

ECONOMIC DEVELOPMENT AGREEMENT

by and between

Franklin Development Corporation

and

Urban Air Indiana, LLC.

1172 N. Main Street

Franklin, IN 46131

THIS ECONOMIC DEVELOPMENT AGREEMENT (the "Agreement") is made and entered into effective this ____ day of _____, _____, by and between the Franklin Development Corporation ("FDC"), an Indiana nonprofit corporation, and Urban Air Indiana, LLC. ("Urban Air"), an Indiana limited liability company.

WITNESSETH:

WHEREAS, Urban Air has proposed to make certain real property improvements to the former Marsh Store located at 1172 North Main Street, Franklin, Indiana as more fully described in the attached Exhibit A – Project Summary (the "Project").

WHEREAS, Urban Air has requested financial assistance from the FDC to undertake the Project and to rehabilitate and repair the Property; and

WHEREAS, the FDC has determined that the completion of the Project will promote the redevelopment and economic development of the unit, is of utility and benefit, and is in the best interests of the unit's residents, and, therefore, the FDC desires to contract with Urban Air to complete the Project; and

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

Article I. RECITALS

Section I.01 Recitals Part of Agreement. The representations, covenants and recitations set forth in the foregoing recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this Section 1.01.

Article II. MUTUAL ASSISTANCE

Section II.01 Mutual Assistance. The parties agree, subject to further proceedings required by law, to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications, copies of which will be provided to all parties, as may be necessary or appropriate, from time to time, to carry out the terms, provisions and intent of this Agreement, and to aid and assist each other in carrying out said terms, provisions and intent.

Article III. PROJECT DEVELOPMENT

Section III.01 Real Property Improvements. Subject to compliance with all applicable statutory requirements, the FDC intends to partially fund the rehabilitation and repair of the Property and Project by providing up to Fifty Thousand Dollars (\$50,000) toward the Project.

Section III.02 Project Development. Urban Air shall commence construction of the Project by no later than thirty (30) days following the date of this Agreement, and shall complete construction and equipping of the Project within twenty-four (24) months thereafter, subject to permitted delays provided for in Section 3.03 hereof.

Section III.03 Permitted Delays. Whenever performance is required of any party hereunder, such party shall use all due diligence and take all necessary measures in good faith to perform; provided, however, that if completion of performance shall be delayed at any time by reason of acts of God (such as weather), war, civil commotion, riots, strikes, picketing, or other labor disputes, unavailability of labor or materials, or damage to work in progress by reason of fire or other casualty or similar causes beyond the reasonable control of a party (such as unforeseen delays in obtaining licensing or permits, but other than financial reasons), then the time for performance as herein specified shall be appropriately extended by the time of the delay actually caused by such circumstances. If (i) there should arise any permitted delay for which Urban Air or the FDC is entitled to delay its performance under this Agreement and (ii) Urban Air or FDC anticipates that such permitted delay will cause a delay in its performance under this Agreement, then Urban Air or FDC, as the case may be, agrees to provide written notice to the other parties of this Agreement of the nature and the anticipated length of such delay.

Article IV. ECONOMIC DEVELOPMENT INCENTIVES

Section IV.01 Form of Incentives / Parties' Rights and Duties. The incentives offered by the FDC and the parties' rights and duties will be as follows, all subject to compliance with applicable statutory requirements:

- (a) The FDC will partially fund the rehabilitation and repair of the Property in conjunction with Urban Air's Project in an amount not to exceed Fifty Thousand Dollars (\$50,000) (the FDC's "Interests") by making periodic payments (but not more often than monthly) in an amount and for the purposes identified by Urban Air, all of which are to be used for the Project.
- (b) At Urban Air's option, (1) if title to the Improvements remains vested in the FDC, Urban Air's lease payments will be as follows; or (2) if title to the Improvements transfers to Urban Air or to the owner of the Property, Urban Air will make the following purchase price payments (and grant a corresponding security interest) structured as follows in favor of the FDC:
 - (i) If Urban Air fails to complete the Project within twenty-four (24) months of the date of this agreement, Urban Air will re-pay the FDC's Interests on demand. Urban Air will not have any further obligation or liability to the FDC beyond the total amount advanced to Urban Air at the expiration of the twenty-four (24) month period;
 - (ii) If Urban Air completes the Project within twenty-four (24) months of the date of this agreement, Urban Air will pay nothing to the FDC;

Section IV.02 Alternative Financing. If the parties agree that an alternative form of financing the incentive would better accomplish the purposes of this Agreement, the terms of this Agreement will be amended to provide for such alternative financing.

