

## ASSET PURCHASE AND SALE AGREEMENT

**THIS ASSET PURCHASE AND SALE AGREEMENT** is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 2016 by and between De Jarnette Enterprises, Inc., a Missouri corporation in good standing in said state (“Seller”), and City of Lee’s Summit, Missouri, a Missouri municipality, (“Buyer”).

### ***RECITALS***

- A. Seller is engaged in the business of owning and operating an aeronautical services and storage operation located on the premises of the Lee’s Summit, Missouri Municipal Airport pursuant to a Fixed Base Operator Agreement dated September/1999 (“FBO Business”; “FBO” and/or “FBO Agreement”) and Land Lease Agreement dated September/1999, both among Seller and Buyer (the “Lease”).
- B. Seller now desires to sell, and Buyer desires to purchase, certain assets of Seller used or usable in connection with the FBO Business all on the terms and conditions set forth below.

**NOW THEREFORE**, in consideration of the covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

- 1. **Sale Of Assets.** At Closing (as defined below), Seller shall sell, assign, transfer and deliver to Buyer, free and clear, and Buyer shall purchase and accept, all right title and interest in and to all of the building, fixtures and other permanent improvements located on the property legally described below of Seller (collectively, the “Assets”), and except for the credits referenced in Paragraph 2.B. below, **all on an as-is/where-is basis**, including without limitation the following:
  - A. **Real Property and Fixtures.** The existing metal frame building on site and all fixtures and equipment permanently affixed thereto.
  - B. **Personal Property Sold Herewith.**
    - 1. Furniture in lobby and testing center including cameras, and three (3) PC’s;
    - 2. Cabinets, Table and chairs in hanger except for 4’X6’ oak publications cabinet and those cabinets and shelves in fenced parts area;
    - 3. Reach-in two door refrigerator/cooler;
    - 4. Side by side refrigerator;
    - 5. White folding 8’ tables, 60” Rd. tables and chairs with carts;
    - 6. Hobart GPU;
    - 7. Lav Cart;
    - 8. Two (2) dolly’s for disabled aircraft;
    - 9. Aircraft tow bars;
    - 10. Safety cones in hanger;

11. Air compressor;
12. Floor cleaning machine;
13. Washer and dryer;
14. Ice machine (does not work); and
15. Two (2) door motors/angle gear drive and sprocket with one control panel.

C. **Excluded Assets.** The following assets of Seller (the "Excluded Assets") are excluded from the Assets and shall be retained by Seller: all wall hangings; cannon copy machine; executive desk of Ron De Jarnette; table top water cooler; records computers (3); all hanger equipment, including John Deere tractor, parts; shelving; and table, file cabinet and three (3) chairs in N41JJ office.

2. **Purchase Price.** The total purchase price (the "Purchase Price") to be paid by Buyer to Seller for the Assets shall be One Million Five Hundred Thousand Dollars (\$1,500,000)

A. **Payment At Closing.** At Closing, Buyer shall pay the entire Purchase Price via wire transfer and pursuant to wire instructions jointly provided by Seller and its lender, Stanley Bank. Seller and Buyer herein agree and acknowledge that the Purchase Price, in its entirety, is to be paid and applied upon obligations of Seller at the referenced Stanley Bank.

B. The parties both acknowledge that the Purchase Price referenced in this Paragraph 2 reflects credits to the Buyer for the agreed costs of certain anticipated roof and hanger door repairs and corresponding off-set credits, in an equal amount, to Seller for the purchase and sale of the personal property identified in Paragraph 1.B. above.

3. **Assignment and Cancellation of FBO and Land Lease Agreements.** At Closing, Buyer and Seller shall execute a Termination of Lease and Fixed Base Operator Agreement (form attached as Exhibit A).

4. **Taxes; Prorations.** The parties agree to prorate as of the Closing Date (as defined below) the real estate taxes, personal property taxes and other applicable costs and expenses. The parties further agree that all bills for utilities, telephone and other services billed monthly will be prorated between the parties as of the Closing Date.

5. **Assumption Of Liabilities/Accounts Payable.** Except as specifically provided in this Agreement, Buyer does not assume (and shall not be deemed to have assumed or agreed to pay, perform, or discharge) any liability or obligation of Seller of any nature whatsoever. The parties agree that the Seller shall be liable for all of Seller's Accounts Payable or any other liability or expense incurred prior to the Closing Date, and that Buyer shall be liable for all amounts incurred after the Closing Date.

6. **Sales Taxes On Assets Sold.** In the event there are any sales taxes imposed on any other liability or expense incurred prior to the purchase by Buyer of the Assets, Buyer shall be liable for payment of said sales taxes. As a condition precedent to Buyer's obligation to

close, Seller shall provide Buyer with a Tax Clearance Certificate (collectively the "Tax Clearance Certificate"), if any, for all local, state and federal taxes related to the Assets, or the Business.

7. **Representations And Warranties Of Seller.** Seller makes the following representations and warranties to Buyer of the date of this Agreement and of the Closing Date. The representations and warranties shall survive closing without limitation.
  - A. **Organization, Authority.** Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Missouri. Seller has the requisite power and authority to (i) own, lease and use the property belonging to the Seller as presently owned, leased and used, and (ii) to conduct and carry on its business as now conducted, all with the necessary consent of Stanley Bank. Seller has the requisite power and authority to execute, deliver and perform this Agreement. The consummation of the transactions contemplated by this Agreement, including the execution and delivery of this Agreement, has been approved by all requisite action of Seller and are consented to by Stanley Bank via its consent signature made hereto.
  - B. **Binding Agreement.** This Agreement and all other documents, agreements and instruments contemplated by this Agreement have been duly and validly authorized, executed and delivered by Seller and are valid and binding upon it.
  - C. **Title To Assets.** Seller has good and marketable title to the Assets free and clear of all security interests, liens or other encumbrances of any nature except that such Assets are pledged to Stanley Bank as collateral for obligations owed to such bank.
  - D. **Taxes.** Seller shall pay all income taxes, employment taxes, including FICA, withholding, State and Federal Unemployment Taxes, Sales Taxes and all other taxes, dues and other obligations required to be paid by Seller in the operation of the FBO Business.
  
8. **Representations And Warranties Of Buyer.** The Buyer covenants, represents and warrants with, and to, Seller as follows. The representations and warranties shall survive closing without limitation.
  - A. **Organization/Authority/Approval.** Buyer is a municipal corporation, duly organized, validly existing and in good standing under the laws of the State of Missouri, with full power and authority to execute, deliver, perform, and consummate the provisions of this Agreement and that all necessary votes and approvals have been obtained, as necessary to enter and close this Agreement and to fund and pay Purchase Price.

**B. Binding Agreement.** This Agreement and all other documents, agreements and instruments contemplated by this Agreement have been duly and validly authorized, executed and delivered by Seller and are valid and binding upon it.

**9. Conditions Precedent To Obligations Of Buyer.** The obligations of Buyer hereunder are subject to the satisfaction, on or prior to the Closing, of all of the following conditions. The compliance with, or occurrence of, any or all of such conditions may be waived in whole or in part by Buyer, but only in writing:

A. The representations and warranties of Seller contained herein shall be true as of and at the Closing, to the extent applicable and consistent, with the same effect as though made on such date. All obligations and covenants required by this Agreement to be performed or complied with by the Seller on or prior to the Closing Date shall have been duly performed or complied with.

B. Since the date of this Agreement, there shall not have been any material adverse change in the physical condition of any of the Assets or the Seller's operations.

C. Seller shall have delivered (or caused to be delivered) to Buyer on the Closing Date any necessary closing documents as required to close this transaction.

**10. Conditions Precedent to Seller's Obligations.** The obligations of Seller are subject to the satisfaction, on or prior to the Closing Date, of all the following conditions. The compliance with, or occurrence of, any or all of such conditions may be waived in whole or in part by Seller, but only in writing:

A. The representations and warranties of Buyer contained herein shall be true in all material respects as of and at the Closing, to the extent applicable and consistent with the same effect as though made on such date, except for changes permitted in this Agreement. All obligations and covenants required by this Agreement to be performed or complied with by Buyer on or prior to the Closing Date shall have been duly performed or complied with in all material respects.

