

First Supplement to Memorandum 84-92

Subject: Study L-640 - Trusts (Duties and Powers of Trustees)

We have just received comments from the California Bankers Association on the draft statute relating to duties and powers of trustees attached as Exhibit 1 to Memorandum 84-92. A copy of the CBA comments is attached hereto as Exhibit 1. A revised outline of the trust statute is also attached hereto as Exhibit 2. This supersedes the outline attached to Memorandum 84-93.

The staff has the following remarks concerning a selection of the CBA comments:

§ 700. Duty to administer trust

The CBA expresses concern that the provision relating to modification in Civil Code Section 2258 is not contained in draft Section 700. Modification is the subject of a separate set of sections (§§ 640-653 in the forthcoming comprehensive draft).

The CBA notes that some sections in this material refer to a duty "to the beneficiary" and some omit this clause. If the Commission believes that this will cause confusion, the staff would delete the clause in all sections except Section 700. All duties are owed to the beneficiary; the beneficiary is the person who can enforce the trustee's duties or seek redress for breach of trust or on whose behalf redress is sought.

§ 701. Duty of loyalty

The CBA notes that this section and Section 703 cover the same general subject, the duty of loyalty. As the comments to the sections point out, Section 701 is from the Restatement and Section 703 is from California law. The staff would prefer to delete Section 703 in its entirety and leave the subject to coverage by Section 701, if there is a problem.

Other comments of the CBA on Section 701 and other provisions on duties reflect a misunderstanding of the purpose of these sections. The Commission decided that the basic duties of trustees should be listed in the trust statute, primarily as an aid to the nonprofessional trustee. The best source for a list of basic duties is the Restatement (Second)

of Trusts. The Restatement is frequently cited in California cases, as well as in other states. The Restatement formulations have also been used in one of the most recent statutory revisions of trust law. See Ind. Code Ann. § 30-4-3-6 (West 1979). These are general rules which have been applied through the common law in California. It is not realistic to attempt to refine these rules in the manner of a tax code and regulations. Stating the rules in their common form gives a degree of guidance without unintentionally restricting their application in a new set of circumstances.

If the proposed list of duties were deleted, there would probably be no significant change in California law. The common law of trustees' duties (i.e., essentially the law set forth in the Restatement) would continue. See Civil Code § 22.2. As was noted in earlier discussions of this question, the recent Texas trust law revision simply provides a general duty to "perform all of the duties imposed on trustees by the common law" except as otherwise provided by statute or in the trust. Tex. Prop. Code § 113.051 (Vernon 19__). The scheme in the draft statute also recognizes that the general duties are subject to modification in the trust. See draft Section 700. Hence, all comments from the CBA suggesting that the rules are too rigid, too technical, or too undefined miss the point of the draft statute.

§ 704. Duty to take and keep control

The CBA argues that this section "appears innocuous, and redundant in light of the basic standard of care included in § 720." This statement confuses the statement of a basic duty with the standard that is used to judge whether the trustee has exercised an adequate degree of care in performing that duty.

§ 706. Duty to make trust property productive

The CBA argues that "productive" should be defined and that this section is "contrary" to the portfolio investment approach of Civil Code Section 2261 (which is continued in draft Section 720). First it should be remembered that we are discussing very general rules which are subject to statutory exception and contrary provisions in the trust instrument. As for the meaning of "productive," the comments to the Restatement read:

A trustee of land is normally under a duty to lease it or to manage it so that it will produce income. . . . It may be the duty

of the trustee merely to hold the land without making it productive. . . . Similarly also the trustee is not under a duty to make the land productive if the land is unimproved land which cannot be leased and cannot otherwise be made productive without making improvements which the trustee is not empowered to make.

Restatement (Second) of Trusts § 181 comment a (1957). So it can be seen that no technical definition of "productive" is intended nor is one needed. These are flexible, general rules. Similarly there is no conflict between draft Section 706 and the portfolio approach. The comment to Section 706 even contains a cross-reference to Section 720.

