

Atty:
Jerry Whalen

**BOROUGH OF RED BANK
MONMOUTH COUNTY, NEW JERSEY**

**AGREEMENT FOR PAYMENT IN LIEU
OF TAXES REGARDING THEATER
PROPERTY ANTICIPATED TO BECOME
TAX EXEMPT**

WHEREAS, Two River Theater Company, L.L.C. as the Developer and Gemini Group, L.L.C. as the Owner obtained from the Planning Board of the Borough of Red Bank, by resolution adopted August 12, 2002 preliminary/final site plan and major subdivision approval for property designated on the tax records of the Borough as Block 35, Lots 4, 5, 6 and 7; Block 36, Lot 8 and Block 37, Lots 3.02, 4, 5, 6, 7, 10 and 10.01; and

WHEREAS, a portion of the property containing 1.93 acres and to be designated as Block 35, Lot 5.01 is contemplated to be developed for theater purposes and the balance of the lands containing 1.83 acres to be designated as Block 37, Lot 6.01, is contemplated to be developed in accordance with zoning; and

WHEREAS, the Owner contemplates transferring title to the theater property to a non-profit corporation and that the property, after such transfer, will in all probability be entitled to tax exemption under the pertinent provisions of Title 54 of the New Jersey Statutes; and

WHEREAS, the Owner, Developer and the Borough of Red Bank have a cooperative relationship and desires to amicably formalize an agreement for the payment in lieu of taxes to the Borough if and when the property becomes tax exempt.

NOW THEREFORE, the parties agree as follows:

1. In the event the proposed theater property becomes eligible for tax exemption then, in such event, the theater shall pay to the Borough in lieu of taxes the sum of \$10,000.00 per year beginning with the first year of exemption.
2. After the first year of exemption the annual payment will be adjusted, up or down, based on the change in the overall tax rate of the Borough from year to year.
3. Theater agrees that the PILOT payment shall be made in quarterly installments to the Borough on those dates when real estate tax payments are due. In the event Theater

If to Theater:

Two River Theater Company, L.L.C.
c/o Robert Rechnitz
211 McClees Road
Red Bank, New Jersey 07701

With a copy addressed to:

Gordon N. Litwin, Esq.
Ansell, Zaro Grimm & Aaron, P.C.
60 Park Place
Newark, New Jersey 07102-5504

If to Borough of Red Bank:

Clerk Borough of Red Bank
90 Monmouth Street
Red Bank, New Jersey 07701

With a copy addressed to:

Tax Assessor, Borough of Red Bank
90 Monmouth Street
Red Bank, New Jersey 07701

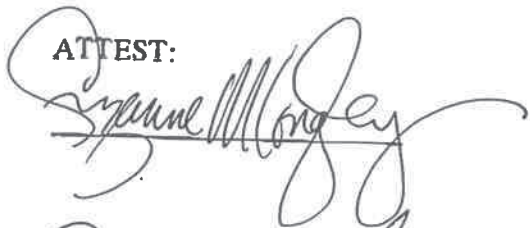
-AND-

Richard T. O'Connor, Esq.
Borough Attorney
90 Monmouth Street
Red Bank, New Jersey 07701

8. This Agreement is binding upon all parties who sign it and all who succeed to their rights and responsibilities.
9. Each party represents that the individuals signing this Agreement have the authority to sign and bind their respective entities to this Agreement.

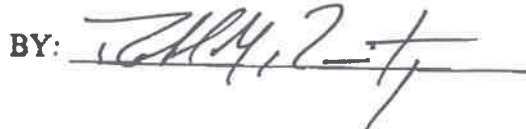
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals
the day and year above written.

ATTEST:

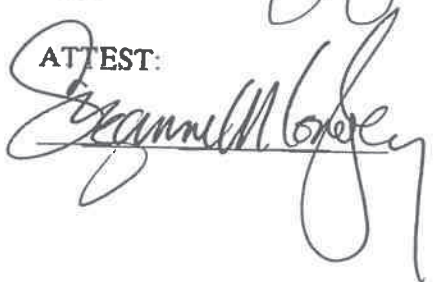


GEMINI GROUP, L.L.C.

BY:

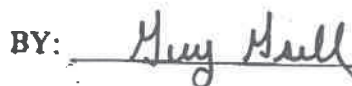


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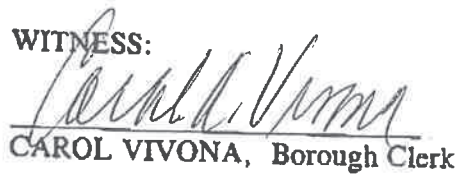


TWO RIVER THEATER COMPANY

BY:

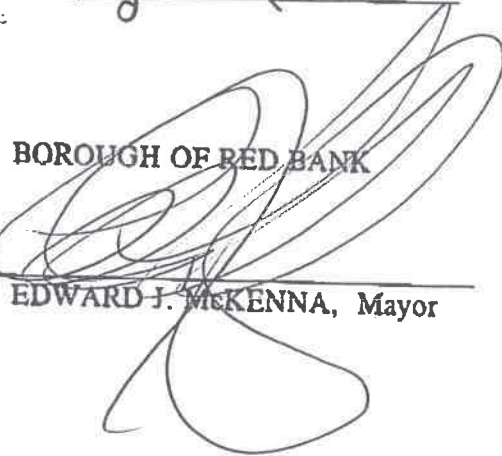


WITNESS:


CAROL VIVONA, Borough Clerk

BOROUGH OF RED BANK

BY:


EDWARD J. MCKENNA, Mayor