11)	Peoria, IL	7/04	18	4,06
Lafayette Grand 16(11)	Lafayette, LA	7/04	16	2,74
SUBTOTAL.....			1,142	226,43
RETAIL, RESTAURANT AND OTHER PROPERTIES			=====	=====
Westminster Promenade(11)	Westminster, CO	10/98	--	--
Pompano Kmart.....	Pompano Beach, FL	11/98	--	--
Pompano Restaurant.....	Pompano Beach, FL	11/98	--	--
On-The-Border.....	Dallas, TX	1/99	--	--
Texas Roadhouse.....	Dallas, TX	1/99	--	--
Bennigan's.....	Houston, TX	5/00	--	--
Bennigan's.....	Dallas, TX	5/00	--	--
Texas Land & Cattle.....	Houston, TX	5/00	--	--
Roadhouse Grill.....	Atlanta, GA	8/00	--	--
Johnnie Carino's.....	Dallas, TX	3/03	--	--
Star Southfield Center(11)	Detroit, MI	5/03	--	--
Hawaiian Falls Adventure Water Park.....	Garland, TX	5/03	--	--
Cherrydale Shops.....	Greenville, SC	6/03	--	--
New Roc City(10)	New Rochelle, NY	10/03	--	--
Harbor View Station(11)	Suffolk, VA	11/03	--	--
Whitby Entertainment Centrum(13)	Toronto, ON	3/04	--	--
Oakville Entertainment Centrum(13)	Toronto, ON	3/04	--	--
Mississauga Entertainment Centrum(13)	Toronto, ON	3/04	--	--
Kanata Entertainment Centrum(13)	Ottawa, ON	3/04	--	--
SUBTOTAL.....			--	--

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TOTAL.....

1,142 226,43
=====

- (1) Third party ground leased property. Although we are the tenant under the ground leases and have ultimate responsibility for performing the obligations under the ground leases, pursuant to the theatre leases, the theatre operators are responsible for performing our obligations under the ground leases.
- (2) In addition to the theatre property itself, we have acquired land parcels adjacent to the theatre property, which we have or intend to ground lease or sell to restaurant or other entertainment-themed operators.
- (3) Property is included as security for a \$105 million mortgage facility.
- (4) Property is included as security for a \$20 million mortgage facility.
- (5) Property is included in the Atlantic - EPR I joint venture and as security for a \$17.8 million mortgage facility.
- (6) Property is included as security for a \$125 million mortgage facility.
- (7) Property is included as security for a \$17 million mortgage.
- (8) Property is included in the Atlantic - EPR II joint venture and as security for a \$14.6 million mortgage facility.
- (9) Property is included as security for \$155.5 million in commercial mortgage pass-through certificates.
- (10) Property is included in a joint venture and as security for a \$66 million mortgage facility and a \$4 million credit facility.
- (11) Property is included as security for the Fleet Credit Facility.
- (12) We own the ground on which the theatre is constructed and have entered into a ground lease with the theatre operator.
- (13) Property is included as security for a \$97 million Canadian mortgage facility.

OFFICE LOCATION

Our executive office is located in Kansas City, Missouri and is leased from a third party landlord. The office occupies approximately 10,960 square feet with annual rentals of \$192,000. The lease expires in December 2009.

TENANTS AND LEASES

As of September 1, 2004, our existing megaplex theatre leases provided for aggregate annual rentals of approximately \$98.3 million (on a consolidated basis, excluding two unconsolidated joint venture properties), or an average annual rental of approximately \$1.9 million per property. The leases are typically triple-net leases that require the tenant to pay substantially all expenses associated with the operation of the properties, including taxes, other governmental charges, insurance, utilities, service, maintenance and any ground lease payments. As of September 1, 2004, our existing retail and other leases provided

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for aggregate annual rentals of approximately \$17.9 million (on a consolidated basis, including joint venture properties), or an average annual rental of approximately \$128 thousand per property.

USE OF PROCEEDS

All net proceeds from the sale of the shares will go to the selling shareholders. We will not receive any of the proceeds from the sale of shares by the selling shareholders.

U.S. FEDERAL INCOME TAX CONSEQUENCES

The following summary of certain material U.S. federal income tax consequences is based on current law and does not address all aspects of taxation that may be relevant to particular shareholders in light of their personal investment or tax circumstances, or to certain types of shareholders (including insurance companies, financial institutions and broker-dealers) subject to special treatment under U.S. federal income tax laws.

YOU SHOULD CONSULT YOUR OWN TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND SALE OF SHARES.

We believe we have operated in a manner that permits EPR to satisfy the requirements for qualification and taxation as a REIT under the applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"). We intend to continue to satisfy those requirements. No assurance can be given, however, that these requirements will be met.

The provisions of the Code and the Treasury Regulations thereunder relating to qualification and operation as a REIT are highly technical and complex. The following describes certain material aspects of the laws that govern the U.S. federal income tax treatment of a REIT and its shareholders. This summary is qualified in its entirety by the applicable Code provisions, rules and Treasury Regulations thereunder, and administrative and judicial interpretations thereof.

In the opinion of Sonnenschein Nath & Rosenthal LLP, the Company is organized in conformity with the requirements for qualification as a REIT for U.S. federal income tax purposes, and its current method of operation has enabled and will continue to enable it to meet the requirements for qualification and taxation as a REIT under the Code. It must be emphasized that this opinion is based solely on information and representations made by our management. Moreover, our qualification and taxation as a REIT depend upon our ability to meet, through actual annual operating results, distribution levels and diversity of share ownership, and various qualification tests imposed under the Code discussed below, the results of which will not be reviewed by Sonnenschein Nath & Rosenthal LLP. Accordingly, no assurance can be given by counsel or the Company that the actual results of our operations for any particular taxable year will satisfy these requirements (see "Failure to Qualify"). Sonnenschein Nath & Rosenthal LLP will not review our compliance with these tests, and has not undertaken to update its opinion subsequent to the date of this prospectus.

In brief, if certain detailed conditions imposed by the REIT provisions of the Code are satisfied, entities such as EPR that invest primarily in real estate and that otherwise would be treated for U.S. federal income tax purposes as corporations are generally not taxed at the corporate level on their "REIT Taxable Income" (generally the REIT's taxable income adjusted for, among other things, the disallowance of the dividends-received deduction generally available to corporations) that is currently distributed to shareholders. This treatment

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substantially eliminates the "double taxation" (i.e., taxation at both the corporate and shareholder levels) that generally results from investing in corporations.

If EPR fails to qualify as a REIT in any year, we will be subject to U.S. federal income tax as if we were a domestic corporation, and our shareholders will be taxed in the same manner as shareholders of ordinary corporations. In this event, EPR could be subject to potentially significant tax liabilities and the amount of cash available for distribution to our shareholders could be reduced.