§ 707. Duty to dispose of improper investments

The CBA finds this provision "unacceptable" and argues that it "conflicts completely with § 2261(c) of the Civil Code." Presumably the reference should have been to Section 2261(b) which, in relevant part reads:

(b) In the absence of express provisions to the contrary in any trust instrument, a trustee may without liability continue to hold property received into a trust at its inception or subsequently added to it or acquired pursuant to proper authority if and as long as the trustee, in the exercise of good faith and of reasonable prudence, discretion and intelligence, may consider that retention is in the best interests of the trust or in furtherance of the goals of the trustor as determined from any trust instrument.

The staff agrees that there is a difference here, but would not characterize it as a "complete conflict." It is interesting to note that Witkin cites with approval the Restatement provisions on unproductive property and improper investments, and notes Civil Code Section 2261(2) [now (b)] as an exception to the general rule requiring disposal. 7 B. Witkin, Summary of California Law Trusts § 66, at 5426 (8th ed. 1974). The conflict between the basic rule and Civil Code Section 2261(b) appears to reside in the permission for the trustee to hold property received in the trust at the beginning if (1) the trust does not expressly provide to the contrary and (2) if it is in the best interests of the trust or the furtherance of the trustor's goals. If the Commission is interested in continuing this exception to the general rule, we could add it to draft Section 706.

The CBA also objects that the trustor should be able to make directions contrary to the general rule in the trust instrument. This feature exists in the draft statute by operation of Section 700 which makes all duties subject to contrary provision in the trust.

§ 711. Duty not to delegate

The CBA says that delegation between cotrustees should be allowed. The answer is that delegation is permissible if the trustee can not be reasonably required to perform the acts personally. The Restatement comment says:

A trustee cannot properly delegate authority to do acts which a person of ordinary prudence would not in like circumstances in the management of his own affairs employ an agent to do. . . .

. . . There is not a clear-cut line dividing the acts which a trustee can properly delegate from those which he cannot properly delegate. In considering what acts a trustee can properly delegate the following circumstances, among others, may be of importance: (1) the amount of discretion involved; (2) the value and character of the property involved; (3) whether the property is principal or income; (4) the proximity or remoteness of the subject matter of the trust; (5) the character of the act as one involving professional skill or facilities possessed or not possessed by the trustee himself.

Restatement (Second) of Trusts § 171 comment d (1957). As to corporate trustees, comment e states that "[a]lthough a corporate trustee cannot properly delegate the administration of the trust, it can properly administer the trust through its proper officers."

Once again, if the trustor directs delegation in the trust instrument, the trust prevails as is recognized in draft Section 700.

§ 712. Duty with respect to cotrustees

The CBA raises several questions about whether cotrustees must act unanimously. This question is governed by a different part of the statute, draft Section 1010, which adopts a majority action rule.

§ 720. Trustee's standard of care in administering trust

The CBA writes:

1. Civil Code § 2261, as amended by AB 630 in 1984, should be inserted in this section.
2. AB 630 is the California legislature's codified intent, and the Commission should not change the language as currently reflected in the statutes.

As to the second point, this argument would bar any revision of any statute. As to the first point, the standard of care provided in Civil Code Section 2261, as amended in 1984, is continued in draft Section 720. Other parts of this rather jumbled section are continued in appropriate locations in the comprehensive draft.

§ 721. Expert trustee's duty to use skills

The CBA labels this provision "unacceptable" and asserts that it is "directly contrary to the legislative determination contained in AB 630, which is now reflected in Civil Code § 2261." This position is baffling. There is no statement in AB 630 or in Civil Code Section 2261 before amendment by AB 630 that runs directly contrary to draft Section 721. (See also the comment to draft Section 721 which cites authority for the rule.) The CBA cites no source for its conclusion that draft Section 721 is "directly contrary" to Civil Code Section 2261.