Section IV.03 Indemnity and Defense Obligations. The work performed by Urban Air will be at their sole risk, exclusively. To the fullest extent permitted by law, Urban Air will indemnify, defend (at its sole expense), and hold harmless the City of Franklin, Indiana, the Franklin Redevelopment Commission, the FDC, and their members, officers, employees, and agents ("Indemnified Parties"), from and against any and all claims for bodily injury, death or damage to property, demands, damages, actions, causes of action, suits, losses, judgments, obligations and any liabilities, costs and expenses (including but not limited to investigative and repair costs, attorneys' fees and costs, and consultants' fees and costs) ("Claims") which arise or are in any way connected with the Property or the construction of the Project including work performed, materials furnished, or services provided under this agreement unless such Claims arise by reason of the negligence or omission of the City, the Franklin Redevelopment Commission, FDC, or the Indemnified Parties. These indemnity and defense obligations shall apply to any acts or omissions, negligent or willful misconduct of Urban Air, their employees or agents, whether active or passive. These indemnification and defense obligations hereunder shall extend to claims occurring after this Agreement is terminated as well as while it is in force, and shall continue until it is finally adjudicated.

Article V. AUTHORITY

Section IV.04 Actions. The FDC represents and warrants that it has taken or will take (subject to further proceedings required by law and Urban Air's performance of its agreements and obligations hereunder) such action(s) as may be required and necessary to enable it to execute this Agreement and to carry out fully and perform the terms, covenants, duties and obligations on its part to be kept and performed as provided by the terms and provisions hereof.

Section IV.05 Powers. The FDC represents and warrants that it has full lawful right, power and authority, under currently applicable law, to execute and deliver and perform their respective obligations under this Agreement.

Article VI. GENERAL PROVISIONS

Section VI.01 Time of Essence. Time is of the essence of this Agreement. The parties shall make every reasonable effort to expedite the subject matters hereof (subject to any time limitations described herein) and acknowledge that the successful performance of this Agreement requires their continued cooperation.

Section VI.02 Breach. Before any failure of any party of this Agreement to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the party claiming such failure shall notify, in writing, the party alleged to have failed to perform such obligation and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining party within thirty (30) days of the receipt of such notice. If after said notice, the breaching party fails to cure the breach, the non-breaching party may seek any remedy available at law or equity, subject however to the compulsory non-binding mediation provided in Section 6.13, below.

Section VI.03 Amendment. This Agreement, and any exhibits attached hereto, may be amended only by the written mutual consent of the parties, and by the execution of said amendment by the parties or their successors in interest.

Section VI.04 No Other Agreement. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the parties.

Section VI.05 Severability. If any provision, covenant, agreement or portion of this Agreement or its application to any person, entity or property, is held invalid, such invalidity shall not affect the application or validity of any other provisions, covenants, agreements or portions of this Agreement and, to that end, any provisions, covenants, agreements or portions of this Agreement are declared to be severable.

Section VI.06 Construction and Interpretation of Agreement / Indiana Law. This Agreement shall be construed in accordance with the laws of the State of Indiana. The parties agree that they and their attorneys have each reviewed this Agreement, and that the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party or parties shall not be employed in the interpretation of this Agreement.

Section VI.07 Waiver Ineffective. No waiver, modification or amendment of any term, condition or provision of this Agreement shall be valid or have any force or effect unless made in writing and signed by the parties.

Section VI.08 Notices. All notices and requests required pursuant to this Agreement shall be deemed sufficiently made if delivered, as follows:

To Urban Air: Urban Air Indiana, LLC
 Attn: Mr. Leon Fan
 3111 N. Lahr Dr.
 Martinsville, IN 46151-8121

To the FDC: Franklin Development Corporation
 70 East Monroe Street
 Franklin, IN 46131

or at such other addresses as the parties may indicate in writing to the other either by personal delivery, courier, or by registered mail, return receipt requested, with proof of delivery thereof. In the event notice delivered by registered mail is refused or otherwise undeliverable, said notice may be delivered by regular mail.

Mailed notices shall be deemed effective on the third day after mailing; all other notices shall be effective when delivered.

Section VI.09 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section VI.10 Assignment / Transfer. The rights and obligations contained in this Agreement may not be assigned by the parties, or any affiliate thereof without the express prior written consent of the other parties. Neither Company nor Tech Park may transfer ownership of the Property or Project to any third-party without written consent from the FDC being first obtained.

Section VI.11 No Third-Party Beneficiaries. This Agreement shall be deemed to be for the benefit solely of the parties hereto and shall not be deemed to be for the benefit of any third-party.

Section VI.12 Effective Date. Notwithstanding anything herein to the contrary, this Agreement shall not be effective until all parties hereto have executed this Agreement and the FDC has approved or ratified this Agreement at a public meeting.

Section VI.13 Submission of Disagreements to Mediation. In the event the parties disagree as to any material matter (such as, but not limited to, whether a default has occurred, whether one party has a duty to act or a duty to refrain from acting, or whether an ambiguity exists as to the scope and terms of the parties' agreements), the dispute will be submitted to non-binding meditation under the Indiana Rules of Alternative Dispute Resolution.

Section VI.14 No Joint Venture or Partnership. Nothing contained in this Agreement shall be construed as creating either a joint venture or partnership relationship between the FDC and Urban Air, or any affiliates thereof. Neither FDC nor Urban Air is the agent of the other.

IN WITNESS WHEREOF, the parties have duly executed this Agreement pursuant to all requisite authorizations as of the date first above written.

FRANKLIN DEVELOPMENT CORPORATION

By: _____
Jeff Mercer, President

Urban Air Indiana, LLC

By: _____
Signed, Title

Printed Name