TAXATION OF THE COMPANY

GENERAL

In any year in which EPR qualifies as a REIT, in general, we will not be subject to U.S. federal income tax on that portion of our net income that we distribute to shareholders. However, EPR will be subject to U.S. federal income tax in these regards: (1) EPR will be taxed at regular corporate rates on any undistributed REIT Taxable Income, including

undistributed net capital gains (however, a REIT can elect to "pass through" any of its taxes paid on its undistributed net capital gain to its shareholders on a pro rata basis), (2) under certain circumstances, EPR may be subject to the "alternative minimum tax" on any items of tax preference, (3) if EPR has: (i) net income from the sale or other disposition of "foreclosure property" which is held primarily for sale to customers in the ordinary course of business; or (ii) other nonqualifying income from foreclosure property, we will be subject to tax at the highest corporate rate on such income, (4) if EPR has net income from "prohibited transactions" (which are, in general, certain sales or other dispositions of property held primarily for sale to customers in the ordinary course of business other than (i) foreclosure property, and (ii) property held for at least four years, meeting certain additional requirements), such income will be subject to a 100% tax, (5) if EPR fails to satisfy the 75% gross income test or the 95% gross income test (as discussed below), and has nonetheless maintained its qualification as a REIT because certain other requirements have been met, we will be subject to a 100% tax on an amount equal to (a) the gross income attributable to the greater of the amount by which EPR fails the 75% gross income test or a 90% gross income threshold, multiplied by (b) a fraction intended to reflect EPR's profitability, (6) if EPR fails to distribute during each calendar year at least the sum of: (i) 85% of our ordinary income for that year; (ii) 95% of our capital gain net income for that year; and (iii) any undistributed taxable income from prior periods, EPR would be subject to a 4% excise tax on the excess of such required distribution over the amounts actually distributed, (7) if EPR acquires any asset from a C corporation (generally, a corporation subject to full corporate-level tax) in a transaction in which the basis of the asset in EPR's hands is determined by reference to the basis of the asset (or any other property) in the hands of the C corporation and no election is made for any gains on such transaction to be taxed currently, and EPR recognizes gain on the disposition of such asset during the 10-year period beginning on the date on which that asset was acquired by EPR, then, to the extent of any built-in gain at the time of acquisition, such gain will be subject to tax at the highest regular corporate rate, (8) if EPR has certain redetermined rents, deductions and excess interest between itself and a taxable REIT subsidiary, a 100% tax could apply to such amounts, and (9) a 35% tax could apply to any excess inclusions allocable to any disqualified entities that hold interests in EPR.

REQUIREMENTS FOR QUALIFICATION

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The Code defines a REIT as a corporation, trust or association (1) which is managed by one or more trustees or directors, (2) the beneficial ownership of which is evidenced by transferable shares, or by transferable certificates of beneficial interest, (3) which would be taxable as a domestic corporation but for Sections 856 through 859 of the Code, (4) which is neither a financial institution nor an insurance company subject to certain provisions of the Code, (5) the beneficial ownership of which is held by 100 or more persons (the "100 person test"), (6) not more than 50% in value of the outstanding shares of which is owned, directly or indirectly, by five or fewer individuals (as defined in the Code) at any time during the last half of each taxable year (the "closely-held test"), (7) which has elected to be treated as a REIT, and (8) which meets certain other tests, described below, regarding distributions and the nature of its income and assets. The Code provides that conditions (1) through (4) must be met during the entire taxable year and that condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months. Conditions (5) and (6) did not apply until after the first taxable year for which an election was made by EPR to be taxed as a REIT. A REIT's failure to satisfy condition (6) during a taxable year will not result in its disqualification as a REIT under the Code for that taxable year as long as (i) the REIT satisfies the shareholder demand statement requirements described in the succeeding paragraph and (ii) the REIT did not know, or exercising reasonable diligence, would not have known, whether it had failed condition (6). A REIT must also report its income for U.S. federal income tax purposes based on the calendar year.

In order to assist EPR in complying with the 100 person test and the closely-held test, and for certain non-tax purposes, we have placed certain restrictions on the transfer of our shares to prevent further concentration of share ownership (See "Description of Securities"). To evidence compliance with these requirements, we must maintain records which disclose the actual ownership of our outstanding shares. In fulfilling our obligations to maintain records, we must demand written statements each year from the record holders of designated percentages of our shares disclosing the actual owners of the shares. A list of those persons failing or refusing to comply with such demand must be maintained as part of EPR's records. A shareholder failing or refusing to comply with EPR's written demand must submit with his or her tax returns a similar statement disclosing the actual ownership of shares and certain other information. EPR's Declaration of Trust imposes restrictions on the transfer of shares that are intended to assist EPR in continuing to satisfy the share ownership requirements, among other purposes.

Although EPR intends to satisfy the shareholder demand letter rules described in the preceding paragraph, our failure to satisfy these requirements may result in the imposition of IRS penalties.

In the case of a REIT that is a partner in a partnership, Treasury Regulations provide that the REIT will be deemed to own its proportionate share of the assets of the partnership and will be deemed to be entitled to the income of the partnership attributable to that share. In addition, the character of the assets and gross income of a partnership shall retain the same character in the hands of a partner qualifying as a REIT for purposes of Section 856 of the Code, including satisfying the gross income tests and the asset tests described below.

ASSET TESTS

At the close of each quarter of EPR's taxable year, EPR must satisfy two tests relating to the nature of its assets. First, at least 75% of the value of EPR's total assets must be represented by (1) interests in real property, (2) interests in mortgages on real property, (3) shares in other REIT's, (4) cash, (5) cash items (including receivables arising in the ordinary course of the

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REIT's business) and (6) government securities (as well as certain temporary investments in stock or debt instruments purchased with the proceeds of new capital raised by EPR for the one-year period beginning on the date of receipt of such new capital). Second, (a) not more than 25% of the value of a REIT's total assets can consist of securities except for items described in paragraphs (1) through (6), (b) not more than 20% of the value of a REIT's total assets can be represented by securities of one or more taxable REIT subsidiaries, and (c) except with respect to taxable REIT subsidiaries and the securities previously mentioned in paragraphs (1) through (6), (i) not more than 5% of the value of the REIT's total assets can consist of securities of any one issuer, (ii) the REIT cannot hold securities having a value of more than 10% of the total voting power of the outstanding securities of any one issuer and (iii) the REIT cannot hold securities having a value of more than 10% of the total value of the outstanding securities of any one issuer. For purposes of the requirements of paragraph (iii), certain "straight debt" obligations may be disregarded if certain requirements are met. EPR may own "qualified REIT subsidiaries," which are, in general, corporate subsidiaries 100% owned by a REIT which do not elect to be treated as a taxable REIT subsidiary. All assets, liabilities and items of income, deduction and credit of a qualified REIT subsidiary will be treated as owned and realized directly by EPR. For purposes of the asset requirements, the securities of a qualified REIT subsidiary will be ignored.