According to the analysis of the Senate Committee on Judiciary, Section 2261 adopts a "prudent investor" rule:

Existing Civil Code Section 2261 requires the trustee, when making investments, to act as a hypothetical prudent person investing her own funds. The corporate trustee is held to a greater standard of care based on her presumed expertise.

This bill would instead judge a trustee's investment performance according to the standard of other trustees investing trust funds, i.e., trustees "acting in a like capacity and familiar with such matters . . . in the conduct of an enterprise of a like character and with like aims."

A trustee, whether individual or corporate, would be judged as a trustee rather than a prudent person. Individual trustees would be compared to other individual trustees, and corporate trustees would be compared to other corporate trustees. However, the trustor could alter the proposed investment standard by including express provisions in the trust instrument.

Interpreted in this fashion, existing law already contains a dual standard. Can it then be doubted that there is a duty on the part of a corporate trustee to use the special skills of the corporate trustee? And is there any reason why a skilled individual trustee should not have a duty to use his or her skills? The staff sees no conflict between a duty to use the special skills one has and the "prudent investor" rule of Civil Code Section 2261(a).

§ 730. Trustee's general duty to inform and account to beneficiaries

In discussing this statement of the general duty to inform beneficiaries relevant to their respective interests, the CBA states that all beneficiaries of the trust do not have a right to accountings. However, this confuses draft Section 730 with draft Section 731. The general duty to keep beneficiaries informed is drawn from California case law and the Uniform Probate Code. The CBA also makes much of the idea that beneficiaries of a revocable trust have no right to information about

the trust. No authority for this proposition is cited. Authorities examined by the staff do not make any distinction between beneficiaries of revocable trusts and beneficiaries of irrevocable trusts. According to the Restatement:

The trustee may be compelled to account not only by a beneficiary presently entitled to the payment of income or principal, but also by a beneficiary who will be or may be entitled to receive income or principal in the future. This is true even though the interest of the beneficiary is contingent.

Restatement (Second) of Trusts § 172 comment c (1957).

§ 731. Duty to account annually to income beneficiary

The CBA finds the annual accounting provision "unacceptable" and "too burdensome." This question has been discussed at several meetings in the past, and the staff has nothing new to add.

The CBA also suggests that beneficiaries should be able to waive the accounting. Draft Section 731(c)(3) provides just this as to annual accountings, but not for accountings on termination or a change of trustees.

§ 801. Power of court to relieve trustee from restrictions

The CBA suggests that this section appears to supersede Civil Code Section 2279.1 (modification or termination of trust with too low principal). However, draft Section 801 is intended to do exactly what is stated in its comment. Civil Code Section 2279.1 will be continued in Section 650 (in the modification and termination provisions) of the comprehensive draft.

§ 803. Conflict of interest in exercise of power

The CBA suggests a revision of this section to recognize the power of all beneficiaries or the trustor of a revocable trust to approve exercise of a power where the trustee has a conflict of interest. Draft Section 803 says that only the court can approve such action. The staff suggests that the introductory clause of draft Section 803 be revised to recognize that other mechanisms exist for authorizing or directing trustee actions. For instance, the trustor of a revocable trust may give written directions to the trustee to act.

§ 822. Collecting and holding property

The CBA says that the power to collect and hold property in this section conflicts with the duty to dispose of improper investments in draft Section 707. The staff sees no conflict; in fact there can not be a conflict between powers and duties unless it can be shown that exercise of a particular power would always violate an overriding duty.

§ 826. Participation in business

The CBA says that this section is "inconsistent" and "burdensome." Draft Section 826 continues in more limited form the authority of existing law. See Prob. Code § 1120.2(17). The draft section implements a Commission decision made at the June 1984 meeting that the power should be limited to continuing an existing business and that the trustee should not have the power to start a new business. The Commission also decided that court approval should be required before the trustee can continue operating a business, unless the trust provides otherwise.