B. Buyer shall have delivered (or caused to be delivered) to Seller on the Closing Date any necessary closing documents and payments as required to close this transaction.

**11. Interim Conduct of Business.** Between the date of this Agreement and the Closing Date, Seller may continue to operate the Business in the ordinary course, but shall not use, sell or consume any of the Assets other than in the ordinary course of business. Seller and/or Stanley Bank is entitled to all of the profits from the business and assumes all risk of loss through the Closing Date. Seller shall pay or shall have paid all liabilities, social security, withholding, unemployment compensation, sales and other taxes for the Business up to the Closing Date.

12. **Buyer's Taxes.** The parties agree that Buyer will be solely liable for taxes that accrue after the Closing Date.
13. **Closing.**
- A. **Location, Date.** The closing of the transaction contemplated in this Agreement (the "Closing") shall take place at 2:00 pm local time on the 30th day of November, 2016 at Lee's Summit's City Hall in Lee's Summit, Missouri or such other time and place as Seller and Buyer shall mutually agree.
- B. **Deliveries By Seller At Closing.** At Closing, Seller shall deliver to Buyer the following:
- i. The keys to the Premises;
  - ii. Executed Bill of Sale for all of Seller's right, title and interest in the Assets;
  - iii. Executed Closing Statement; and
  - iv. Executed Deeds of Release from Stanley Bank (forms attached as Exhibit B).
- C. **Deliveries By Buyer At Closing.** At Closing, Buyer shall deliver to Seller the following items:
- i. Wire transfer totaling \$1,500,000 per wire instructions jointly executed by Seller and Stanley bank; and
  - ii. Executed Closing Statement.
14. **Franchise Consultant/Broker.** Each party represents and warrants that no Franchise Consultant/Broker brought about the transactions set forth in this Agreement. Seller shall indemnify and hold Buyer harmless from any party claiming by or through Seller any type of payment or commission related to this transaction and Buyer shall indemnify and hold Seller harmless from any party claiming by or through Buyer any payment or commission related to this transaction.
15. **Notices.** All notices, requests, demands, and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally, by facsimile, by first class mail or by overnight delivery by a nationally recognized delivery service, as follows:

If To Seller: De Jarnette Enterprises, Inc.  
Janice De Jarnette  
Title: President  
2525 NE Douglas Street  
Lee's Summit, MO 64064

If To Buyer: City of Lee's Summit  
Attn: Mayor  
220 SE Green Street  
Lee's Summit, MO 64063

With copy to: Joe Jackson, President  
Stanley Bank  
P.O. Box 23008  
Stanley, KS 66223

and to any other addresses designated in writing by the receiving party to the other party.

#### 16. **General Contractual Provisions**

- A. **Modification, Waiver.** No modification or waiver of any provision of this Agreement or consent to departure there from shall be effective unless in writing and approved by the parties hereto.
- B. **Further Assurances.** The parties hereto agree to execute such further instruments or documents, and to take any and all such further action, as may be necessary or desirable to carry out the provisions hereof and to effectuate the purposes of this Agreement.
- C. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties and there are no representations, inducements, promises, or agreements other than those set forth and duly executed in writing.
- D. **Severability.** Should any one or more of the provisions of this Agreement be determined to be illegal or unenforceable, all other provisions of this Agreement shall be given effect separately from the provision or provisions determined to be illegal or unenforceable and shall be affected thereby.
- E. **Governing Law.** This Agreement shall be enforced and interpreted in accordance with the laws of the State of Missouri (without regards to its conflicts of law principles).
- F. **Headings.** The headings and captions used in this Agreement are used for reference only, and do not modify or construe the undertakings or obligations of the parties hereof.

**G. DEFAULTS AND REMEDIES**

**1. Seller Default.** If Seller defaults in the performance of any of its covenants under this Agreement and fails to cure such default within ten (10) days after notice thereof from Buyer to Seller, then Buyer may:

- a. Elect to terminate this Agreement; or
- b. Obtain specific performance of Seller's obligations under this Agreement plus recovery of all Buyer's costs and expenses in connection with such default.