A taxable REIT subsidiary is generally any corporation the stock of which is owned in whole or in part by a REIT and with respect to which both the REIT and the subsidiary elect that it be taxed as a taxable REIT subsidiary.

GROSS INCOME TESTS

There are two separate percentage tests relating to the sources of EPR's gross income which must be satisfied for each taxable year.

THE 75% TEST. At least 75% of EPR's gross income for each taxable year must be "qualifying income." Qualifying income generally includes (i) "rents from real property" (except as modified below), (ii) interest on obligations collateralized by mortgages on, or interests in, real property, (iii) gain from the sale or other disposition of interests in real property and real estate mortgages, other than gain from property held primarily for sale to customers in the ordinary course of EPR's trade or business ("dealer property"), (iv) dividends or other distributions on shares in other REITs, as well as gain from the sale of those shares, (v) abatements and refunds of real property taxes, (vi) income from the operation, and gain from the sale, of property acquired at or in lieu of a foreclosure of the mortgage collateralized by such property ("foreclosure property"), (vii) commitment fees received for agreeing to make loans collateralized by mortgages on real property or to purchase or lease real property, (viii) "qualified temporary investment income," and (ix) gain from the sale or other disposition of a real estate asset which is not a prohibited transaction.

In addition, rents received from a tenant generally will not qualify as rents from real property in satisfying the 75% test (or the 95% test described below) if EPR, or an owner of 10% or more of EPR, directly or constructively owns 10% or more of the voting power or value of that tenant, if that tenant is a corporation, or 10% or more of the assets or net profits of the tenant, if the tenant is not a corporation (a "related party tenant"). In addition, if rent attributable to personal property, leased in connection with a lease of real property, is greater than 15% of the total rent received under the lease on a fair market value basis, then the portion of rent attributable to such personal property will not qualify as rents from real property. Moreover, any amount received or accrued, directly or indirectly, generally will not qualify as rents from real property (or as interest income) for purposes of the 75% and 95% gross income tests if it is based in whole or in part on the income or profits of any person. Rent or interest will not be disqualified, however, solely by reason of

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being based on a fixed percentage of receipts or sales. Finally, for rents received to qualify as rents from real property, EPR generally must not operate or manage the property or furnish or render services to tenants, other than through an "independent contractor" from whom EPR does not derive or receive any income, or through a taxable REIT subsidiary. The "independent contractor" requirement, however,

does not apply to the extent the services provided by EPR are "usually or customarily rendered" in connection with the rental of space for occupancy only, and are not otherwise considered "rendered to the occupant." For both the related party tenant rules and determining whether an entity qualifies as an independent contractor, certain attribution rules of the Code apply, pursuant to which shares held by one entity are deemed held by another.

Amounts paid to a REIT by a taxable REIT subsidiary as rent will not be excluded from rents from real property if at least 90% of the leased space of the property is rented to persons other than the taxable REIT subsidiary of such REIT and other than persons that are considered related under Section 856(d)(2)(B) of the Code and the amount paid is substantially comparable to rents paid by other tenants of the REIT's property for comparable space.

THE 95% TEST. In addition to deriving 75% of its gross income from the sources listed above, at least 95% of EPR's gross income for each taxable year must be derived from the above-described qualifying income, or from dividends, interest or gains from the sale or disposition of stock or other securities that are not dealer property. Dividends and interest on any obligation not collateralized by an interest in real property are included for purposes of the 95% test, but not for purposes of the 75% test. Furthermore, income earned on interest rate swaps and caps entered into as liability hedges against indebtedness incurred to acquire or carry real property qualify for the 95% test (but not the 75% test). In certain cases, Treasury Regulations treat a debt instrument and a liability hedge as a synthetic debt instrument for all purposes of the Code. If a liability hedge entered into by a REIT is subject to these rules, income earned thereon will operate to reduce its interest expense, and, therefore such income will not affect the REIT's compliance with either the 75% or 95% tests.

Even if EPR fails to satisfy one or both of the 75% or 95% tests for any taxable year, it may still qualify as a REIT for that year if it is entitled to relief under certain provisions of the Code. These relief provisions will generally be available if (i) EPR's failure to comply was due to reasonable cause and not to willful neglect, (ii) EPR reports the nature and amount of each item of its income included in the 75% and 95% tests on a schedule attached to its tax return, and (iii) any incorrect information on this schedule is not due to fraud with intent to evade tax. It is not possible, however, to state whether in all circumstances EPR would be entitled to the benefit of these relief provisions. If these relief provisions apply, EPR will, as discussed above, still be subject to a special tax upon the greater of the amount by which it fails either the 75% test or 90% threshold for that year.

ANNUAL DISTRIBUTION REQUIREMENTS

In order to qualify as a REIT, we are required to make distributions (other than capital gain distributions) to our shareholders each year in an amount at least equal to (A) the sum of (i) 90% of EPR's REIT Taxable Income (computed before deductions for dividends paid and excluding net capital gain), and (ii) 90% of the net income (after tax), if any, from foreclosure property, minus (B) the sum of certain items of non-cash income. Such distributions must be paid in the taxable year to which they relate, or in the following taxable year if declared before we timely file our tax return for that year and if paid on or

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before the first regular distribution payment after such declaration. To the extent we do not distribute all of our net capital gain or distribute at least 90%, but less than 100%, of our REIT Taxable Income, as adjusted, we will be subject to tax on the undistributed amount at regular capital gains or ordinary corporate tax rates, as the case may be. (However, a REIT can elect to "pass through" any of its taxes paid on its undistributed net capital gain to its shareholders on a pro rata basis). Furthermore, if the REIT should fail to distribute during each calendar year at least the sum of (i) 85% of its ordinary income for that year, (ii) 95% of its net capital gain for that year, and (iii) any undistributed taxable income from prior periods, the REIT would be subject to a 4% excise tax on the excess of such required distribution over the amounts actually distributed. For these purposes, dividends declared to shareholders of record in October, November or December of one calendar year and paid by January 31 of the following calendar year are deemed paid as of December 31 of the initial calendar year.

