

EXHIBIT 2

PURCHASE AGREEMENT

This Purchase Agreement (this "Agreement") is entered into as of _____, 2017, by and between Launch Properties, LLC, a Minnesota liability company or its assigns ("Buyer") and the City of Duluth, a municipal corporation under the laws of the State of Minnesota ("City").

RECITALS

WHEREAS, City owns certain real property in St. Louis County, Minnesota, legally described on the attached Exhibit A, together with any and all improvements located thereon and all privileges, rights and easements appurtenant thereto (the "Property").

WHEREAS, upon completion of certain conditions precedent, Buyer wishes to purchase the Property from City and City wishes to sell the Property to Buyer pursuant to the authority granted in Duluth City Code Section 2-178.

In consideration of this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, City and Buyer agree as follows:

1. City agrees to sell to Buyer and Buyer agrees to purchase from City, on the terms and conditions set forth in this Agreement, all of City's right, title and interest in the Property.

2. The purchase price for the Property, which City agrees to accept and Buyer agrees to pay, is \$25,270.00 (the "Purchase Price"), to be paid in cash at Closing (defined below). The closing on the purchase and sale shall occur on or before December 31, 2017 (the "Closing"), at a time and location mutually agreeable to the parties. City shall deliver possession of the Property to Buyer immediately after completion of the Closing. On the date of Closing, Buyer shall pay the Purchase Price to City and City shall deliver the quitclaim deed to Buyer. Upon request of Buyer, City shall provide a no objection letter from the Minnesota Department of Transportation pertaining to the Property and confirming that it will no longer be used for highway purposes.

3. City's obligation to close on the sale of the Property is contingent on the occurrence of the following events on or before the Closing (the "Contingencies"):

(A) The City Council passing an ordinance approving the sale of the Property to Buyer under the terms and conditions set forth in this Agreement; and

(B) Buyer acquiring fee title to land that is adjacent to the Property, so that Buyer will become an adjacent owner as defined in Section 2-178 of the Duluth City Code.

If the Contingencies are not satisfied on or before the Closing, this Agreement shall automatically terminate and the parties shall have no further obligations to one another pursuant to this Agreement. Neither Buyer nor City may waive the Contingencies.

4. Real estate taxes on the Property shall be prorated as of the Closing based upon the latest available tax statement (though the parties believe the Property is currently property tax-exempt). Buyer shall be responsible for all real estate taxes and assessments for the year 2018 and all subsequent years. Buyer shall pay all closing costs, recording fees, any real estate transfer tax or conveyance fees, any title company costs, and any other costs and expenses required to effectuate the purchase and sale contemplated by this Agreement. The parties intend that City will not incur any out of pocket expenses in relation to the purchase and sale contemplated by this Agreement.

5. Buyer may obtain, at Buyer's expense, a title insurance commitment for an ALTA Owner's Policy of Title Insurance insuring title to the Property (the "Title Commitment"). The premium for a title insurance policy, if Buyer elects to obtain title insurance, shall be paid for by Buyer. In the event that the Title Commitment reflects that title to the Property is not in a condition that is acceptable to Buyer, Buyer may object to the title defects by specifying Buyer's objections in writing to City with 10 days of receipt of the Title Commitment. At City's election, City may fix any title defects, or may decline to fix any title defects by delivering written notice to Buyer within 10 days of receipt of Buyer's title objections. If City fixes the title defects, the parties shall proceed to Closing subject to the terms and conditions of this Agreement. If City declines to fix the title defects, Buyer may terminate this Agreement by delivering written notice of termination to City within 5 days of receiving notice that City will not fix the title defects, or Buyer may waive such objections and proceed to Closing. If Buyer terminates this Agreement pursuant to this paragraph, the parties shall have no further obligations to one another pursuant to this Agreement.

6. City staff handling the sale of the Property on behalf of City have no actual knowledge of the following with respect to the Property: (1) the presence of a well, underground storage tank or subsurface sewage treatment system; or (2) methamphetamine production on the Property.

7. Buyer makes the following representations:

a. Authorization. Buyer has the full power and authority to enter into this Agreement and to purchase the Property in accordance with this Agreement. No consent or authorization from any other person, entity or government agency is required for Buyer to enter into and perform Buyer's obligations under this Agreement except as has already been obtained. The execution of the Agreement will not constitute a breach or default under any agreement to which Buyer is bound.

b. Legal / Other Proceedings. There is no suit, action, legal, administrative or other proceeding or inquiry pending or threatened against Buyer which could affect Buyer's ability to enter into and perform Buyer's obligations under this Agreement. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings are pending or threatened against Buyer, nor are any such proceedings contemplated by Buyer.