**2. Buyer Default.** If Buyer defaults in the performance of any of its covenants under this Agreement and fails to cure such default within ten (10) days after notice thereof from Seller to Buyer, then Seller may:

- a. Elect to terminate this Agreement; or
- b. Obtain specific performance of Seller's obligations under this Agreement plus recovery of all Buyer's costs and expenses in connection with such default.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

CITY OF LEE'S SUMMIT

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: Mayor

DE JARNETTE ENTERPRISES, INC.

By: \_\_\_\_\_

Printed Name: Janice De Jarnette

Title: President

CONSENTED TO: STANLEY BANK

By: \_\_\_\_\_

Printed Name: Joe Jackson

Title: President

## TERMINATION OF LEASE AND FIXED BASE OPERATOR AGREEMENTS

This Termination of Lease and Fixed Base Operator ("FBO") Agreements ("Termination") is entered into this \_\_ day of \_\_\_\_\_ 2016, by and among the City of Lee's Summit, Missouri, a Missouri municipality ("Landlord" and/or "City") and De Jarnette Enterprises, Inc., a Missouri Corporation in good standing with said State ("Tenant" and/or "Operator").

WHEREAS, Landlord/City and Tenant/Operator are parties to that certain Land Lease Agreement dated September, 1999 (the "Lease"), pursuant to which Tenant/Operator leases from Landlord/City approximately 80,000 square feet, legally described as follows (hereinafter referred to as "Premises"):

Part of the Northeast Quarter of the Southeast Quarter of Section 19, Township 48 North, Range 31 West, in the City of Lee's Summit, in Jackson County, Missouri, described as follows: From the Northwest Corner of the Northeast Quarter of the Southeast Quarter of Section 19, aforesaid, run thence South 2°06'22" West, along the West line of said Quarter Quarter Section, 544.49 feet; run thence South 87°53'38" East, perpendicular to the West line of said Quarter Quarter Section, 87.48 feet to the True Point of Beginning of the tract to be described; run thence South 86°41'17" East, 200.00 feet; thence South 3°18'43" West, 400.00 feet, thence North 86°41'17" West, 200.00 feet; thence North 3°18'43" East, 400.00 feet to the Point of Beginning. Contains 1.84 acres, more or less, subject to any existing roads or easements.

Together with the easements and rights thereto or as may be hereafter granted for the purposes of this Lease, including the right of ingress thereto and egress therefrom.

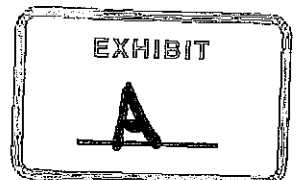
WHEREAS, City and Operator are parties to that Fixed Base Operator Agreement ("FBO Agreement") also dated September/1999, which enabled Operator to perform aeronautical services as a fixed base operation on the Premises.

WHEREAS, Landlord/City and Tenant/Operator have contemporaneously entered into an Asset Purchase and Sale Agreement with regard to the building, fixtures and other permanent improvements located on the Premises; and

WHEREAS, Landlord/City and Tenant/Operator now desire to terminate the Lease and FBO Agreements and all of their rights, obligations and duties thereunder.

Lease: Lease has an initial term of twenty (20) years (September/2019) and is renewable at the option of Tenant/Operator for three (3) additional five (5) year terms (for a total of sixty (60) additional months). The renewal terms and notice requirements are set forth in the Lease.

FBO Agreement: The FBO Agreement began in September/1999 with an initial term of two (2) years and has continued on increments of two (2) year extension and renewal periods since that time, with a current termination date of September/2017.





Date of Termination: The "Date of Termination" as used herein should be the date of the closing of the above-referenced Asset Purchase and Sale Agreement, which is anticipated to occur on or before December 31, 2016 (the "Closing Date").

Termination Fee: None.

Right of Possession: Subject to any mutually agreed changes, executed in writing by Landlord/City and Tenant/Operator, the possession of the Premises shall transfer to Landlord/City at the closing. Tenant/Operator shall have the right to hold a property auction for any personal property not transferred hereunder or under the Asset Purchase and Sale Agreement to be held at the Premises any time up until transfer of possession.

