

PROJECT AND DEVELOPMENT AGREEMENT

This Project and Development Agreement (the "*Agreement*"), made and entered into as of December __, 2005, by and between the City of Columbus, Ohio (the "*City*"), a municipal corporation organized and existing under the constitution and the laws of the State of Ohio and its Charter, and Mount Carmel Health System, an Ohio non-profit corporation (the "*Developer*").

WITNESSETH:

WHEREAS, the City, by its Ordinance 1778-2003 passed on July 21, 2003, adopted The Franklinton Plan as the official policy document for the Franklinton Planning Area (the area generally bounded by the Scioto River on the North, the first set of railroad tracks west of Starling Street on the east, Greenlawn Avenue/City corporate limits/Mound Street on the south, and Central Avenue/I-70 on the west), which plan addresses the development, redevelopment, neighborhood revitalization and infrastructure improvement needs of for that area;

WHEREAS, in an effort to meet these development, redevelopment, neighborhood revitalization and infrastructure improvement needs, the Developer and the City intend to partner to make or cause to be made certain improvements which are more fully described on Exhibit A attached hereto (the "*Projects*") to a portion of the Franklinton Planning Area identified on Exhibit B attached hereto, with such real property referred to herein as the "*Area*"; and

WHEREAS, in furtherance of the Projects, it is necessary that the City construct or to cause to be constructed certain public infrastructure improvements (as described in Exhibit C attached hereto and referred to herein as the "*Public Infrastructure Improvements*") that the City and the Developer agree will directly benefit the Projects and the Area; and

WHEREAS, the City has determined that it is necessary and appropriate and in the best interests of the City to pass an Ordinance (the "*Proposed TIF Ordinance*") establishing one or more tax increment financing districts on the Area for the purpose of funding the Public Infrastructure Improvements; and

WHEREAS, the City does not expect to pass the Proposed TIF Ordinance until after January 1, 2006; and

WHEREAS, in order to preserve the City's ability to enact the Proposed TIF Ordinance under existing TIF law after January 1, 2006, it is necessary for the parties to enter into a "project agreement" as defined in Section 557.17 of Amended Substitute House Bill Number 66 of the 126th General Assembly and a "contract or agreement with a developer" for purposes of Ohio Revised Code Section 3317.021(6)(a) as the same may amended from time to time;

NOW, THEREFORE, in consideration of the premises and covenants contained herein, the parties hereto agree to the foregoing and as follows:

Section 1 – TIF Ordinance and Intent. The City hereby expects, subject to the final review and approval of City Council and the requirements of its Charter, to take all necessary steps in a timely fashion to pass the Proposed TIF Ordinance. The Developer agrees to reasonably

cooperate with the City to pass the Proposed TIF Ordinance at such time. The parties hereby agree that this Agreement is intended to constitute a "project agreement" for purposes of Section 557.17 of Amended Substitute House Bill Number 66 of the 126th General Assembly and a "contract or agreement with a developer" for purposes of Ohio Revised Code Section 3317.021(6)(a) as the same may amended from time to time.

Section 2 – Projects and Public Infrastructure Improvements. The City and the Developer hereby agree to partner to implement the Projects and the Public Infrastructure Improvements necessary or desirable to implement or support the Projects. The Developer agrees to use its best efforts to diligently proceed with the Projects. The City agrees to expedite any necessary government approvals and plan reviews in order to minimize any associated delays in implementing the Projects. The City further hereby agrees to cooperate with the Developer and use its best efforts to timely complete or cause to be completed the construction and installation of the Public Infrastructure Improvements consistent with the then current development plan for the Projects.