§ 864. Payment and settlement of claims

The CBA wants to add a qualification to subdivision (c) saying that the trustee has the power to release claims that the trustee believes are uncollectible. Again, it should be pointed out that these are sections granting powers. The effect is that no objection can be made that the trustee does not have a particular power--in other words, that the ultra vires doctrine does not apply. Of course, the trust instrument may deprive the trustee of some power, but that is recognized in draft Section 800. Whether a power should be exercised (as opposed to can be exercised) is a function of the trustee's duties. So in this situation, the trustee, having the power to release a claim belonging to the trust if it is uncollectible, must exercise that power as a prudent person. Clearly the element of reasonable belief, and the prudent investor standard, and other equitable factors will enter into that decision. It may be, however, that the CBA would be happier if the clause "to the extent that the claim is uncollectible" were deleted. This seems to provide useful guidance, however, and the staff would keep it. Incidentally, this language is the same as that of existing law. Prob. Code § 1120.2(15).

§ 868. Loans to beneficiary

The CBA says that this section creates problems in the case of a spendthrift trust. The staff is not clear on why this is a problem.

The loan of trust funds to the beneficiary on adequate security would not seem to be an alienation in contravention of a spendthrift trust.

§ 874. Hiring persons

The CBA "totally disagree[s]" with draft Section 874. The CBA also has the impression that this section sets up a dual standard where individual trustees will be held harmless for imprudent delegation while corporate trustees will be liable despite good faith efforts. This fear is unfounded. Again, draft Section 874 provides a power. It does not deal with liability nor does it deal with duties. At the same time, it should be obvious that an individual trustee is more likely to be in need of hiring outside advisors than should a large corporate trustee which presumably offers itself as a collection of legal and financial experts. But there is no reason to think that draft Section 874 applies only to individual trustees. Nor is there any reason to suspect that a trustee who hires an agent through exercise of this power in a negligent manner would not be liable for actions of that agent by operation of draft Section 951.

Respectfully submitted,

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CBA Comments, January 10, 1985

MEMORANDUM 84-92 DUTIES AND POWERS OF TRUSTEES

Initially, it is not clear what will be contained in "this chapter" as described under §700. Hopefully, all of the sections under §§900 et seq will be included.

Section 700. Duty to Administer Trust.

1. The ability of all beneficiaries to consent to a modification of the trust, contained in Civil Code §2258 appears not to have been included. This is an essential provision.
2. While there are admittedly few times when all beneficiaries are capable of consent, this option should be included in §700.
3. Section 700, and 707 indicate that the Trustee's duty is "to the beneficiary." Other sections, such as 708 and 709 have no such language. This disparity may cause some confusion to the practitioner.

Section 701. Duty of Loyalty.

1. This section appears to be redundant, with §703.
2. Sections 701 and 703 could be incorporated into the same section.
3. Is there a lesser standard when the Trustee deals with the beneficiary personally?
4. Why is the only situation incorporated into the basic conflict of interest section the self-dealing provision?
5. Section 701 and 703 appear to be similar to §803, allowing court authorization to overcome a conflict. Sections 701 and 703 allow such conflicts to be approved by the beneficiaries. Section 701, 703 (if retained) and 803 should allow the beneficiaries, and/or the Court to approve of a conflict.
6. The requirement that "all material facts" be communicated to the beneficiaries is not defined. This could conceivably include immediate notification to all beneficiaries of any investment changes, as remaindermen interests could be affected by such changes. This does not appear reasonable. A clear definition of what information must be communicated to beneficiaries should be included in this section.

Section 702. Duty to Deal Impartially with Beneficiaries.

1. We concur that this provision is appropriate, unless the trust document provides otherwise.
2. Trusts often state that a surviving spouse is to be treated in a much more liberal manner as far as discretionary distributions are concerned, than the residuary beneficiaries.
3. The provisions of this section should be clarified to take into account the provisions of the trust document.

Section 703. Duty to Avoid Conflict of Interest.