Prorations: Tenant/Operator's monetary obligations under either the Lease or FBO Agreement shall cease with the execution of this Termination and any necessary prorations at closing shall be calculated as of the date of this Termination.

Time is of the Essence: Yes.

Public Records: Tenant/Operator and Landlord/City will cooperate with one another to execute any additional documents necessary to terminate the Lease of public record.

Release: As of the Date of Termination, Landlord/City and Tenant/Operator, respectively, shall be released and discharged from any and all other respective claims, demands, obligations and liabilities in connection with the Lease, the FBO Agreement and/or the Asset Purchase and Sale Agreement between them.

Said release is deemed to apply to not only Landlord/City and Tenant/Operator but to each and every of their respective, officers, directors, employees, directors, elected officials, heirs, attorneys, insurers, lenders, agents, representatives, successors, transferees and assigns from and against any and all claims, suits, causes of action or other legal matter arising out of the life of the Lease, FBO Agreement and/or Asset Purchase and Sale Agreement, all between the parties hereto; herein after (the "Release");

Stanley Bank: The parties hereto acknowledge that Stanley Bank, a Kansas banking entity, is an interested party in the Lease, FBO Agreement and Asset Purchase and Sale Agreement, all between the parties hereto. It is the request of Landlord/City and Tenant/Operator that Stanley Bank release any and all of its interest in and to the aforementioned agreements and the building, fixtures and other permanent improvements to be sold to the City of Lee's Summit under the Asset Purchase and Sale Agreement referenced herein and contemporaneously executed herewith, and as consideration for Stanley Bank agreeing to release such interests, both Landlord/City and

Tenant/Operator specifically agree and acknowledge that the Release in the aforementioned paragraph is intended to fully apply to Stanley Bank and constitute a full and complete release of Stanley Bank from each of them jointly and separately, as to all matters, known or unknown, whether past, present or made known in the future, and all with respect to any matter arising out of or relating to the Lease, FBO Agreement and/or Asset Purchase and Sale Agreement referenced herein. The issuance of this release to Stanley Bank is partial consideration for said bank consenting to the Lease and FBO Agreement terminations and by executing its consent herein, and subject to the successful closing of the Asset Purchase and Sale Agreement, Stanley Bank hereby consents as aforesaid, and release its interests as described above.

**Reservation:** In the event the Asset Purchase and Sale Agreement described herein does not close, this Lease and FBO Agreement shall remain in full force and effect and the interest of Stanley Bank in such Lease, FBO Agreement and Asset Purchase and Sale Agreement shall continue and remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Termination as of the date first written above.

By Landlord/City:

City of Lee's Summit

By: \_\_\_\_\_  
\_\_\_\_\_, Mayor

By Tenant/Operator:

De Jarnette Enterprises, Inc.

By: \_\_\_\_\_  
Janice De Jarnette, President

Consented To:

Stanley Bank

By: \_\_\_\_\_  
Joe Jackson, President

**DEED OF FULL RELEASE**

This Deed of Release Witnesseth, That **STANLEY BANK**, (Grantor) a corporation, organized and existing under the laws of the State of Kansas, and having its principal place of business in Johnson County, Kansas, owner and holder of the note evidencing the debt secured by mortgage executed by \_\_\_\_\_ DeJarnette Enterprises, Inc (Grantee), dated 11-1-2000, and recorded \_\_\_\_\_ 8-21-2001, in the Office of the Recorder of Deeds of Jackson County, Missouri, under Document No. 2001I0066379 in Book \_\_\_\_\_ at Page \_\_\_\_\_, for value received does hereby release in full from the lien and effect of said mortgage the following property therein described, to wit:

Per Exhibit A, attached and made a part hereof.

In Witness Whereof, these presents have been executed, pursuant to due authority, this 24th day of October, 2016.

