

[FOR LATER USE ONLY]

**AGREEMENT TO MAKE NOTE SELF-CANCELLING**

**THE UNDERSIGNED**, CLIENT NAME, individually, and as Trustee of the CLIENT NAME LIVING TRUST dated \_\_\_\_\_, as Payee, and TRUSTEE NAME, as Trustee of the CLIENT NAME CHILDREN'S TRUST dated \_\_\_\_\_, as Payor, do hereby agree that the Promissory Note in the face amount of \$\_\_\_\_\_, which presently is in effect, shall upon execution hereof by both parties become "self-cancelling" with the following language to therefore apply thereto:

Note Holder and Borrower intend that this be a contingent payment note. This purchase price is variable, and will be somewhere between zero dollars (\$0) and \$\_\_\_\_\_ depending upon how long \_\_\_\_\_ lives. A condition precedent to each contingent payment is that \_\_\_\_\_ be alive on the scheduled potential payment date. Consequently, if \_\_\_\_\_ dies before any scheduled potential payment, the obligation to make such payment does not come into existence.

In consideration hereof the interest rate and principal amount of the Promissory Note are hereby made to be \$\_\_\_\_\_ and \_\_\_\_\_%, and this Note shall balloon with all principal and accrued interest then being payable on or before \_\_\_\_\_, 20\_\_ **[ON THE DATE THAT THIS WOULD BECOME A SELF-CANCELLING INSTALLMENT NOTE WE WILL CHECK THE APPLICABLE ACTUARIAL ASSUMPTIONS TO DETERMINE AN INTEREST RATE AND WHEN THE NOTE MUST BALLOON, WHICH WOULD BE WITHIN THE LIFE EXPECTANCY OF [MEMBER] AS OF THE TIME THAT THE NOTE BECOMES "SELF-CANCELLING."]**

Until maturity, interest shall continue to be due and payable on the \_\_\_\_\_ day of \_\_\_\_\_ of each year based upon the \_\_\_\_\_% interest rate presently effective under such Note.

**IN WITNESS WHEREOF**, the undersigned have executed this Agreement to Make Note Self-Cancelling effective when signed by both parties hereto.

Dated: \_\_\_\_\_

\_\_\_\_\_  
CLIENT NAME, individually, and as Trustee  
of the CLIENT NAME LIVING TRUST  
dated \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
CLIENT NAME, as Trustee of the CLIENT  
NAME CHILDREN'S TRUST dated  
\_\_\_\_\_