We believe that we have made and will make timely distributions sufficient to satisfy the annual distribution requirements. It is possible that in the future we may not have sufficient cash or other liquid assets to meet the 90% distribution requirement, due to timing differences between the actual receipt of income and actual payment of expenses on the one hand, and the inclusion of such income and deduction of such expenses in computing our REIT Taxable Income on the other hand. Further, it is possible that from time to time, we may be allocated a share of net capital gain attributable to any depreciated property we sell that exceeds our allocable share of cash attributable to that sale. To avoid any problem with the 90% distribution requirement, we will closely monitor the relationship between our REIT Taxable Income and cash flow and, if necessary, will borrow funds in order to satisfy the distribution requirement (See "Risk Factors").

If it is "determined" that we failed to meet the 90% distribution requirement as a result of an "adjustment" to our tax return by the IRS, we may retroactively cure the failure by paying a "deficiency dividend" (plus applicable penalties and interest) within a specified period.

FAILURE TO QUALIFY

If we fail to qualify for taxation as a REIT in any taxable year and the relief provisions do not apply, we will be subject to tax (including any applicable alternative minimum tax) on our taxable income at regular corporate rates. Distributions to shareholders in any year in which we fail to qualify will not be deductible by us, nor will they be required to be made. In such event, to the extent of our current and accumulated earnings and profits, all distributions to shareholders will be taxable as ordinary income, and, subject to certain limitations in the Code, corporate shareholders may be eligible for the dividends-received deduction. In addition, individual shareholders would be taxable on such dividends at a current tax rate of 15%. Unless entitled to relief under specific statutory provisions, we (and any successor of us) will also be disqualified from taxation as a REIT for the four taxable years following the year during which qualification was lost. It is not possible to state whether we would be entitled to such statutory relief.

RECENT TAX LEGISLATION

On May 28, 2003, the President signed into law the Jobs and Growth Tax Relief Reconciliation Act of 2003, which reduces the maximum tax rate for both dividends and long-term capital gains to 15% for most non-corporate taxpayers. Because we generally are not subject to U.S. federal income tax on the portion of our REIT Taxable Income or capital gains distributed to our shareholders, our dividends generally are not eligible for the reduced rate and will continue to

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be taxed at the higher tax rates applicable to ordinary income. However, the new 15% rate does apply to (i) long-term capital gains, if any, recognized on the disposition of our shares; (ii) our dividends designated as long-term capital gain dividends (except to the extent attributable to (a) real estate depreciation, in which case such distributions continue to be subject to tax at a 25% rate), and (b) collectibles and certain small business stock, in which case such distributions continue to be subject to tax at a 28% rate); (iii) our dividends to the extent attributable to dividends received by us from any non-REIT corporations, such as taxable REIT subsidiaries, if applicable; and (iv) our dividends to the extent attributable to income upon which we have paid corporate income tax (for example, if we distribute taxable income that we retained and paid tax on in the prior year).

The dividend and capital gains rate reductions provided in the Jobs and Growth Tax Relief Reconciliation Act of 2003 generally are effective for taxable years ending on or after May 6, 2003, except that the reductions do not apply to taxable years beginning after December 31, 2008. Absent future legislation, the maximum tax rate on long-term capital gains will return to 20% for taxable years beginning in 2009, and the maximum tax rate on dividends paid to individuals will increase to 35% in 2009 and 39.6% in 2011.

TAXATION OF SHAREHOLDERS

TAXATION OF TAXABLE DOMESTIC SHAREHOLDERS

As used herein, the term "U.S. Shareholder" means a holder of shares who (for U.S. federal income tax purposes) (i) is a citizen or resident of the United States, (ii) is a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof (except, in the case of a partnership, the Treasury provides otherwise by regulations), (iii) is an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) is a trust whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust, or has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

As long as EPR qualifies as a REIT, distributions made out of our current or accumulated earnings and profits (and not designated as capital gain dividends) will generally constitute dividends taxable to our taxable corporate U.S. Shareholders as ordinary income taxed at a maximum rate of 35% and such U.S. Shareholders will not be eligible for the dividends received deduction otherwise available with respect to dividends received by corporate U.S. Shareholders. It is not likely that a significant amount of our dividends paid to individual U.S. Shareholders will constitute "qualified dividend income" eligible for the current reduced tax rate of 15%. Dividends received from a REIT generally are treated as "qualified dividend income" eligible for the reduced tax rate to the extent that the REIT has received "qualified dividend income" from other non-REIT corporations, such as taxable REIT subsidiaries. In addition, if a REIT pays U.S. federal income tax on its undistributed net taxable income or on certain gains from the disposition of assets acquired from C corporations, the excess of the income subject to tax over the taxes paid will be treated as "qualified dividend income" in the subsequent taxable year.

Distributions made by EPR that are properly designated as capital gain dividends will be taxable to U.S. Shareholders as gains (to the extent they do not exceed our actual net capital gain for the taxable year) from the sale or disposition of a capital asset. Depending on the period of time EPR held the assets which produced the gains, and on certain designations, if any, which may be made by EPR, such gains may be taxable to noncorporate U.S. Shareholders at a

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15%, 25% or 28% rate, without regard to the period for which the U.S. Shareholder has held the shares. U.S. Shareholders that are corporations may, however, be required to treat up to 20% of certain capital gain dividends as ordinary income. To the extent EPR makes distributions (not designated as capital gain dividends) in excess of our current and accumulated earnings and profits, such distributions will be treated first as a tax-free return of capital to each U.S. Shareholder, reducing the adjusted basis which such U.S. Shareholder has in his shares for tax purposes by the amount of such distribution (but not below zero), with distributions in excess of a U.S. Shareholder's adjusted basis in his shares taxable as capital gain, (provided that the shares have been held as a capital asset) and will be taxable as long-term capital gain if the shares have been held for more than one year. Dividends declared by EPR in October, November or December of any year and payable to a shareholder of record on a specified date in any such month shall be treated as both paid by EPR and received by the shareholder on December 31st of that year; provided the dividend is actually paid by EPR on or before January 31st of the following calendar year. Shareholders may not include in their own income tax returns any net operating losses or capital losses of EPR.

Distributions made by EPR and gain arising from the sale or exchange by a U.S. Shareholder of shares will not be treated as passive activity income, and, as a result, U.S. Shareholders generally will not be able to apply any "passive losses" against such income or gain. Distributions made by EPR (to the extent they do not constitute a return of capital) generally will be treated as investment income for purposes of computing the investment interest limitation. Gain arising from the sale or other disposition of shares and certain qualifying dividends (or distributions treated as such), will not be treated as investment income under certain circumstances.

Upon any sale or other disposition of shares, a U.S. Shareholder will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between (i) the amount of cash and the fair market value of any property received on such sale or other disposition, and (ii) the holder's adjusted basis in the shares for tax purposes. Such gain or loss will be capital gain or loss if the shares have been held by the U.S. Shareholder as a capital asset and, with respect to a non-corporate U.S. Shareholder, will be long-term gain or loss if the shares have been held for more than one year at the time of disposition. In general, any loss recognized by a U.S. Shareholder upon the sale or other disposition of shares that have been held for six months or less (after applying certain holding period rules) will be treated as a long-term capital loss, to the extent of capital gain dividends received by such U.S. Shareholder from EPR which were required to be treated as long-term capital gains.