**STANLEY BANK**  
BY: \_\_\_\_\_  
Joe Jackson President

**CORPORATION ACKNOWLEDGEMENT**

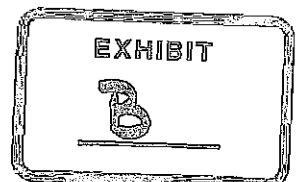
State of Kansas  
County of Johnson

On this 24th day of October, 2016 A.D., before me, appeared Joe Jackson to me personally known, who being by me duly sworn, did say that he is the \_\_\_\_\_ President of **Stanley Bank** a Kansas Corporation, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and acknowledged said instrument to be the free act and deed of said corporation.

In Witness Whereof, I have hereunto set my hand and affixed my notarial seal at my office in Overland Park, Kansas.

\_\_\_\_\_  
Debra L Mitts Notary Public

My Commission Expires:  
1-1-20



## SCHEDULE A

**Part of the Northeast Quarter of the Southeast Quarter of Section 19, Township 48 North, Range 31 West, in the City of Lee's Summit, in Jackson County, Missouri, described as follows: From the Northwest corner of the Northeast Quarter of the Southeast Quarter of Section 19, aforesaid; run thence South 2 degrees 06 minutes 22 seconds West, along the West line of said Quarter Quarter Section, 544.49 feet; run thence South 87 degrees 53 minutes 38 seconds East, perpendicular to the West line of said Quarter Quarter Section, 87.48 feet to the True Point of Beginning of the tract to be described; run thence South 86 degrees 41 minutes 17 seconds East, 200.00 feet; thence South 3 degrees 18 minutes 43 seconds West, 400.00 feet; thence North 86 degrees 41 minutes 17 seconds West, 200.00 feet; thence North 3 degrees 18 minutes 43 seconds East, 400.00 feet to the Point of Beginning.**

**DEED OF FULL RELEASE**

This Deed of Release Witnesseth, That **STANLEY BANK, (Grantor)** a corporation, organized and existing under the laws of the State of Kansas, and having its principal place of business in Johnson County, Kansas, owner and holder of the note evidencing the debt secured by mortgage executed by DeJarnette Enterprises, Inc. (Grantee), dated 7-18-2003, and recorded 10-27-2003, in the Office of the Recorder of Deeds of Jackson County, Missouri, under Document No. 2003I0130851 in Book \_\_\_\_\_ at Page \_\_\_\_\_, for value received does hereby release in full from the lien and effect of said mortgage the following property therein described, to wit:

Per Exhibit A attached and made a part hereof.

In Witness Whereof, these presents have been executed, pursuant to due authority, this 24th day of October, 2016.

**STANLEY BANK**

BY: \_\_\_\_\_

Joe Jackson,

President

**CORPORATION ACKNOWLEDGEMENT**

State of Kansas  
County of Johnson

On this 24th day of October, 2016 A.D., before me, appeared Joe Jackson to me personally known, who being by me duly sworn, did say that he is the President of Stanley Bank a Kansas Corporation, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and acknowledged said instrument to be the free act and deed of said corporation.

In Witness Whereof, I have hereunto set my hand and affixed my notarial seal at my office in Overland Park, Kansas.

\_\_\_\_\_  
Debra L Mitts

Notary Public

My Commission Expires:  
1-1-20

## SCHEDULE A

**Part of the Northeast Quarter of the Southeast Quarter of Section 19, Township 48 North, Range 31 West, in the City of Lee's Summit, in Jackson County, Missouri, described as follows: From the Northwest corner of the Northeast Quarter of the Southeast Quarter of Section 19, aforesaid; run thence South 2 degrees 06 minutes 22 seconds West, along the West line of said Quarter Quarter Section, 544.49 feet; run thence South 87 degrees 53 minutes 38 seconds East, perpendicular to the West line of said Quarter Quarter Section, 87.48 feet to the True Point of Beginning of the tract to be described; run thence South 86 degrees 41 minutes 17 seconds East, 200.00 feet; thence South 3 degrees 18 minutes 43 seconds West, 400.00 feet; thence North 86 degrees 41 minutes 17 seconds West, 200.00 feet; thence North 3 degrees 18 minutes 43 seconds East, 400.00 feet to the Point of Beginning.**