

LAW OFFICES
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PETER J. SCHMITZ (1940-2014)

June 6, 2017

Mr. Scott Tempel
City Planner
City of Northfield
801 Washington Street
Northfield, MN 55057

Via e-mail only

RE: Hills of Spring Creek
Our File No. 15008

DESCRIPTION: Outlot O, in Hills of Spring Creek, City of Northfield, Rice County, Minnesota

Dear Mr. Tempel:

This is to certify that the writer has examined Certificate of Title No. 10061.0, for the above referenced property in the Office of the Registrar of Titles, Rice County, Minnesota, together with the records of the Rice County Registrar of Titles as of June 2, 2017 at 7:00 a.m.

From such examination the writer is of the opinion as of June 2, 2017 at 7:00 a.m. the fee owner was Schmidt Endeavors, Inc., subject to the following:

1. Utility easements as shown on the Plat of Hills of Spring Creek recorded February 24, 1999 as Document No. 449119.
2. Hills of Spring Creek Subdivision Agreement dated February 22, 1999 and recorded February 24, 1999 as Document No. 449120 by and between the City of Northfield, Minnesota and Sumac Properties, LLC.
3. A mortgage executed by Steven Schmidt Construction, Inc. in favor of Community National Bank in the original amount of \$225,000.00 dated February 16, 2004 and recorded February 27, 2004 as Document No. 35434.

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4. Real estate taxes are as follows:

PID No. 22.07.1.01.003 \$932.00 and are one-half paid

5. No search was made as to the existence of special assessments.

Your attention is called to the attached printed sheet that relates to real estate titles in general.

Very truly yours,

SCHMITZ, OPHAUG, DOWD & BLUMHOEFER, LLP

A handwritten signature in dark ink, appearing to read 'R. Blumhoefer', is written over the printed name.

Ryan L. Blumhoefer

RLB:jf

Enclosure

CC: Steve Schmdit

In the State of Minnesota it is customary for attorneys to base title opinions upon examination of abstracts, or registered property certificates, or owner's duplicate certificates of title covering registered property, as the case may be, rather than upon a search of records at the courthouse. Any opinion based upon such documents must necessarily assume them to be correct and complete. Consequently, **YOU ARE HEREBY ADVISED** that any liability arising from the title opinion is limited solely to interpretations of the information given in the actual documents examined. Because this title opinion is based solely upon the documents examined and not upon independent investigations which we have not made nor been requested to make, no opinion is or can be expressed with regard to the matters and considerations listed below unless otherwise specifically noted. **YOU SHOULD, THEREFORE, NOTE CAREFULLY** the following matters and considerations before you either purchase the property which is the subject of this title examination, or advance money thereon, as the case may be:

MECHANICS LIENS: Any individual who furnishes labor or materials in the improvements of the property may file a lien against the same, assuming he complies with certain requirements, for the amount due him at any time within one hundred twenty (120) days after the completion of the work. You should check with the owner, neighbors, contractors or others who have worked upon the premises recently to determine whether there are any such outstanding lien rights. None appears to have been filed to the date of last continuance of the documents examined, except as specifically set forth in the title opinion.

BOUNDARIES: This title opinion does not assure the correctness of property or lot size, the location of boundary lines, the existence and/or location of structures and/or improvements on the premises, or whether there are any encroachments from or upon adjoining property, overlaps, or existing boundary disputes. Should there be any questions with regard to these matters, the premises should be surveyed by a qualified surveyor, and an inspection of the property made.

POSSESSION: You are charged with notice, by law, and take subject to the rights of any persons (e.g. tenants) who are in possession of some or all of the property. The existence of such rights, if any there may be, more often than not do not appear of record. You should make an investigation with regard to the existence of any such rights.

EASEMENTS: Individuals and public authorities who do not own the property may acquire through long use and often by unrecorded documents, absolute rights to travel over the property or to maintain sewers, telephone lines, drains, etc., upon, under and over the premises. These rights can and may exist even though not of record. You should seek to determine whether the property is affected by such easements.

UNIFORM COMMERCIAL CODE SECURITY INTEREST AND CONDITIONAL SALES CONTRACTS: Accessories and fixtures (e.g. furnaces) may have been installed upon the premises under conditional sales contracts or with retained security interests, with the seller reserving the right to remove them for non-payment of the purchase price or installments thereof. It is possible that these rights can be perfected without a filing in the real estate records or otherwise. You should check this situation if the property has structures or improvements located thereon which could give rise to such rights.

HOMESTEAD EXEMPTION RIGHTS AND FILINGS: Documents customarily examined do not provide information as to whether the property may or may not be classified as a homestead for real estate tax purposes. It is important to note that in Minnesota, real estate taxes payable in a particular year are based upon the classification of the property in the preceding year. You should check with the county assessor's office for any homestead classification filings if such consideration is material to the transaction contemplated.

REAL ESTATE TAXES AND SPECIAL ASSESSMENTS: Certificates attached to documents customarily examined do not generally indicate the existence or amounts of real estate taxes and special assessments which may be payable in subsequent years. Except for those real estate taxes and special assessments specifically noted in this title opinion, you should make an investigation with regard to future real estate taxes and special assessments if these matters are material to you.

ACCESS: Rights of access from public roadways are generally not specifically noted of record. The right of access is obviously an important part of the value of any property. You must satisfy yourself that adequate access rights to the property exist, allowing use of the property for the purposes intended, unless the record, as specifically noted in this title opinion, sets forth the access rights existing.

WATER AND SEWER RIGHTS: As the access rights, water rights are also obviously an important part of the value of any property, and in many instances any water rights which may exist do not appear of record. Additionally, only rarely will the record give any indication of the quality of water furnished to or located on the property. Again, you must satisfy yourself with regard to the existence of the right to water services and the quality of water provided thereby. The same considerations apply to sewer rights and sewer services.

ZONING: All property within the county or city is subject to various zoning ordinances, codes, regulations and building restrictions which may limit use or improvement of the property to protect the public. The zoning classification of the particular property which is the subject of the title examination generally does not appear on the documents being examined, nor do these documents generally set forth in any detail either federal, state, or local codes, regulations or building restrictions affecting the property. It is the responsibility of any prospective purchaser or mortgagees to investigate to determine the particular zoning classification and whether the premises are subject to any unrecorded federal, state, or local codes, regulations or building restrictions.

PERIOD SUBSEQUENT TO LAST CERTIFICATION OF DOCUMENTS EXAMINED: A title opinion based upon the documents of title customarily examined does not cover any change in title, including liens and encumbrances, which may have taken place or effect after the documents were prepared or last continued by the certifying authority. Changes in the title situation during this period can only be determined by the "last minute" check at the courthouse when you are ready to pay over the purchase price or loan monies to the new owner. No such investigation will, however, be made unless you request it.

SUPERFUND: There are a number of federal and state environmental protection statutes, sometimes known as the "Superfund Laws". Under these laws, you may be responsible for environmental damages even if you had no knowledge of any contaminate on the property you are purchasing. Only a qualified expert can examine this problem for you.