BACKUP WITHHOLDING

EPR will report to our domestic shareholders and to the IRS the amount of dividends paid during each calendar year, and the amount of tax withheld, if any from those dividends. Under the backup withholding rules, a shareholder may be subject to backup withholding at the rate equal to the fourth lowest rate of tax under Section 1(c) of the Code (which is currently 28%) with respect to dividends paid and redemption proceeds unless the shareholder (a) is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact, or (b) provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding, and otherwise complies with applicable requirements of the backup withholding rules. Notwithstanding the foregoing, EPR will institute backup withholding with respect to a shareholder when instructed to do so by the IRS. A shareholder that does not provide EPR with his correct taxpayer identification number may also be subject to penalties imposed by the IRS. Any amount paid as backup withholding will be creditable against the shareholder's U.S. federal income tax liability.

TAXATION OF TAX-EXEMPT SHAREHOLDERS

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The IRS has issued a revenue ruling in which it held that amounts distributed by a REIT to a tax-exempt employees' pension trust do not constitute unrelated business taxable income ("UBTI"). Revenue rulings, however, are interpretive in nature and are subject to revocation or modification by the IRS. Based upon the ruling and the analysis therein, distributions by EPR to a shareholder that is a tax-exempt entity should not constitute UBTI, provided the tax exempt entity has not financed the acquisition of its shares with "acquisition indebtedness" within the meaning of the Code, and that the shares are

not otherwise used in an unrelated trade or business of the tax-exempt entity. In addition, REITs generally treat the beneficiaries of qualified pension trusts as the beneficial owners of REIT shares owned by such pension trusts for purposes of determining if more than 50% of the REIT's shares are owned by five or fewer individuals. However, if a pension trust owns more than 10% of the REIT's shares (by value), it can be subject to UBTI on all or a portion of REIT dividends made to it, if the REIT is treated as a "pension-held REIT." A pension-held REIT is any REIT if more than 25% (by value) of its shares are owned by at least one pension trust, or one or more pension trusts, each of whom owns more than 10% (by value) of such shares, and in the aggregate, such pension trusts own more than 50% (by value) of its shares. EPR does not expect to be treated as a "pension-held REIT." However, because our common shares are publicly traded, no assurance can be given in this regard.

For social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts and qualified group legal services plans exempt from U.S. federal income tax under Section 501(c)(7), (9), (17) and (20) of the Code, respectively, income from an investment in EPR will constitute UBTI. However, income from an investment in EPR will not constitute UBTI for voluntary employee benefit associations, supplemental unemployment trusts and qualified group legal services plans if the organization is able to deduct amounts "set aside" or placed in reserve for certain purposes so as to offset the UBTI generated by its investment in EPR. Such prospective shareholders should consult with their own tax advisors concerning these "set aside" and reserve requirements.

TAXATION OF NON-U.S. SHAREHOLDERS

The rules governing U.S. federal income taxation of the ownership and disposition of shares by persons who are not U.S. Shareholders ("Non-U.S. Shareholders") are complex and no attempt is made in this prospectus to provide more than a summary of these rules. Prospective Non-U.S. Shareholders should consult with their own tax advisors to determine the impact of federal, state, local and any foreign income tax laws with regard to an investment in EPR, including any reporting requirements.

Distributions that are not attributable to gain from sales or exchanges by EPR of "United States real property interests" ("USRPIs"), as defined in the Code, and not designated by EPR as capital gain dividends will be treated as dividends of ordinary income to the extent they are made out of current or accumulated earnings and profits of EPR. Unless such distributions are effectively connected with the Non-U.S. Shareholder's conduct of a U.S. trade or business (or, if an income tax treaty applies, are attributable to a U.S. permanent establishment of the Non-U.S. Shareholder), the gross amount of the distributions will ordinarily be subject to U.S. withholding tax at a 30% or lower treaty rate, if applicable. In general, Non-U.S. Shareholders will not be considered engaged in a U.S. trade or business (or, in the case of an income tax treaty, as having a U.S. permanent establishment) solely by reason of their ownership of shares. If income on shares is treated as effectively connected with the Non-U.S. Shareholder's conduct of a U.S. trade or business (or, if an

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income tax treaty applies, is attributable to a U.S. permanent establishment of the Non-U.S. Shareholder), the Non-U.S. Shareholder generally will be subject to tax in the same manner as U.S. Shareholders are taxed with respect to such distributions (and may also be subject to the 30% branch profits tax in the case of a shareholder that is a foreign corporation). EPR expects to withhold U.S. income tax at the rate of 30% on the gross amount of any distributions of ordinary income made to a Non-U.S. Shareholder unless the Non-U.S. Shareholder provides us with a (i) properly executed IRS Form W-8 BEN claiming an exemption from or reduction in the rate of withholding under the benefit of a tax treaty, or (ii) IRS Form W-8 ECI claiming that the distribution is not subject to withholding tax because it is effectively connected with the Non-U.S. Shareholder's conduct of a U.S. trade or business (or, if an income tax treaty applies, is attributable to a U.S. permanent establishment of the Non-U.S. Shareholder).

Unless the shares constitute USRPIs, distributions in excess of current and accumulated earnings and profits of EPR will not be taxable to a shareholder to the extent such distributions do not exceed the adjusted basis of the shareholder's shares but rather will reduce the adjusted basis of the shares. To the extent such distributions exceed the adjusted basis of a Non-U.S. Shareholder's shares, such distributions will give rise to tax liability if the Non-U.S. Shareholder would otherwise be subject to tax on any gain from the sale or disposition of his shares, as described below. If it cannot be determined at the time a distribution is made whether or not the distribution will be in excess of current and accumulated earnings and profits, the distributions will be subject to withholding at the same rate as dividends. If, however, shares are treated as USRPIs, then unless otherwise treated as a dividend for withholding tax purposes as described below, any distributions in excess of current or accumulated earnings and profits will generally be subject to 10% withholding and, to the extent such distributions also exceed the adjusted basis of a Non-U.S. Shareholder's shares, they will also give rise to gain from the sale or exchange of the shares, the tax treatment of which is described below.

