

10.

*Except as provided in §9, if the principal consists of property subject to depletion, including leaseholds (except those subject to ground rents renewable forever), patents, copyrights, royalty rights, and rights to receive payments on a contract for deferred compensation, receipts from the property, not in excess of 5% per year of its inventory value, are income, and the balance is principal.*

11.

(a) *The following charges shall be made against income:*

(1) *ordinary expenses incurred in connection with the administration, management, or preservation of the trust property, including regularly recurring taxes assessed against any portion of the principal, water rates, premiums on insurance taken upon the interests of the income beneficiary, remainderman, or trustee, interest paid by the trustee, ground rents, and ordinary repairs;*

(2) *a reasonable allowance for depreciation on property subject to depreciation under generally accepted accounting principles, but no allowance shall be made for depreciation of that portion of any property used by a beneficiary as a residence or for depreciation of any property, as then constituted, held by the trustee on the effective date of this Article for which the trustee is not then making an allowance for depreciation;*

(3) *one-half of court costs, attorney's fees, and other fees on periodic judicial accounting, unless the court directs otherwise;*

(4) *court costs, attorney's fees, and other fees on other accountings or judicial proceedings if the matter primarily concerns the income interest, unless the court directs otherwise;*

(5) *trustees' compensation on income as provided by §199 of Article 16 and all expenses reasonably incurred for current management of principal and application of income;*

(6) *any tax levied upon receipts defined as income under this Article or the trust instrument and payable by the trustee.*

(b) *If charges against income are of unusual amount, the trustee may by means of reserves or other reasonable means charge them over a reasonable period of time and withhold from distribution sufficient sums to regularize distributions.*

(c) *The following charges shall be made against principal:*

(1) *special compensation of trustees, expenses reasonably incurred in connection with principal, court costs and attorney's fees primarily concerning matters of principal, and trustee's compensation on principal as provided by §199 of Article 16;*

(2) *charges not provided for in subsection (a), including the cost of investing and reinvesting principal, the payments on principal of an indebtedness (including a mortgage amortized by periodic payments of principal and mortgage prepayment charges), expenses for preparation of property for rental or sale, and, unless the court directs otherwise, expenses incurred in maintaining or defending any action to construe the trust or protect it or the property or assure the title of any trust property;*