Section 3 - Notices. All notices or other correspondence relating to this Agreement must be in writing (including e-mail or facsimile) and must be delivered or sent guaranteed overnight delivery, by facsimile or e-mail (to be followed by personal or overnight guaranteed deliver, if requested) or by postage prepaid registered or certified mail, return receipt requested, and will be deemed to be given for purposes of this Agreement on the date such writing is received by the intended recipient. Unless otherwise specified in a notice sent in accordance with this section, all communications in writing must be given to the parties at the following addresses:

Developer:

Mount Carmel Health System
6400 East Broad Street, 4th Floor
Columbus, Ohio 43213
Attn: Joanne Ranft
Facsimile No.: 614.234.4907

City:

Department of Development
50 West Gay Street, 3rd Floor
Columbus, Ohio 43215
Attn: Director of Development
Facsimile No.: 614.645.2260

Section 4 - Successors; Assignment; Amendments, Changes and Modifications. This Agreement will be binding upon the Developer and its successors and assigns and the City and its successors and assigns. The parties may only assign this Agreement with the consent of all parties hereto, provided, however, that nothing in this Agreement prevents the Developer from transferring any or all of its interest in the Projects or the Area to another person or entity. This Agreement may only be amended by written instrument executed by all parties to this Agreement.

Section 5 - Extent of Covenants; No Personal Liability. All covenants, stipulations, obligations and agreements of the parties contained in this Agreement are effective and enforceable to the extent authorized and permitted by applicable law. The obligations of the City may be enforced to the extent permitted by law by mandamus or any suit or proceeding in law or equity. No such covenant, stipulation, obligation or agreement will be deemed a covenant, stipulation, obligation or agreement of any present or future member, officer, agent, or employee of any of the parties hereto in their individual capacity.

Section 6 - Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable, said provision will be fully severable. This Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement and the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible that is and will be legal, valid and enforceable.

Section 7 - Separate Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute one and the same instrument.

Section 8 - Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the matters covered herein and supercedes prior agreements and understandings between the parties.

Section 9 - Governing Law and Choice of Forum. This Agreement will be governed by and construed in accordance with the laws of the State of Ohio. All claims, counterclaims, disputes and other matters in question between the City, its employees, contractors, subcontractors and agents, and the Developer, its employees, contractors, subcontractors and agents arising out of or relating to this Agreement or its breach will be decided in a court of competent jurisdiction within the State of Ohio.

(Remainder of page intentionally left blank – signatures begin on following page)

IN WITNESS WHEREOF, the City and the Developer have caused this Project and Development Agreement to be executed in their respective names by their duly authorized officers as of the date hereinabove written.

CITY OF COLUMBUS, OHIO

By: _____

Name: _____

Title: _____

Approved as to Form: _____
City Attorney

**MOUNT CARMEL HEALTH SYSTEM, an
Ohio non-profit corporation**

By: _____

Name: _____

Title: _____

EXHIBIT A

PROJECTS

The Projects are currently expected to consist of the following:

- improvements to the Developer's hospital campus, including the construction of medical and other office buildings, improvements to the hospital buildings and construction of or improvements to other facilities designed to improve the functionality of the current hospital campus and accommodate future growth, including, but not limited to, a health and wellness facility, a senior living center, a day care facility and a College of Nursing Dormitory;
- improvements designed to renovate and improve the housing stock and residential neighborhoods in the Area in order to promote a mix of housing opportunities for all income levels, preserve and improve the condition and stability of existing housing and provide desirable infill uses of vacant land; and
- improvements to existing commercial property located along the portion of Broad Street traversing the Area in order to improve the functionality and appearance of such property and construction of new commercial projects on the Area to attract new businesses and jobs to the Area.

EXHIBIT B

AREA

The shaded area on the following map specifically identifies and depicts the Area and constitutes part of this Exhibit B. [Need to discuss boundaries]

