

CHAPTER 501

USES AND TRUSTS

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501.01 ABOLISHED IN PART. Uses and trusts, except as authorized and modified in this chapter, are abolished; and every estate and interest in lands shall be deemed a legal right, cognizable as such in the courts of law, except when otherwise provided by statute.

[R. L. s. 3240] (8081)

501.02 EXECUTED USES CONFIRMED. Every estate which is now held as a use executed under laws as they formerly existed is confirmed as a legal estate.

[R. L. s. 3241] (8082)

501.03 RIGHT OF POSSESSION AND PROFITS A LEGAL ESTATE. Every person who, by virtue of any grant, assignment, or devise, is entitled to the actual possession of lands, and the receipt of the rents and profits thereof, in law or equity, shall be deemed to have a legal estate therein of the same quality and duration, and subject to the same conditions, as his beneficial interests.

[R. L. s. 3242] (8083)

501.04 ACTIVE TRUSTS NOT AFFECTED. The provisions of section 501.03 shall not divest the estate of any trustee in any existing trust where the title of such trustee is not merely nominal, but is connected with some power of actual disposition or management, in relation to the lands which are the subject of the trust.

[R. L. s. 3242] (8083)

501.05 PASSIVE TRUSTS ABOLISHED. Every disposition of lands, whether by deed or devise, except as otherwise provided in this chapter, shall be made directly to the person in whom the right to the possession and profits is intended to be vested, and not to any other to the use of, or in trust for, such person; and, if made to one or more persons in trust for or to the use of another, no estate or interest, legal or equitable, shall vest in the trustee.

[R. L. s. 3243] (8084)

501.06 LIMITING PRECEDING SECTIONS. Sections 501.01 to 501.05 shall not extend to trusts arising or resulting by implication of law, nor be construed to prevent or affect the creation of such express trusts as are hereinafter authorized and defined.

[R. L. s. 3244] (8085)

501.07 RESULTING TRUSTS. When a grant for a valuation consideration is made to one person, and the consideration therefor is paid by another, no use or

trust shall result in favor of the person by whom such payment is made; but the title shall vest in the person named as the alienee in such conveyance, subject only to the provisions of section 501.08.

[R. L. s. 3245] (8086)

501.08 FRAUD AGAINST CREDITORS. Every such conveyance shall be presumed fraudulent as against the creditors, at that time, of the person paying the consideration; and when a fraudulent intent is not disproved a trust shall result in favor of such creditors to the extent that may be necessary to satisfy their just demands.

[R. L. s. 3246] (8087)

501.09 LIMITING THE EFFECT OF SECTION 501.07. Section 501.07 shall not extend to cases where the alienee named in the conveyance has taken the same as an absolute conveyance in his own name, without the knowledge or consent of the person paying the consideration, or when such alienee, in violation of some trust, has purchased the lands so conveyed with moneys belonging to another person.

[R. L. s. 3247] (8088)

501.10 BONA FIDE PURCHASERS PROTECTED. No implied or resulting trust shall be alleged or established to defeat or prejudice the title of a purchaser for a valuable consideration, and without notice of such trust.

[R. L. s. 3248] (8089)

501.11 PURPOSES OF EXPRESS TRUSTS. Express trusts may be created for any of the following purposes:

- (1) To sell lands for the benefit of creditors;
- (2) To sell, mortgage, or lease lands for the benefit of legatees, or for the purpose of satisfying any charge thereon;
- (3) To receive the rents and profits of lands, and apply them to the use of any person, during the life of such person, or for any shorter term, subject to the rules prescribed in chapter 500;
- (4) To receive the rents and profits of lands, and to accumulate the same, for either of the purposes, and within the limits prescribed in chapter 500;
- (5) To receive and take charge of any money, stocks, bonds, or valuable chattels of any kind and to invest and loan the same for the benefit of the beneficiaries of such express trust; and the district courts of the state shall, upon petition and hearing, have power to appoint a trustee for the purpose herein set forth, requiring such trustee to give such bond for the faithful execution of such express trust as to the court may seem right and proper; and express trusts created under the provisions of this paragraph shall be administered under the direction of the court;
- (6) For the beneficial interests of any person, whether such trust embraces real or personal property or both, when the trust is fully expressed and clearly defined on the face of the instrument creating it, provided that the trust shall not continue for a period longer than the life or lives of specified persons in being at the time of its creation, and for 21 years after the death of the survivor of them, and that the free alienation of the legal estate by the trustee is not suspended for a period exceeding the limit prescribed in chapter 500;
- (7) Any city or village may receive, by grant, gift, devise, or bequest, and take charge of, invest, and administer, free from taxation, in accordance with the terms of the trust, real or personal property, or both, for the benefit of any public library, or any public cemetery, or any public park, located in, or within ten miles of, such city or village, or for the purpose of establishing or maintaining a kindergarten or other school or institution of learning therein.

