

AS TRUSTEE.

A JUDGE OF ANY COURT ESTABLISHED UNDER THE LAWS OF THE STATE OR THE UNITED STATES OR ANY CLERK OF COURT OR REGISTER OF WILLS, UNLESS HE IS THE SURVIVING SPOUSE OF THE GRANTOR OF THE TRUST, OR IS RELATED TO THE GRANTOR WITHIN THE THIRD DEGREE, MAY NOT SERVE AS A TRUSTEE OF ANY INTER VIVOS OR TESTAMENTARY TRUST CREATED BY AN INSTRUMENT AND EXECUTED IN MARYLAND BY THE GRANTOR OR ANY TRUSTEE, ADMINISTERED IN THE STATE OF MARYLAND BY THE LAWS OF THE STATE, UNLESS HE WAS ACTUALLY SERVING AS A TRUSTEE OF THE TRUST ON DECEMBER 31, 1969.

REVISOR'S NOTE: This section presently appears as Art. 16, §199A. The provisions of this section are similar to those contained in §5-105(a) of this revised article. The provisions are repeated here as a useful reference. The only other changes are in style and language.

14-105. PROTECTION OF PERSON DEALING WITH TRUSTEE.

IN THE ABSENCE OF ACTUAL KNOWLEDGE OR OF REASONABLE CAUSE TO INQUIRE AS TO WHETHER A TRUSTEE IS IMPROPERLY EXERCISING HIS POWER, A PERSON DEALING WITH A TRUSTEE NEED NOT INQUIRE WHETHER A TRUSTEE IS PROPERLY EXERCISING HIS POWER, AND IS PROTECTED AS IF THE TRUSTEE PROPERLY EXERCISED THE POWER. A PERSON NEED NOT SEE TO THE PROPER APPLICATION OF TRUST ASSETS PAID OR DELIVERED TO A TRUSTEE.

REVISOR'S NOTE: This section presently appears as Art. 16, §199C. The only changes are in style.

SUBTITLE 2. PRINCIPAL AND INCOME.

14-201. DEFINITIONS.

AS USED IN THIS SUBTITLE:

(1) "INCOME BENEFICIARY" MEANS ANY PERSON TO WHOM INCOME IS PRESENTLY PAYABLE OR FOR WHOM IT IS ACCUMULATED FOR DISTRIBUTION AS INCOME;

(2) "INVENTORY VALUE" MEANS THE COST OF PROPERTY PURCHASED BY THE TRUSTEE AND THE MARKET VALUE OF OTHER PROPERTY AT THE TIME IT BECAME SUBJECT TO THE TRUST, DECREASED BY THE AMOUNT OF ANY RECEIPTS, AND INCREASED BY THE AMOUNT OF ANY DISBURSEMENTS, OF PRINCIPAL CASH IN CONNECTION WITH SUCH ITEM OF PRINCIPAL. IN THE CASE OF ASSETS SUBJECT TO ESTATE OR INHERITANCE