Distributions that are designated by EPR at the time of distribution as capital gain dividends (other than those arising from the disposition of a USRPI) generally will not be subject to taxation, unless (i) investment in the shares is effectively connected with the Non-U.S. Shareholder's U.S. trade or business (or, if an income tax treaty applies, it is attributable to a U.S. permanent establishment of the Non-U.S. Shareholder), in which case the Non-U.S. Shareholder will be subject to the same treatment as U.S. Shareholders with respect to such gain (except that a Shareholder that is a foreign corporation may also be subject to the 30% branch profits tax), or (ii) the Non-U.S. Shareholder is a non-resident alien individual who was present in the U.S. for 183 days or more during the taxable year and either has a "tax home" in the U.S. or sold his shares under circumstances in which the sale was attributable to a U.S. office, in which case the non-resident alien individual will be subject to a 30% tax on the individual's capital gains.

For each year in which EPR qualifies as a REIT, distributions that are attributable to gain from sales or exchanges by EPR of USRPIs ("USRPI Capital Gains"), such as properties beneficially owned by EPR, will be taxed to a Non-U.S. Shareholder under the provisions of the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA"). Under FIRPTA, such distributions are taxed to a Non-U.S. Shareholder as gain effectively connected with a U.S. trade or business regardless of whether such dividends are designated as capital gain dividends. Non-U.S. Shareholders would thus be taxed at the normal capital gain rates applicable to U.S. Shareholders (subject to applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals) on such distributions. Also, distributions of USRPI Capital Gains may be subject to a 30% branch profits tax in the hands of a foreign corporate

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shareholder not entitled to treaty exemption or rate reduction. EPR is required by applicable Treasury Regulations to withhold a portion of any distribution consisting of USRPI Capital Gains at a current rate of 35%. This amount may be creditable against the Non-U.S. Shareholder's FIRPTA tax liability.

Gain recognized by a Non-U.S. Shareholder upon a sale of shares will generally not be taxed under FIRPTA if the shares do not constitute a USRPI. Shares will not be considered a USRPI if EPR is a "domestically controlled REIT," or if the shares are part of a class that is regularly traded on an established securities market and the holder owned 5% or less of the class sold during a specified testing period. A "domestically controlled REIT" is defined generally as a real estate investment trust in which at all times during a specified testing period less than 50% in value of the shares was held directly or indirectly by foreign persons. EPR believes that it is a "domestically controlled REIT," and therefore the sale of shares will not be subject to taxation under FIRPTA. If the gain on the sale of shares were to be subject to taxation under FIRPTA, the Non-U.S. Shareholder would be subject to the same treatment as U.S. Shareholders with respect to such gain (subject to applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals), and the purchaser of the shares may be required to withhold 10% of the purchase price and remit such amount to the IRS. However, since our common shares and Series A Preferred Shares are publicly traded, no assurance can be given in this regard.

Gain not subject to FIRPTA will be taxable to a Non-U.S. Shareholder if (i) investment in the shares is effectively connected with a U.S. trade or business of the Non-U.S. Shareholder (or, if an income tax treaty applies, is attributable to a U.S. permanent establishment of the Non-U.S. Shareholder), in which case the Non-U.S. Shareholder will be subject to the same treatment as U.S. Shareholders with respect to such gain, or (ii) the Non-U.S. Shareholder is a nonresident alien individual who was present in the U.S. for 183 days or more during the taxable year and has a "tax home" in the U.S., in which case the nonresident alien individual will be subject to a 30% tax on the individual's capital gains. If the gain on the sale of shares were to be subject to taxation under FIRPTA, the Non-U.S. Shareholder would be subject to the same treatment as U.S. Shareholders with respect to such gain (subject to applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals).

If the proceeds of a disposition of shares are paid by or through a U.S. office of a broker, the payment is subject to information reporting and backup withholding unless the disposing Non-U.S. Shareholder certifies as to his name, address and non-U.S. status or otherwise establishes an exemption. Generally, U.S. information reporting and backup withholding will not apply to a payment of disposition proceeds if the payment is made outside the U.S. through a non-U.S. office of a non-U.S. broker. U.S. information reporting requirements (but not backup withholding) will apply, however, to a payment of disposition proceeds outside the U.S. if (i) the payment is made through an office outside the U.S. of a broker that is either (a) a U.S. person, (b) a foreign person that derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the U.S., (c) a "controlled foreign corporation" for U.S. federal income tax purposes, or (d) a foreign partnership more than 50% of the capital or profits of which is owned by one or more U.S. persons or which engages in a U.S. trade or business, and (ii) the broker fails to obtain documentary evidence that the shareholder is a Non-U.S. Shareholder and that certain conditions are met or that the Non-U.S. Shareholder otherwise is entitled to an exemption.

POSSIBLE LEGISLATIVE OR OTHER ACTIONS AFFECTING TAX CONSEQUENCES

Prospective investors should recognize that the present U.S. federal income

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tax treatment of an investment in EPR may be modified by legislative, judicial or administrative action at any time, and that any such action may affect investments and commitments previously made. The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department, resulting in revisions or regulations and revised interpretations of established concepts as well as statutory changes. Revisions in U.S. federal tax laws and interpretations thereof could adversely affect the tax consequences of an investment in EPR.

STATE TAX CONSEQUENCES AND WITHHOLDING

EPR and its shareholders may be subject to state or local taxation in various state or local jurisdictions, including those in which it or they transact business or reside. The state and local tax treatment of EPR and its shareholders may not conform to the U.S. federal income tax consequences discussed above. Several states in which EPR may own properties treat REITs as ordinary corporations. EPR does not believe, however, that shareholders will be required to file state tax returns, other than in their respective states of residence, as a result of the ownership of shares. However, prospective shareholders should consult their own tax advisors regarding the effect of state and local tax laws on an investment in EPR.

YOU ARE ADVISED TO CONSULT WITH YOUR OWN TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES TO YOU OF THE OWNERSHIP AND SALE OF SHARES IN AN ENTITY ELECTING TO BE TAXED AS A REAL ESTATE INVESTMENT TRUST, INCLUDING THE FEDERAL, STATE, LOCAL, FOREIGN, AND OTHER TAX CONSEQUENCES OF SUCH PURCHASE, OWNERSHIP, SALE, AND ELECTION AND OF POTENTIAL CHANGES IN APPLICABLE TAX LAWS.

DESCRIPTION OF COMMON SHARES

This summary of our common shares is not meant to be complete and is qualified in its entirety by reference to our Amended and Restated Declaration of Trust and Amended Bylaws, copies of which have been filed with the SEC and are incorporated by reference herein.

GENERAL

Our Declaration of Trust authorizes us to issue up to 50,000,000 common shares and up to 5,000,000 preferred shares. As permitted by Maryland law, our Declaration of Trust permits the Board of Trustees, without shareholder approval, to amend the Declaration of Trust from time to time to increase or decrease the aggregate number of shares or the number of shares of any class that we have authority to issue. Under Maryland law, a shareholder is not personally liable for the obligations of a REIT solely as a result of his or her status as a shareholder.