Each of the above representations is material and is relied upon by City. Each of the above representations shall be deemed to have been made as of the Closing and shall survive the Closing.

8. Buyer agrees to assume the benefit and burden of the Property as of the Closing, and shall indemnify and hold City harmless from any and all claims, costs, or damages which may arise from or under the Property, including reasonable attorney fees and costs, from and after the date of

Closing. Without limitation, Buyer acknowledges that City has made no representations or warranties (whether express or implied, oral or written) regarding the Property, including but not limited to the value, quality or condition of the Property; the status of title to the Property; the suitability of the Property for any activity or use which Buyer may conduct; the compliance of the Property with any laws or regulations; the habitability, merchantability, marketability, profitability, or fitness of the Property for a particular purpose; and compliance by the Property with any and all environmental rules, regulations, orders or laws. Buyer acknowledges and agrees that City has no obligation to remove any personal property or debris from the Property. Buyer acknowledges and agrees that, to the maximum extent permitted by law, Buyer is purchasing the Property in its "AS-IS" condition.

9. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and understandings between the parties regarding the Property. There are no oral agreements that change this Agreement and no waiver of any of its terms shall be effective unless in a writing executed by the parties. Time is of the essence in all terms of this Agreement. This Agreement binds and benefits the parties and their successors in interest. This Agreement shall be construed under the laws of the state of Minnesota.

10. This Agreement, each provision of it, and all warranties and representations in this Agreement shall survive the Closing. All representations, warranties, agreements, and obligations of the parties shall survive Closing.

11. The failure of either party to enforce any provision of the Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

12. In the event of a default of this Agreement by either party, the non-defaulting party shall be entitled to pursue either of the following remedies: (1) cancellation of this Agreement; or (2) specific performance of this Agreement. Neither party shall be entitled to damages for a breach of this Agreement.

13. Notices sent pursuant to this Agreement shall be sufficient if sent by regular United States mail, postage prepaid, addressed to:

City
City of Duluth
Attn: Property and Facilities Manager
1532 W. Michigan Street
Duluth, MN 55806

Buyer
Launch Properties, LLC
Attn: Scott Moe
800 Lasalle Ave., Suite 1610
Minneapolis, MN 55402

or to such other persons or addresses as the parties may designate to each other in writing from time to time.

[Remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date indicated below.

Dated: _____, 2017.

BUYER:

LAUNCH PROPERTIES, LLC

By: _____

Its: _____

CITY OF DULUTH:

By _____
Its Mayor

Attest: _____
Its City Clerk

Date Attested: _____, 2017

Countersigned:

By: _____
Its Auditor

Approved as to form:

By: _____
Its City Attorney

EXHIBIT A
DESCRIPTION OF PROPERTY

CITY LAND ACQUISITION EXHIBIT

LEGAL DESCRIPTION:

All that part of Lots 1 and 16, Block 4, MAPLE GROVE ACRE TRACTS OF DULUTH MINNESOTA, St. Louis County, Minnesota, which lies Northerly and Westerly of Line 1 described below:

Line 1: Beginning at the point of intersection of a line run parallel with and distant 75 feet Northeasterly of Line 2, described below, with the West line of Lot 16, said Block 4; thence run Northeasterly to a point on the West line of Lot 3, Block 28, Duluth Heights, Sixth Division, distant 30 feet South of the Northwest corner thereof and there terminating;

Line 2: Beginning at a point on the West line of Section 20, Township 50 North, Range 14 West, distant 1321.4 feet South of the Northwest corner thereof; thence run Southeasterly at an angle of 55 degrees 49 minutes 00 seconds from said West section line (measured from South to East) for 925.6 feet; thence deflect to the left at an angle of 11 degrees 48 minutes 00 seconds for 1735.8 feet; thence deflect to the left on a 5 degree 00 minute 00 second curve (delta angle 21 degrees 53 minutes 00 seconds) for 437.7 feet and there terminating.

and which lies southerly and southeasterly of the following described line:

Beginning at the northeast corner of Lot 8, Block 28 said Duluth Heights Sixth Division; thence North 89 degrees 50 minutes 34 seconds West, an assumed bearing along the north line of Lots 6, 7 & 8, said Block 28, a distance of 75.00 feet to the northeast corner of Lot 5, Block 28 said Duluth Heights Sixth Division; thence South 72 degrees 17 minutes 38 seconds West a distance of 97.86 to a point on the west line of Lot 3, Block 28 said Duluth Heights Sixth Division, 30.00 feet southerly of the northwesterly corner thereof; thence continue South 72 degrees 17 minutes 38 seconds West, a distance of 1.70 feet; thence Southwesterly 115.94 feet along a non-tangential curve concave to the southeast, said curve has a central angle of 27 degrees 03 minutes 36 seconds, a radius of 245.49 feet and a chord that bears South 47 degrees 08 minutes 53 seconds West; thence South 32 degrees 24 minutes 30 seconds West not tangent to the last described curve a distance of 26.60 feet to the west line of Lot 16, Block 4, Maple Grove Acre Tracts of Duluth Minnesota and said line there terminating.