Each city of the second class in this state, in addition to the foregoing, may receive by grant, gift, devise, or bequest, and take charge of, convert, invest, and administer, free from taxation, in accordance with the terms of the trust, real or personal property, or both, of any kind or nature and wherever located, for any public or charitable purpose, or to provide, enlarge, improve, lease, and maintain for the use and benefit of the inhabitants of such city, animal, bird, fish, game, and hunting preserves, public parks, public grounds, public waterways, public bath houses and grounds used in connection therewith, and public playgrounds within or without the limits of such city, whether within or without this state, or for the support, medical treatment, and nursing of the worthy poor residing in such city.

[R. L. s. 3249; 1915 c. 98 s. 1; 1925 c. 133; 1929 c. 110; 1931 c. 65 s. 1] (8090)

501.12 EXPRESS TRUSTS FOR CHARITABLE, EDUCATIONAL, RELIGIOUS, AND OTHER PUBLIC USES. Subdivision 1. **Creation.** Express trusts of real or personal property, or both, may be created to receive by grant, devise, gift, or bequest, and to take charge of, invest, and administer in accordance with the terms of the trust, upon and for any charitable, benevolent, educational, religious, or other public use or trust.

Subdivision 2. **Validity and construction.** No such trust shall be invalid because of indefiniteness or uncertainty of the object of such trust or of the beneficiaries thereof designated in the instrument creating the same nor by reason of the same contravening any statute or rule against perpetuities, but no such trust shall be construed so as to prevent or limit the free alienation of the title to any of the trust estate by the trustee in the administration of the trust, except as may be permitted under existing or subsequent statutes.

Subdivision 3. **Liberal interpretation; administration.** Such trust shall be liberally construed by the courts so that the intentions of the donor thereof shall be carried out when possible and no such trust shall fail solely because the donor has imperfectly outlined the purpose and object of such charity or the method of administration. When it shall appear to the district court of the proper county that the purpose and object of such charity is imperfectly expressed, or the method of administration is incomplete or imperfect, or that the circumstances have so changed since the execution of the instrument creating the trust as to render impracticable, inexpedient, or impossible a literal compliance with the terms of such instrument, such court may, upon the application and with the consent of the trustee, and upon such notice as the court may direct, make an order directing that such trust shall be administered or expended in such manner as in the judgment of the court will, as nearly as can be, accomplish the general purposes of the instrument and the object and intention of the donor without regard to, and free from any, specific restriction, limitation, or direction contained therein. No such order shall be made without the consent of the donor of the trust if he is then living and mentally competent. The attorney general shall represent the beneficiaries in all cases arising under this section and it shall be his duty to enforce such trusts by proper proceedings in the courts.

Subdivision 4. **Laws not affected.** Nothing in this section contained shall in any manner impair, limit, or abridge the operation and efficacy of the whole or any part of any existing statute authorizing the creation of corporations for charitable purposes or permitting municipal corporations to act as trustee for any public or charitable purpose under any existing statute. Nothing in this section shall apply to any gift, bequest, devise, or trust made, created, or arising by or under the provisions of the will of any person whose decease occurred before this section became effective.

[1927 c. 180 ss. 1, 2, 3, 4] (8090-1) (8090-2) (8090-3) (8090-4)

501.13 DEVISES AS POWERS. A devise of lands to executors or other trustees to be sold or mortgaged, when such trustees are not also empowered to receive the rents and profits, shall vest no estate in the trustees; but the trust shall be valid as a power, and the lands shall descend to their heirs, or pass to the devisees of the testator, subject to the execution of the power.

[R. L. s. 3250] (8091)

501.14 TRUST PROFIT SURPLUS SUBJECT TO CREDITORS' RIGHTS. When a trust is created to receive the rents and profits of lands and no valid direction for accumulation is given, the surplus of such rents and profits, beyond the sum necessary for the education and support of the person for whose benefit the trust is created, shall be subject in equity to the claims of his creditors in the same manner as other personal property which cannot be reached by an execution at law.