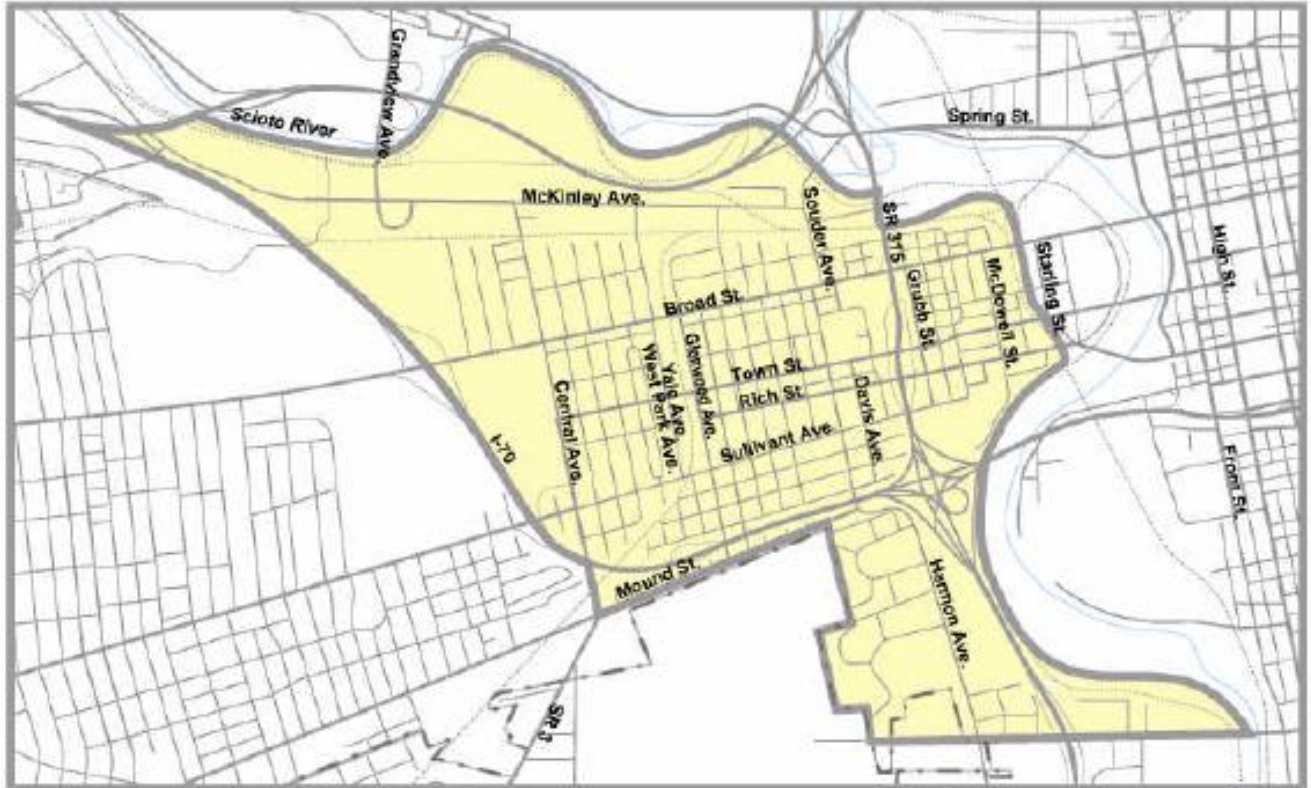


EXHIBIT C

PUBLIC INFRASTRUCTURE IMPROVEMENTS

The public infrastructure improvements include the construction of the following improvements (plus all related costs, as defined in Ohio Revised Code Section 133.15(B)) that are deemed to be necessary or desirable by the City and the Developer for the support and implementation of the Projects:

- public roads and highways (including street realignments);
- water and sewer lines;
- environmental remediation projects;
- stormwater and flood remediation projects, including such projects on private property when determined to be necessary for public health, safety and welfare;
- gas, electric and communications service facilities;
- land acquisition, including acquisition in aid of industry, commerce, distribution, or research;
- housing renovations to houses on the Area;
- enhancement of public waterways through improvements that allow for greater public access;
- demolition, including demolition on private property when determined to be necessary for economic development purposes;

including, in each case, design and other related costs (including traffic studies), any right-of-way or real estate acquisition, curbs and gutters, medians, sidewalks, bikeways, and landscaping (including scenic fencing and irrigation), traffic signs and signalization (including overhead street signage), street lighting and signs, burial of utility lines (including fiber optics), erosion and sediment control measures, grading, drainage and other related work, survey work, soil engineering, inspection fees and construction staking, and, in each case, all other costs and improvements necessary and appurtenant thereto.