

SCHEDULE 1 TO MORTGAGE

NRP DEFERRED NOTE

WEBBER-CAMDEN

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Minneapolis, Minnesota

FOR VALUE RECEIVED, the undersigned (the "Borrower"), promises to pay to the order of the City of Minneapolis, a Minnesota municipal corporation under the laws of Minnesota (the "Lender"), or it assigns, the sum of _____, (the "Loan Funds") without interest. Said sum was made available to the Borrower under that certain Webber-Camden Homebuyer Program for the Borrower to acquire the property at _____ (the "Residence") and legally described below.

1. The Loan Funds shall be repaid without interest as follows:
 - a) If the sale, assignment, conveyance, transfer, lease or termination of the Residence as the Borrower's principal place of residence occurs on or before the fifth (5th) anniversary of the date of this Note, the Borrower shall repay one hundred percent (100%) of the Loan.
2. If the Borrower has not sold, assigned, conveyed, transferred, leased or terminated occupancy of the Residence as Borrower's principal place of residence by the fifth (5th) anniversary of the date of this Note _____, the Borrower shall have no obligation to repay the Loan and this Note will be forgiven and shall terminate and become null and void.
3. This note is secured by a Mortgage (the "Mortgage") in favor of the Lender of even date herewith. Default under any of the covenants in the Mortgage shall constitute an event of default.
4. The Lender will charge the Borrower \$20.00 for each check or automatic payment withdrawal request that is returned unpaid due to insufficient funds or for any other reason.
5. Upon occurrence of an event default, the Lender shall mail notice to the Borrower specifying: (a) the event of default; (b) the action required to cure such event; (c) a date not less than thirty (30) days from the date the notice is mailed to the Borrower by which date such default must be cured; and (d) that failure to cure such default on or before the date specified in the notice may result in acceleration of the Loan.
6. If suit is instituted by Lender, its successors or assigns, to recover on this Note, the undersigned agrees to pay all costs of such collection, including reasonable attorney's fees and court costs.

7. Demand, protest and notice of demand and protest are hereby waived and the undersigned waives, to the extent authorized by law, any and all homestead and other exemption rights which otherwise would apply to the debt evidenced by this Note.
8. This Note shall be governed by and construed in accordance with the laws of the State of Minnesota.

IN WITNESS WHEREOF, this Note has been duly executed by the undersigned, as of the day and year above first written.

BORROWER:
