

RESIDUAL RECEIPTS NOTE
(Nonprofit Mortgagors)

For value received, the undersigned maker promises to pay to
the sum of

at

with interest at the rate of * % per annum, which shall not be compounded, subject to the following conditions and limitations:

- (1) Principal and interest on this note shall be due and payable on the maturity date of the note and mortgage insured by the Secretary of Housing and Urban Development financing FHA Project No. _____, provided that if the aforesaid insured note is prepaid in full, the holder of this note, at its option and without notice, may declare the whole principal sum or any balance thereof, together with interest thereon, immediately due and payable.
- (2) Prepayments to principal and interest on this note may be made only from the residual receipts fund, as that term is defined in the Regulatory Agreement between the maker and the Secretary executed in connection with the above project, and only after obtaining the prior written approval of the Secretary acting by and through the Federal Housing Commissioner. Such prepayments may be made only after final endorsement of the note for insurance by the Secretary and after the end of a semiannual or an annual fiscal period.
- (3) This note is non-negotiable and may not be sold, transferred, assigned, or pledged by the payee except with the prior written approval of the Commissioner.
- (4) This note is made and delivered in payment of _____

Presentation, demand and notice of demand, non-payment and protest of this note are waived.

Executed this _____ day of _____ 19____

Attest:

Maker-Corporate Name

By: _____
Title

The payee hereby certifies that this is a bona fide transaction and that it fully understands all the requirements of this note, and that no prepayment of principal or interest shall be accepted without evidence that the Federal Housing Commissioner has authorized such prepayment. If an unauthorized prepayment is accepted, the funds shall be held by the payee in trust for the project.

By: _____
Payee

* Not to exceed the highest permissible rate on the insured mortgage.