1. A conflict could arise after the appointment under both trusts. This contingency is not discussed in the proposal.
2. The following amendment should resolve the issue of inadvertent, undiscovered conflicts:

"703.(b) A trustee of one trust has a duty not to become a trustee under another trust which trustee knows or has reason to believe is adverse in its nature to the interest of the beneficiary of the first trust, except as provided in §803.

Section 704. Duty to Take and Keep Control.

This section appears innocuous, and redundant in light of the basic standard of care included in §720.

Section 705. Duty to Preserve The Trust Property.

Again, this section does not appear necessary, in view of the language of §720. Not necessary.

Section 706. Duty to Make The Trust Property Productive.

1. The term "productive" should be defined, as it is unclear whether production of income is necessary, or whether appreciation in value could qualify under this section.
2. This section is contrary to the provisions of new §2261, which allows a "portfolio based" investment standard.
3. Title holding trust should not be subject to this provision.
4. The Trustor may also direct in the trust document to retain property which is not productive. This circumstance should also be taken into account in §706. i.e., Trust language should

control.

Section 707. Duty to Dispose Of Improper Investments.

1. This section is not acceptable. It conflicts completely with §2261(c) of the Civil Code.
2. The Trustor may direct to the contrary in the Trust Document.
3. The Trustee may be forced to retain property due to other reasons, such as the property having a very low tax basis, or that the Trust may terminate a short time, and the beneficiary may wish to obtain these assets upon distribution.
4. This section appears to change the entire law in this area.
5. What is a Successor Trustee's responsibility when inheriting "improper" investments, particularly when the original trustee was also the Trustor?
6. The Trustor's business might have to be liquidated at Distress sale prices.
7. The Trustee must have flexibility in the administration of trust assets, and this section is directly contrary to that flexibility.

Section 708. Duty To Keep Trust Properties Separate.

This section should have cross references to §§856 and 858 which expressly allow commingling.

Section 709. Duty to Enforce Claims.

The qualifications contained in §710 should be added to this section. The language should be amended, as follows:

"Section 709. The Trustee has a duty to take reasonable steps to realize on claims that are part of the trust property, unless under all circumstances it is reasonable not to make such claims."

Section 710. Duty to Defend Actions.

This appears appropriate.

Section 711. Duty Not To Delegate.

1. Delegation between co-trustees should be allowed.

2. Ministerial acts should be able to be delegated, assuming proper prudent appointment of agents of the trustee.

3. The Trustor often will direct the use of an investment manager. The provisions of ERISA allow such a direction. Perhaps the California provisions should be amended to include this ability, assuming that a "qualified investment manager" is nominated and becomes a fiduciary.

4. The distinction should be drawn between discretionary actions and ministerial actions which the trustee delegates.

Section 712. Duty With Respect to Co-Trustees.

1. Is the unanimous action of co-trustees required to bind the trust, as in Civil Code §2268?

2. This provision does not appear to require such unanimity.

3. If unanimity is not required, this should be clearly stated.

Section 713. Duties Under Common Law.

This should be deleted. If all duties are listed, this is not necessary.

Section 720. Trustees Standard of Care in Administering Trust.

1. Civil Code §2261, as amended by AB630 in 1984, should be inserted in this section.

2. AB630 is the California legislature's codified intent, and the Commission should not change the language as currently reflected in the statutes.

Section 721. Expert Trustee's Duty to Use Skills.

1. This is unacceptable to the California Bankers Association.

2. This is directly contrary to the legislative determination contained in AB630, which is now reflected in Civil Code §2261.

3. The California Bar Association and the California Bankers Association co-sponsored AB630 and the provisions of that bill should not be counteracted by the provisions of §721.

Section 722. Standard of Care Not Affected by Compensation.

This appears appropriate.

Section 730. Trustee's General Duty to Inform and Account to Beneficiaries.

1. All beneficiaries of the trust do not have a right to accountings. Example, the remaindermen of a revocable trust do not have a vested right in the trust, and have no right to such information.
2. Confidentiality requirements, such as in Financial Code §1582 should be considered.
3. The requirement that "relevant information about the assets of the trust and particulars relating to administration of the trust" is a vague standard. A definition is required of what information is necessary.
4. Only after a trust becomes irrevocable or the beneficiary's interest is vested does that beneficiary have a right to any information about the trust.
5. Does the Trustee have the duty to inform all beneficiaries of any change when it happens?
6. Does the invasion of the corpus for the income beneficiary qualify as an event which must be reported to the beneficiaries?

Section 731. Duty to Account Annually to Income Beneficiary.

1. This is unacceptable to the California Bankers Association.
2. This provision was initially a tradeoff with the Attorney General's Office in ceasing Probate Court jurisdiction over pre-1977 Testamentary Trust. This provision was inserted only as additional protection for those trusts.
3. This is much too burdensome for accounts which are not already subject to the provisions.
4. The trustee should be able to furnish quarterly statements, or annual tax returns in order to satisfactorily report assets.

Section 731(c)(2) should be amended to state:

"731(c)(2) If the trust is a revocable inter vivos trust, or any irrevocable trust post 1977."

5. The beneficiaries should be able to waive the accounting CBA

requirement.

6. This waiver should apply to the annual accountings or any accounting required on termination or change of trustee.

Section 801. Power of Court to Relieve Trustee From Restrictions.

1. This section appears to supersede Civil Code §2279.1. The comment indicates that it continues the substance of subdivision (d) of Civil Code §2261. However, §2261 refers only to investments.

2. Civil Code Section 2279.1 is broader and provides that as long as there is a showing that the trust principle is low, allows all kinds of modifications in the Trust Instrument which presumably would include restrictions on the exercise of any powers in the trust.

3. If this section is intended to supersede Civil Code §2279.1, the comment should so state.

4. We recommend a broadening of the court's power to modify, NOT the proposed restriction.

Section 802. Exercise of Powers Subject to Trustees' Duties.

1. Suggested amendment to the language:

Section 802. The exercise of a power granted to the trustee, whether by the trust instrument, by statute, or by the Court, is subject to the overriding duties owed by the trustee to the beneficiaries of the trust.

2. The statute should include the provisions in the comment relating to the person holding a power to revoke or a court order overriding the terms of a Trust Document.

Section 803. Conflict of Interest in Exercise of Power.

1. See comments under §703.

2. The language should be amended as follows:

803. (a) Except as provided in subdivision (b) and (c), if in the exercise of the trust power there is a conflict between (1) the duty of the trustee under the trust and (2) the trustee's individual interest or interest as trustee of another trust, the power may be exercised only by court authorization or upon approval of all beneficiaries or the Trustor of a revocable living trust.

3. Ancillary services performed by an affiliated entity such as loans to the trust, escrow services or brokerage services should be provided for. See Financial Code §3377.1 in this regard.

4. The discussion of the Estate of Pitzer in the comments should be deleted, as this case is no longer of precedential value.

Section 822. Collecting and Holding Property.

1. This section conflicts with the provisions under the duties of the trustee such as §707.

2. These provisions should probably be deleted in their entirety, if §822 and §707 cannot be coordinated.

Section 826. Participation in Business; Change in Form of Business.

1. This section is inconsistent with the previous sections and should be amended.

2. This is very burdensome: does the trustee need to acquire court approval when it receives a business as a trust asset from the previous trustee?

3. This may cause a distress sale of the Trustor's business. Very unfair to the Trust.

Section 836. Encumbrances.

1. The language of this section should be amended as follows:

836. The trustee has the power to encumber, mortgage, or pledge trust property for a term within or extending beyond the term of the trust for trust purposes, except: if the Trustor of a revocable trust is alive, for the Trustor personally or any entity in which the Trustor has an interest.

2. This would limit the power to encumber, mortgage and pledge for trust purposes, as the power to borrow is in §862.

Section 838. Repairs and Alterations of Property.

The trustee should be granted the power under §838(c) to "raze existing or erect new party walls or building or other structures."

