{%p macro occupancyads(person) %}

## Right of Occupancy of {{ person.address }} by {{ person.name }} Upon the Death of {{ spouse.name }}

After the death of {{ spouse.name }}, even if {{ client.name }} survives {{ spouse.name }}, our Trustee shall allocate the real property located at {{ person.address }}, including buildings and improvements (the Residence), along with {{ person.amount }} to be held in a separate trust for the benefit of {{ person.name }}, to be administered as provided in this section. The separate trust will be referred to as the {{ person.name }} Real Property Subtrust.

Property passing under this section passes free of any administrative expenses or death taxes.

Our Trustee shall administer the {{ person }} Real Property Subtrust as follows:

### Conditions of Occupancy of Real Property

{{ person }}has the exclusive right to use, enjoy, and occupy the Residence, rent-free, subject to the following terms and conditions:

{{ person }} shall actually and continually reside at the Residence. The actual and continual residency requirement is satisfied when {{ person }} is physically present at the Residence for at least 183 days of each 360-day period following the establishment of the {{ person }} Real Property Subtrust.

{{ person }} shall pay for all of the Residence’s utilities, including electricity, water, sewage, gas, trash, telephone, internet, and television services.

{{ person }} shall pay for the ordinary repairs and maintenance of the Residence. The term ordinary repairs and maintenance means any work done to prevent or correct the deterioration, decay, or damage of the Residence and includes the repair, maintenance, or replacement of the roof, water heaters, heating and air conditioning systems, sprinkler systems, appliances, and gardens and landscapes. {{ person }} shall maintain the Residence in a good, clean, and safe manner to the reasonable approval of our Trustee.

{{ person }} may allow a spouse, friend, or companion to reside at the Residence.

{{ person }} may not rent or lease any portion of the Residence.

{{ person }} shall, upon receiving reasonable notice of no less than forty-eight hours, allow our Trustee to access and inspect the Residence at least once per calendar month. If our Trustee discovers any discrepancies with or violations of this section, {{ person }} shall allow our Trustee additional access to the Residence to reinspect and confirm that any discrepancies or violations discovered during a prior inspection have been resolved or remedied. {{ person }} shall cure any discrepancies or violations within thirty days of receiving notice from our Trustee.

### Our Trustee’s Obligations and Duties

Only as it relates to the Residence, our Trustee:

shall pay the Residence’s real estate taxes and any local, state, or county assessments;

shall pay any mortgage or other encumbrance on the property;

shall maintain and pay for at least one insurance policy that provides insurance coverage appropriate for the character and location of the Residence. Any such policy must include {{ person }} and the {{ person }} Real Property Subtrust as the named or additional insured and distribute any amounts paid from claims made against the policy to the {{ person }} Real Property Subtrust. In addition to dwelling insurance, appropriate insurance may include coverage for damages resulting from floods, rain, hail, smoke, fires, lightning, wind, hurricanes, earthquakes, sinkholes, infestations, bodily injury, or other liability;

shall pay for any expenses, fees, costs, taxes, and assessments that are not {{ person }}’s responsibility under the other provisions of this section;

may not encumber the Residence except to repair or improve the Residence or to refinance an existing encumbrance;

shall access and inspect the Residence at least once per calendar year upon giving {{ person }} reasonable notice of no less than forty-eight hours. If our Trustee discovers any discrepancies with or violations of Subsection (a) of this Section, our Trustee shall provide written notice to {{ person }} requiring {{ person }} to cure any discrepancies or violations within a period of no more than thirty days (the Cure Period). Upon the earlier of the expiration of the Cure Period or notice from {{ person }} confirming {{ person }}’s compliance with this section, our Trustee shall reinspect the Residence within a period of thirty days.

### Damages to Residence Requiring Claims against Insurance Policies

If the Residence is damaged such that a claim is made under the applicable fire and casualty policy by our Trustee and less than half of the Residence has been destroyed (based on the Residence’s fair market value, not including tangible personal property situated therein), then the insurance proceeds must be used to repair the Residence in a timely manner, and household furnishings, appliances, and fixtures must also be purchased with the insurance proceeds.

If the Residence is damaged such that a claim is made under the applicable fire and casualty policy by our Trustee and more than half of the Residence has been destroyed (based on the Residence’s fair market value, not including tangible personal property situated therein), then the insurance proceeds must first be used, at our Trustee’s discretion, to tear down as much of the Residence as is necessary and appropriate and dispose of the damaged materials in a lawful manner. Our Trustee may:

use the remaining insurance proceeds to rebuild the Residence in a timely manner to allow {{ person }} to continue {{ person }}’s occupancy pursuant to the other provisions of this section; including using any remaining insurance proceeds to purchase reasonable household furnishings, appliances, and fixtures;

sell what remains of the Residence and use the proceeds of sale, along with the remaining insurance proceeds, to purchase a substitute residence or residential property of comparable or lesser value, to be selected by {{ person }}; or

sell what remains of the Residence, reinvest the remaining insurance proceeds and proceeds of sale, and use the investment income to rent another residence selected by {{ person }}.

### Termination of {{ person }}’s right to Use, Enjoy, and Occupy the Residence

{{ person }}’s right to use, enjoy, and occupy the Residence will terminate on the first of the following events or circumstances to occur:

{{ person }} voluntarily vacates the Residence and provides written notice to our Trustee.

{{ person }}, or {{ person }}’s legal representative, consents in writing to the sale of the Residence and agrees to vacate the Residence prior to the close of escrow.

{{ person }}’s death.

Our Trustee concludes in good faith that the {{ person }} Real Property Subtrust has insufficient funds to continue its administration for more than one year.

{{ person }}’s failure to comply with any conditions of residency set forth in this section.

Upon termination of {{ person }}’s right of occupancy, our Trustee shall manage and distribute the Residence together with any remaining trust funds as provided in the following articles.

### Encumbrances and Incidental Expenses

Unless otherwise specifically stated, property passing under this Article will pass subject to all liens, security interests, or any other encumbrances on the property.

Our Trustee shall pay, as an administration expense, the reasonable expenses of storing, insuring, packing, transporting, and otherwise caring for the property until each item of property is actually delivered to the appropriate beneficiary.

### Residuary Distribution

Our Trustee shall distribute all remaining trust property not distributed under this or prior Articles of this trust as provided in the Articles that follow.

{%p endmacro %}

{%p for person in occupancydistributionads %}

{{p occupancyads(person) }}

{%p endfor %}