As of September 1, 2004, a total of 24,296,770 common shares (excluding treasury shares but including the shares being sold by the selling shareholders under this prospectus) and 2,300,000 Series A Preferred Shares were outstanding.

The transfer agent and registrar for our shares is UMB Bank, n.a.

COMMON SHARES

Holders of our common shares have the following rights:

- o Dividends - Common shareholders have the right to receive dividends when and as declared by the Board of Trustees
- o Voting Rights - Common shareholders have the right to vote their shares. Each common share has one vote on all matters submitted for

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shareholder approval, including the election of trustees. We do not have cumulative voting in the election of trustees, which means the holders of a majority of our outstanding common shares can elect all of the trustees nominated for election and the holders of the remaining common shares will not be able to elect any trustees.

- o Liquidation Rights - If we liquidate, holders of common shares are entitled to receive all remaining assets available for distribution to common shareholders after satisfaction of our liabilities and the preferential rights of the Series A Preferred Shares and any additional preferred shares we may issue in the future.

Our outstanding common shares are fully paid and nonassessable. Common shareholders do not have any preemptive, conversion or redemption rights.

SELLING SHAREHOLDERS

We have registered for resale a total of 857,145 common shares covered by this prospectus on behalf of the selling shareholders.

The selling shareholders are owners of interests in the Property Sellers or members of their immediate family. We acquired the Gulf States Properties, consisting of the Elmwood Palace 20, Clearview Palace 12, Hammond Palace 10, Houma Palace 10 and West Bank Palace 16 theatres located in the New Orleans metropolitan area, from the Property Sellers in 2002. A portion of the purchase price for the Gulf States Properties was paid in the form of common and preferred membership interests in EPT Gulf States, LLC (referred to in this prospectus as EPTGS), the entity we formed to acquire the Gulf States Properties. The shares being sold by the selling shareholders under this prospectus were issued by us to the selling shareholders on behalf of the Property Sellers in exchange for the Property Sellers' common and preferred membership interests in EPTGS at an exchange rate of \$17.50 per share, which was established at the time we acquired the Gulf States Properties. We entered into a Registration Rights Agreement with the Property Sellers at the time we acquired the Gulf States Properties, under which we agreed to register the shares for resale by the Property Sellers or their transferees.

Based upon information provided to us by the selling shareholders, the following table lists the names of the selling shareholders, the number of common shares owned by them prior to this offering and the percentage of our outstanding common shares those shares represented before this offering, the number of common shares offered by this prospectus and the number of common shares that will be owned by each selling shareholder after the sale of the shares, and the percentage of our outstanding common shares to be owned by the selling shareholders upon completion of this offering, assuming all of the shares offered hereby are sold. We do not know how long the selling shareholders will hold the shares before selling them or if they will sell them. We currently have no agreements, arrangements or understandings with the selling shareholders regarding the sale of any of the shares (other than the Registration Rights Agreement).

	Maximum Number of Shares	Shares Own Comple Offering
Shares Beneficially		

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Name -----	Owned Prior to the Offering		being Offered	shares o a
	Number	Percent (1)		
T. George Solomon Jr. Alaska Asset Preservation Trust	180,000	*	180,000	0
Gary N. Solomon	180,000	*	180,000	0
Glenn J. Solomon	240,000	*	240,000	0
Gloria Solomon Carter	85,715	*	85,715	0
Gladys Solomon Brown	85,715	*	85,715	0
Glenda Solomon Brown	85,715	*	85,715	0

* Less than one percent.

(1) Based on 24,926,770 common shares outstanding (excluding treasury shares but including the shares held by the selling shareholders) as of September 1, 2004.

When we refer to the "selling shareholders" in this prospectus, we mean the term to include pledgees, donees, transferees or other successors in interest selling shares they acquire after the date of this prospectus from any other selling shareholder as a pledge, gift or other non-sale related transfer.

PLAN OF DISTRIBUTION

We have registered the shares to permit the selling shareholders to resell them from time to time after the date of this prospectus. We will not receive any of the proceeds from the sale of shares by the selling shareholders. We will pay the fees and expenses incurred in registering the shares. These fees and expenses include registration and filing fees, printing expenses and fees and disbursements of our counsel and independent accountants. The selling shareholders will be solely responsible for all fees and expenses of any separate counsel retained by them and all underwriting discounts and commissions and agents' commissions, if any.

One or more of the selling shareholders may, from time to time, sell all or part of the shares, on terms determined at the time such shares are offered for sale, to or through underwriters, directly to other purchasers or broker-dealers, or through broker-dealers or other persons acting as agents, or through a combination of these methods. The distribution of the shares may be made from time to time in one or more transactions at a fixed price or prices (which may be changed), at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices. To the extent required, if the selling shareholders engage an underwriter for the purpose of offering shares, the public offering price, the terms on which shares are sold, the names of any participating broker-dealer, agent or underwriter,

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any applicable commission or discount, and other facts material to the transaction with respect to a particular offering will be described in an accompanying prospectus supplement.

Any underwritten offering may be on a "best efforts" or a "firm commitment" basis. Underwriters may receive compensation from one or more of the selling shareholders or from the purchasers of shares for whom they act as agents, in the form of discounts, concessions or commissions. Underwriters may sell shares to or through agents or dealers, and those agents and dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters or commissions from the purchaser for whom they act as agents.

In connection with any sale by selling shareholders to or through broker-dealers or other persons acting as agents, any such broker-dealer or other agent may act as agent for one or more of the selling shareholders or may purchase from one or more of the selling shareholders all or a portion of the shares as principal. Any direct sale to purchasers, and any sale to or through broker-dealers or other agents, may be made by a variety of methods, including:

- o block transactions in which a broker-dealer may sell all or a portion of the shares as agent but may position and resell all or a portion of the block as principal to facilitate the transaction
- o purchases by a broker-dealer as principal and resale by such broker-dealer for its own account
- o a special offering, an exchange distribution or a secondary distribution in accordance with applicable NYSE rules
- o ordinary brokerage transactions or transactions in which a broker-dealer solicits purchasers
- o sales "at the market" to or through a market maker or into an existing trading market, on an exchange or otherwise
- o sales in other ways not involving market makers or established trading markets, including direct sales to purchasers
- o in any combination of the above or by any other legally available means

Such sales may be made on the NYSE or other exchanges on which the shares are then traded, in the over-the-counter market, in negotiated transactions, through put or call options transactions relating to the shares, through short sales of shares, or otherwise. In effecting sales, broker-dealers engaged by one or more of the selling shareholders may arrange for other broker-dealers to participate.