[R. L. s. 3251] (8092)

501.15 EXPRESS TRUSTS; POWERS IN TRUST. When an express trust is created for any purpose not heretofore in this chapter enumerated, no estate shall vest in the trustee; but the trust, if directing or authorizing the performance of any act which may be lawfully performed under a power, shall be valid as a power in trust, subject to the provisions in relation to such powers contained in chapter 502.

[R. L. s. 3252] (8093)

501.16 LEGAL TITLE IN BENEFICIARY. When the trust is valid as a power the land to which the trust relates shall remain in or descend to the persons otherwise entitled, subject to the execution of the trust as a power.

[R. L. s. 3253] (8094)

501.17 TRUSTEES TAKE ESTATE, WHEN. Every express trust, valid as such in its creation, except as herein otherwise provided, shall vest the whole estate in the trustee, in law and in equity, subject only to the execution of the trust; and the person for whose benefit the trust was created shall take no estate or interest in the lands but may enforce the performance of the trust in equity.

[R. L. s. 3254] (8095)

501.18 SECTION 501.17 QUALIFIED. Section 501.17 shall not prevent any person creating a trust from declaring to whom the lands to which the trust relates shall belong in the event of the failure or termination of the trust; nor shall it prevent him from granting or devising such lands, subject to the execution of the trust; and every such grantee shall have a legal estate in the lands as against all persons, except the trustees and those lawfully claiming under them.

[R. L. s. 3255] (8096)

501.19 REVERSION IN GRANTOR. When an express trust is created, every estate and interest not embraced in the trust, and not otherwise disposed of, shall remain in or revert to the person creating the trust, or his heirs, as a legal estate.

[R. L. s. 3256] (8097)

501.20 ALIENATION RESTRAINED; LIMITATION. No person beneficially interested in a trust for the receipt of rents and profits of the lands can assign, or in any manner dispose of, such interest; provided, the power to sell or sign or transfer such beneficial interest shall in no manner be abridged or curtailed, where such beneficial interest in the first instance shall have been acquired by purchase; but the rights and interest of every person for whose benefit a trust for the payment of a sum in gross is created are assignable.

[R. L. s. 3257; 1931 c. 66 s. 1] (8098)

501.21 EFFECT OF OMITTING TRUST IN CONVEYANCE. When an express trust is created, but is not contained or declared in the conveyance to the trustees, such conveyance shall be deemed absolute as against the subsequent creditors of the trustees not having notice of the trust, and as against purchasers from such trustees, without notice, and for a valuable consideration.

[R. L. s. 3258] (8099)

501.22 TRUST ESTATES. Subdivision 1. Contravention void. When the trust is expressed in the instrument creating the estate, every sale, conveyance, or other act of the trustee, in contravention of the trust, shall be absolutely void.

Subdivision 2. Sale, mortgage, lease. The district court of the district wherein such property held in trust is situate, may, by order, on such terms and conditions as seem just and proper, authorize any such trustee, whether he be beneficially interested in such trust property or not, to mortgage or sell such real property or any part thereof when it appears to the satisfaction of the court that it is for the best interest of such estate, or that it is necessary or for the benefit of the estate or of the persons beneficially interested therein holding the first and present estate, interest or use, and that it will do no substantial injury to the heirs in tail, or others in expectancy, succession, reversion, or remainder.

Subdivision 3. Five year limitation. A trustee appointed to hold real property during the life of a beneficiary, and to pay or apply the rents, income, and profits thereof to, or for, the use of such beneficiary, may execute and deliver a lease of such real property for a term not exceeding five years without application to the court.

Subdivision 4. Court may lengthen term. The district court may, by order, on such terms and conditions as seem just and proper, in respect to rental and renewals, authorize such a trustee to lease such real property for a term exceeding five years, if it appears to the satisfaction of the court that it is for the best interest of the trust estate, and may authorize such trustee to covenant in the lease to pay at the end of the term, or renewal term, to the lessee the then fair and reasonable value of any building which may have been erected on the premises during such term.

Subdivision 5. Protection of ward. The district court shall not grant an order to mortgage or sell such real property or lease the same for a term exceeding five years, unless it appears to the satisfaction of such court that a written notice,

stating the time and place of the application therefor, and the object thereof, has been served upon the beneficiary of such trust and every other person in being having an estate vested or contingent in reversion or remainder in the real property at least eight days before the making thereof, if such beneficiary or other person is an adult within the state, or if a minor, lunatic, person of unsound mind, habitual drunkard, or absentee, until proof of the service, on such beneficiary or other person, of such notice as the court or a judge thereof prescribes. The court shall appoint a guardian ad litem for any minor and for any lunatic, person of unsound mind, or habitual drunkard who shall not be represented by a committee or guardian duly appointed.