Section 864. Payment and Settlement of Claims.

Subsection (c) of this section should be amended as follows:

Section 864. (c) Release, in whole or in part, any claim belonging to the trust to the extent that the trustee believes the claim to be uncollectible.

Section 868. Loans to Beneficiary.

1. This section presents a problem if there is spendthrift or anti-alienation language in the trust.
2. To resolve this, perhaps the comment should indicate that if a spendthrift trust is involved, security for the loan should be provided from the beneficiaries outside of trust and any assets not subject to the spendthrift provision.

Section 874. Hiring Persons.

1. We totally disagree with this provision.
2. The trustee must be responsible for performing independent investigation, as provided in §711, regarding delegation of duties.
3. This appears to create a dual standard, in which the individual trustee will be held harmless for imprudent delegation of duties, whereas the Corporate Trustee will remain liable despite good faith efforts.

Jan. 15, 1985

Revised Tentative Outline of Trust Law Revision
Division 3 (Commencing with Section 500) of the Probate Code

Note. Acceleration of the Probate Code revision will leave Division 3 blank. This is the most appropriate location for the material on trusts. Accordingly, as the revised draft is prepared, it will be renumbered following this outline.

Division 3. Trusts

Part 1. General Provisions	\$ 500
Chapter 1. General Provisions	\$ 500
Chapter 2. Transitional Provisions	\$ 520
Article 1. Application of Division 3	\$ 520
Article 2. Testamentary Trusts Subject to Continuing Jurisdiction	\$ 540
Article 3. Removal of Trusts From Continuing Jurisdiction	\$ 550
Part 2. Creation, Validity, Modification, and Termination of Trusts	\$ 600
Chapter 1. Creation and Validity of Trusts	\$ 600
Chapter 2. Spendthrift Trusts	\$ 620
Chapter 3. Revocation, Modification, and Termination of Trusts	\$ 640
Part 3. Administration of Trusts	\$ 700
Chapter 1. Duties of Trustees	\$ 700
Article 1. Trustees' Duties in General	\$ 700
Article 2. Trustees' Standard of Care	\$ 720
Article 3. Trustees' Duty to Account to Beneficiaries	\$ 730
Article 4. Duties With Regard to Discretionary Powers	\$ 740
Article 5. Duties of Trustees of Private Foundations, Charitable Trusts, and Split-Interest Trusts	\$ 750
Chapter 2. Powers of Trustees	\$ 800
Article 1. General Provisions	\$ 800
Article 2. Specific Powers of Trustees	\$ 820
Chapter 3. Revised Uniform Principal and Income Act	\$ 900
Chapter 4. Liability of Trustees to Beneficiaries	\$ 950
Article 1. Liability for Breach of Trust	\$ 950
Article 2. Remedies for Breach of Trust	\$ 960
Article 3. Accountability and Measure of Damages	\$ 970
Article 4. Limitations and Exculpation	\$ 980
Part 4. Trustees	\$ 1000
Chapter 1. General Provisions	\$ 1000
Chapter 2. Cotrustees	\$ 1010
Chapter 3. Resignation and Removal of Trustees	\$ 1020
Chapter 4. Appointment of Trustees	\$ 1030
Chapter 5. Compensation and Indemnity of Trustees	\$ 1040
Part 5. Judicial Proceedings Concerning Trusts	\$ 1100
Chapter 1. Jurisdiction and Venue	\$ 1100
Chapter 2. Notice	\$ 1110
Chapter 3. Proceedings Concerning Trusts	\$ 1130
Chapter 4. Transfer of Trust to Another Jurisdiction	\$ 1160
Chapter 5. Transfer of Trust From Another Jurisdiction	\$ 1180
Part 6. Rights of Third Persons	\$ 1200
Chapter 1. Liability of Trustee to Third Persons	\$ 1200
Chapter 2. Protection of Third Persons	\$ 1210
Chapter 3. Creditors' Rights	\$ 1220