

Sec. 13.36.109. Specific powers of trustees.

Except as otherwise provided by this chapter, in addition to the powers conferred by the terms of the trust, a trustee may perform all actions necessary to accomplish the proper management, investment, and distribution of the trust property, including the power

(1) to collect, hold, and retain trust property received from a settlor or another person; the property may be retained even if it includes property in which the trustee is personally interested;

(2) to accept additions to the property of the trust from a settlor or another person;

(3) to continue or to participate in the operation of a business or other enterprise that is part of the trust property and to effect an incorporation, dissolution, or other change in the form of the organization of the business or enterprise;

(4) to acquire or dispose of property, for cash or on credit, at public or private sale or by exchange;

(5) to manage, control, divide, develop, improve, exchange, partition, change the character of, or abandon trust property;

(6) to encumber, mortgage, or pledge trust property for a term within or extending beyond the term of the trust in connection with the exercise of a power vested in the trustee;

(7) to make ordinary or extraordinary repairs, alterations, or improvements in buildings or other trust property; to demolish improvements; and to raze existing or erect new party walls or buildings;

(8) to subdivide or develop land; to dedicate land to public use; to make or obtain the vacation of plats and to adjust boundaries; to adjust differences in valuation on exchange or partition by giving or receiving consideration; and to dedicate easements to public use without consideration;

(9) to enter into a lease for any purpose as lessor or lessee with or without the option to purchase or renew and for a term within or extending beyond the term of the trust;

(10) to enter into a lease or arrangement for exploration and removal of gas, oil, or other minerals or geothermal energy; and to enter into a community oil lease, a pooling agreement, or a unitization agreement;

(11) to grant an option involving disposition of trust property or to take an option for the acquisition of property, including an option that is exercisable beyond the duration of the trust;

(12) with respect to shares of stock of a domestic or foreign corporation, a membership in a nonprofit corporation, or other property, to

(A) vote in person and to give proxies to exercise any voting rights with respect to the shares, memberships, or property;

(B) waive notice of a meeting or to give consent to the holding of a meeting; and

(C) authorize, ratify, approve, or confirm an action that could be taken by shareholders, members, or property owners;

(13) to pay calls, assessments, and other sums chargeable to or accruing against or on a securities account;

(14) to sell or exercise stock subscription or conversion rights;

(15) to consent, directly or through a committee or other agent, to the reorganization, consolidation, merger, dissolution, or liquidation of a corporation or other business enterprise; to participate in voting trusts, pooling arrangements, and foreclosures; and, in connection with a reorganization, consolidation, merger, dissolution, liquidation, voting trust, pooling arrangement, or foreclosure, to deposit securities with, transfer title, and delegate discretion to a protective or other committee as the trustee considers advisable;

(16) to deposit securities in a securities depository;

(17) to insure the property of the trust against damage or loss and to insure the trustee against liability with respect to third persons;

(18) to borrow money for a trust purpose to be repaid from trust property;

(19) to pay or contest a claim, to settle a claim by or against the trust by compromise, arbitration, or otherwise, and to release, in whole or in part, a claim belonging to the trust;

(20) to pay taxes, assessments, reasonable compensation of the trustee, employees, and agents of the trust, and other expenses incurred in the collection, care, administration, and protection of the trust;

(21) to make loans out of trust property to an eligible beneficiary or an eligible third-party entity on terms and conditions the trustee considers to be fair and reasonable under the circumstances and to guarantee loans to the eligible beneficiary or eligible third-party entity by encumbrances on trust property; in this paragraph,

(A) "eligible beneficiary" means a beneficiary of the trust who is currently eligible for or entitled to a distribution of income or principal of the trust;

(B) "eligible third-party entity" means a third-party entity if more than 50 percent of the equity of the entity is owned by the trust or by one or more beneficiaries of the trust;

(22) to pay an amount distributable to a beneficiary, whether or not the beneficiary is under a legal disability, by paying the amount to the beneficiary or by paying the amount to another person for the use or benefit of the beneficiary;

(23) to make a distribution of property and money in divided or undivided interests, pro rata or otherwise, and to adjust resulting differences in valuation;

(24) to employ accountants, attorneys, investment advisers, appraisers, or other persons, even if they are associated or affiliated with the trustee, to advise or assist the trustee in the performance of administrative duties;

(25) to inspect or investigate property that the trustee has been asked to hold or property owned or operated by an entity in which the trustee holds or has been asked to hold an interest for the purpose of determining the application of environmental law to the property and to take action to prevent, abate, or otherwise remedy an actual or potential violation of an environmental law affecting property held directly or indirectly by the trustee;

(26) to establish for an asset a reserve for depreciation, depletion, or obsolescence, and to decide, under law, how and in what proportions a receipt or disbursement is to be credited, charged, or apportioned between principal and income;

(27) to execute and deliver instruments that are useful to accomplish or facilitate the exercise of the trustee's powers; and

(28) to prosecute or defend an action, claim, or proceeding in order to protect trust property and the trustee in the performance of the trustee's duties.

(29) to consider discretionary distributions to a beneficiary as being made from capital gains realized during the year.