**Private Annuity Agreement**

On this day of , 20\_\_\_, (“Annuitant”), and , Trustee of the Family Heritage Trust, dated (“Obligor”), agreed as follows:

# RECITALS:

1. Whereas, the Annuitant owns the property described in Schedule A, (“Property”), and
2. Whereas, Annuitant has a desire to be assured of a steady, fixed income without regard to whether or not the Property produces income or increases or decreases in value; and
3. Whereas, the Obligor desires to acquire the Property and is willing to make payments to Annuitant without regard to the income that may be derived from the Property.

# AGREEMENTS:

**Section 1. Sale for Annuity**

* 1. **Conveyance of Property**

By this Agreement, Annuitant sells, transfers and conveys all of the Annuitant’s right, title and interest in the Property to Obligor in exchange for the Obligor’s promise to pay to him the Annuity Amount described in paragraph 1.3. The obligation to pay the Annuity Amount shall begin on the Closing Date and shall end upon the earlier of the end of the annuity term or upon the death of the Annuitant. These payments are in no way contingent on any income the Property may produce.

# Value of the Property

The value of the Property as of the date hereof is $ .

# Annuity Amount

In consideration of the Annuitant’s agreement to sell, transfer and convey the Property, Obligor hereby agrees to pay the Annuitant an annual annuity amount of $ (“Annuity Amount”). The Annuity Amount shall be paid on , 20 and subsequent payments of the Annuity Amount shall be due and payable on the same day of each subsequent calendar year until the death of the Annuitant. Such payment shall in no way be contingent on the income which is produced by the Property.

# Termination of Annuity

The parties hereby expressly agree that Obligor’s obligation under the preceding paragraph shall terminate upon the death of Annuitant, and no heir, legatee, creditor or

beneficiary of the estate of Annuitant, nor the estate itself, shall have any rights whatsoever, under this agreement.

# Section 2. Security

**2.1 Obligation is Unsecured**

Obligor’s promise to pay is unsecured. Annuitant hereby relinquishes all control over the future disposition of the Property. The Annuitant hereby waives and releases any security interest arising by law in favor of the Annuitant.

# 2.2. Obligor Absolutely Liable

Obligor, and Obligor’s successors, shall be absolutely liable, as Trustees, for the payments due to the Annuitant under this Agreement and such payments are in no way contingent upon the future earnings of the Property. However, the Obligor shall have no personal liability of any kind in connection with the payment of the annuity amount required hereunder except as expressly set forth in the separate Guaranty Agreement.

# Section 3. Advances and Assignment

* 1. **Advances**

Upon the written request of Annuitant, Obligor agrees that it will, insofar as practical, make advance payments of amounts due under this Agreement. Obligor may, but shall not be required, to make advances of Annuitant’s annual payments upon Annuitant’s written request. Any advances shall be treated as loans by Obligor to Annuitant, repayable at Obligor’s written demand, with interest at the prevailing prime interest rate charged by a bank at the time of such advance. At the discretion of Obligor, such amounts may be withheld from payments otherwise due under this Agreement, as are in the sole judgment of Obligor, necessary to protect its interest. Any advances owing at the time of Annuitant’s death shall be an enforceable claim against the Annuitant’s estate.

# Assignability

The Annuitant may assign the annuity payments due hereunder, in Annuitant’s sole discretion, upon 30 days written notice to Obligor. Any assignment shall not diminish nor extend the annuity term established in the Agreement.

# Section 4. Closing

* 1. **Closing Date**

This sale shall be effected at a closing to be held as of the closing date. The closing date shall be , 20 , or any other date to which the parties agree in writing.

# Location

The closing shall be held at any other location to which the parties agree in writing.

# Annuitant's Responsibilities

At the closing, Annuitant will deliver to Obligor documents conveying good and marketable title to the Property, free and clear of any encumbrances. Annuitant shall also transfer possession of the Property to the Obligor at the closing.

# Transfer Documents and Closing Costs

Annuitant agrees to execute and all assignments and transfer documents to the Property, in favor of Obligor, as of the execution of this Agreement. All costs of the transfer are to be paid by the Obligor; the Annuitant shall pay all legal costs in connection with the tax planning and implementation of the Agreement.

# Section 5. Miscellaneous

* 1. **Governing Law**

This agreement, and the parties’ rights and liabilities under it, shall be construed under the law of the state of Arkansas.

# Binding Agreement

This Agreement shall be binding upon the parties, their heirs, legal representatives, successors and assigns.

# Entire Agreement

This Agreement represents the entire agreement between the parties and cannot be modified except in writing signed by both parties.

# Further Assurances

At any time, and from time to time after the effective date hereof, each party will execute such additional instruments and take such action as may be reasonably required by the other party to confirm or perfect title to the Property or to otherwise carry out the intents and purposes of this Agreement.

IN WITNESS WHEREOF, this Private Annuity Agreement is executed on this 14th day of June, 2000.

ANNUITANT:

Annuitant

Signature

OBLIGOR:

Trust

By:

, Trustee

**Exhibit A**

A percent limited partnership interest in the Limited Partnership, an

Limited Partnership.