Brokers or dealers, or other agents, may receive compensation in the form of discounts, concessions or commissions from the selling shareholders and/or the purchasers of shares for whom such broker-dealers or other agents may act as agents

or to whom they sell as principal, or both (which compensation as to a particular broker-dealer or other agent might be in excess of customary commissions), in amounts that may be negotiated immediately prior to any sale.

In connection with the sales of shares, the selling shareholders may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the shares, short and deliver the shares to close out such short

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positions, or loan or pledge the shares to broker-dealers that in turn may sell the shares.

If a material arrangement with any underwriter, broker, dealer or other agent is entered into for the sale of any shares through a secondary distribution or a purchase by a broker or dealer, or if other material changes are made in the plan of distribution of the shares, a prospectus supplement will be filed, if necessary, under the Securities Act disclosing the material terms and conditions of such arrangement.

If so indicated in any applicable prospectus supplement, broker-dealers or other persons acting as agents may be authorized to solicit offers by certain institutions to purchase shares pursuant to contracts providing for payment and delivery on a future date. Such contracts may be made with commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions, and other institutions, but in all cases such institutions must be approved by the selling shareholders. The obligations of any purchaser under any such contract will not be subject to any conditions except that (i) the purchase of the shares shall not at any time of delivery be prohibited under the laws of the jurisdiction to which such purchaser is subject and (ii) if the shares are also being sold to underwriters, the selling shareholders shall have sold to such underwriters the shares not sold for delayed delivery. The underwriters, dealers, broker-dealers and other persons acting as agents will not have any responsibility in respect of the validity or performance of such contract.

To our knowledge, there are currently no plans, arrangements or understandings between any selling shareholders and any underwriter, broker-dealer or agent regarding the sale of the shares by the selling shareholders. Selling shareholders may decide to sell only a portion of the shares offered by them pursuant to this prospectus or may decide not to sell any shares offered by them pursuant to this prospectus. In addition, any selling shareholders may transfer, devise or give the shares by other means not described in this prospectus. Any shares covered by this prospectus that qualify for sale pursuant to Rule 144 or Rule 144A under the Securities Act may be sold under Rule 144 or Rule 144A rather than pursuant to this prospectus.

The selling shareholders may from time to time pledge or grant a security interest in some or all of the shares owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares from time to time under this prospectus, or under an amendment to this prospectus under Rule 424(b)(3) or other applicable rule amending the list of selling shareholders to include the pledgee, transferee or other successor in interest as a selling shareholder under this prospectus.

The selling shareholders and any underwriters, broker-dealers or agents participating in the distribution of the shares may be deemed to be "underwriters" within the meaning of the Securities Act, and any profit on the sale of shares by the selling shareholders and any commissions or other compensation received by any such underwriters, broker-dealers or agents may be deemed to be underwriting commissions under the Securities Act. If any selling shareholder were deemed to be an underwriter, that selling shareholder may be subject to statutory liabilities, including, but not limited to, those under Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Exchange Act.

We have agreed to indemnify the selling shareholders (and certain related persons) against specified liabilities, including certain potential liabilities arising under the Securities Act, or to contribute to payments the selling shareholders may be required to make in respect thereof. We also have agreed, if so requested, to provide similar indemnification and contribution undertakings with respect to any underwriter, broker, dealer or other agent that participates

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in any distribution of the shares. The selling shareholders also may agree to similar indemnification and contribution undertakings with respect to any such underwriter, broker, dealer or other agent. Each selling shareholder has severally agreed to indemnify us and our trustees, officers and employees and each person who "controls" us (within the meaning of the Securities Act) against specified liabilities relating to the written information provided by it or on its behalf for use in the registration statement of which this prospectus is a part, this prospectus or any related prospectuses, supplements or amendments, or to contribute to the payments we, our trustees, officers, employees or control persons may be required to make in respect thereof. The liability of any selling shareholder for indemnification or contribution is limited to the amount of proceeds (net of expenses and underwriting discounts and commissions) received by such selling shareholder in the offering giving rise to such liability.

Compliance with any applicable prospectus delivery requirements of the Securities Act may include delivery through the facilities of the NYSE pursuant to Rule 153 under the Securities Act.

The selling shareholders and any other person participating in the distribution will be subject to the applicable provisions of the Exchange Act and the rules and regulations under the Exchange Act, including, without limitation, Regulation M, which may limit the timing of purchases and sales of any of the shares by a selling shareholder and any other relevant person. Furthermore, Regulation M may restrict the ability of any person engaged in the distribution of the shares to engage in market-making activities with respect to the shares. All of the above may affect the marketability of the shares and the ability of any person or entity to engage in market-making activities with respect to the shares.

Under the securities laws of certain states, the shares may be sold in those states only through registered or licensed brokers or dealers. In addition, in certain states the shares may not be sold unless the shares have been registered or qualified for sale in the state or an exemption from registration or qualification is available and complied with. Each selling shareholder should consult its counsel regarding the application of state securities law in connection with sales of the shares.

LEGAL OPINIONS

Sonnenschein Nath & Rosenthal LLP will issue an opinion about the validity of the shares and EPR's qualification and taxation as a REIT under the Code. In addition, the description of EPR's taxation and qualification as a REIT under the caption "U.S. Federal Income Tax Consequences" is based upon the opinion of Sonnenschein Nath & Rosenthal LLP.

EXPERTS

The consolidated financial statements and schedules of Entertainment Properties Trust as of and for the years ended December 31, 2003 and 2002 have been incorporated by reference in this prospectus and in the registration statement in reliance upon the report of KPMG LLP, independent registered public accounting firm, incorporated by reference herein and upon the authority of that firm as experts in accounting and auditing.

Ernst & Young LLP, independent registered public accounting firm, have audited our consolidated financial statements for the year ended December 31, 2001 included in our annual report on Form 10-K for the year ended December 31, 2003, as set forth in their report, which is incorporated by reference in this prospectus and elsewhere in the registration statement. These financial statements for the year ended December 31, 2001 are incorporated by reference in

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this prospectus and in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

The audited historical statement of revenues and certain operating expenses of New Roc Associates, L.P. for the year ended December 31, 2002 has been incorporated by reference in this prospectus and in the registration statement in reliance upon the report of BDO Seidman, LLP, independent registered public accounting firm, incorporated by reference herein and upon the authority of that firm as experts in accounting and auditing.

The audited historical statements of revenues and certain operating expenses of Courtney Square Limited Partnership, Oakville Centrum Limited Partnership, Whitby Centrum Limited Partnership and Kanata Centrum Limited Partnership for the year ended December 31, 2003 have been incorporated by reference in this prospectus and in the registration statement in reliance upon the report of BDO Dunwoody LLP, independent registered public accounting firm, incorporated by reference herein and upon the authority of that firm as experts in accounting and auditing.