SEE SHEET 2 OF 2

CITY LAND ACQUISITION EXHIBIT FOR:

**Kimley-Horn and
Associates, Inc.**

SITE LOCATION: 317 & 325 West Central Entrance
Duluth, Minnesota 55811



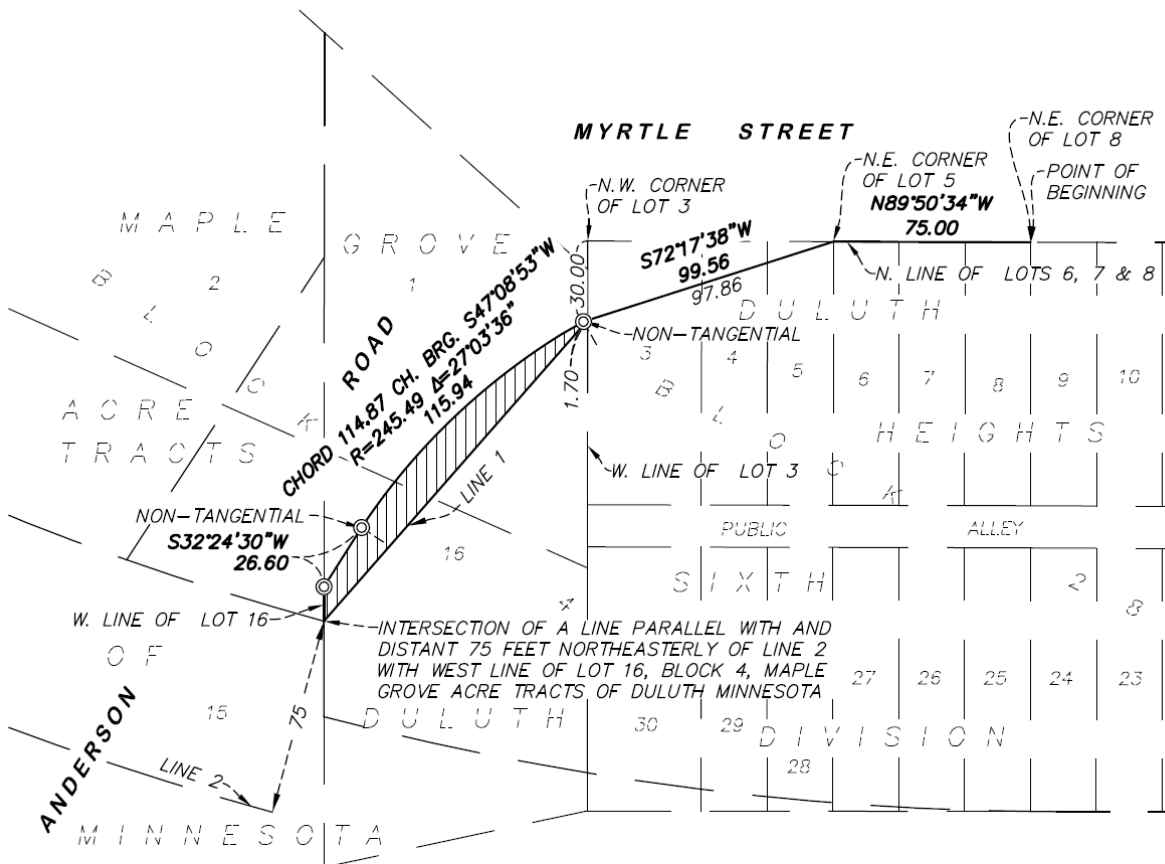
Egan, Field & Nowak, Inc.
land surveyors since 1872

1229 Tyler Street NE, Suite 100
Minneapolis, Minnesota 55413
PHONE: (612) 466-3300
FAX: (612) 466-3383
WWW.EFNSURVEY.COM

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CITY LAND ACQUISITION EXHIBIT

© SET IRON MONUMENT MARKED
WITH LICENSE NUMBER 44123



**WEST CENTRAL ENTRANCE
TRUNK HIGHWAY NO. 194**



CERTIFICATION:

I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Date of signature: July 19, 2017.

Brent R Peters

Brent R Peters
Minnesota License No. 44123

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**Kimley-Horn and
Associates, Inc.**

SITE LOCATION: 317 & 325 West Central Entrance
Duluth, Minnesota 55811



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