Subdivision 6. Petition contents; publication. The application must be by petition duly verified, which shall set forth the condition of the trust estate and the particular facts which make it necessary or proper that the application be granted. Such petition shall contain a description of the estate to be sold, mortgaged, or leased, a clear statement of the interest of the petitioner therein, and a copy of the will, deed, or other instrument in writing by which the estate is created; all persons in being who are interested in the estate, or who may, by the terms of the will, deed or other instrument creating the estate, thereafter become interested therein as heir, reversioner, or otherwise shall be made parties to the petition; and if the names of any persons who ought to be made parties are unknown to the petitioner, or if the residence of any such person is unknown to the petitioner, the facts shall be verified by the affidavit of the petitioner, then such notice shall be served upon such unknown persons whose residence is unknown, by publication for six successive weeks, once in each week in some newspaper published in the county in which the property is held in trust.

Subdivision 7. Final order; bond. After taking proof of the facts, either before the court or a referee, and hearing the parties and fully examining into the matter, the court must make a final order upon the application. In case the application is granted the final order must authorize the real property affected by the trust or some portion thereof, to be mortgaged, sold, or leased upon such terms and conditions as the court may prescribe. In case a mortgage or sale of any portion of such real property is authorized, the final order must direct the disposition of the proceeds of such mortgage or sale and must require the trustee to give bond in such amount and with such sureties as the court directs, conditioned for the faithful discharge of his trust and for the due accounting for all moneys received by him pursuant to the order. If the trustee elects not to give such bond, the final order must require the proceeds of such mortgage or sale to be paid into court to be disposed of or invested as the court shall specially direct. Before a mortgage, sale, or lease can be made pursuant to the final order, the trustee must enter into an agreement therefor, subject to the approval of the court and report the agreement to the court under oath. Upon the confirmation thereof, by order of the court he must execute, as directed by the court, a mortgage, deed, or lease.

Subdivision 8. Validity. A mortgage, deed, or lease made pursuant to a final order granted as provided in this section and sections 501.20 and 501.21 shall be valid and effectual against all minors, lunatics, persons of unsound mind, habitual drunkards, and persons not in being interested in the trust or having estates vested or contingent in reversion or remainder in the real property and against all other persons so interested or having such estates who shall consent to such order, or who, having been made parties to such proceeding as herein provided, shall not appear therein and object to the granting of such order.

Subdivision 9. Voluntary consent. All parties in interest may appear voluntarily and consent in writing to such sale, mortgaging, or leasing of such real property; and testamentary guardians and guardians appointed by the probate court, may assent thereto in the place of their wards.

Subdivision 10. Rights of purchaser. A person who shall actually and in good faith pay a sum of money to a trustee, which the trustee is authorized to receive, shall not be responsible for the proper application of the money, according to the trust; and any right or title derived by him from the trustee in consideration of the payment shall not be impeached or called in question in consequence of a misapplication by the trustee of the money paid.

[G. S. 1878 c. 43 s. 21; G. S. 1894 s. 4294; R. L. s. 3259; 1905 c. 339] (8100)

501.23 SALE, MORTGAGE, PLEDGE, OR LEASE OF PROPERTY IN TRUST CREATED BY WRITTEN INSTRUMENT; VOID, WHEN; DISTRICT COURT POWERS. When any trust is expressed in the instrument creating the trust estate every sale, conveyance, or other act of the trustee in contravention of the trust shall be absolutely void, except as in sections 501.23 to 501.32 provided. The district court of the county wherein the property, whether real or personal, or any part thereof, held in trust is situate may, by order, on such terms and conditions as seem just and proper, authorize any such trustee, whether he be beneficially interested in such trust property or not, to sell or otherwise dispose of, mortgage, or pledge all or any part of such trust property, whether real or personal, when it appears to the satisfaction of the court that it is necessary, or for the best interest, or for the benefit of the trust estate, or of the person or persons beneficially interested therein holding the first and present estate, interest, or use, and that it will do no substantial injury to the heirs or next of kin, or others in succession, expectancy, reversion, or remainder, in respect of such property.

[1925 c. 360 s. 1] (8100-1)

501.24 LEASES; AUTHORITY OF TRUSTEE; ORDER OF COURT FOR LEASE. The trustee appointed to hold real property in trust during the life of a beneficiary, and to pay or apply the rents, income and profits thereof to or for the use of such beneficiary, may execute and deliver a lease of such real property for a term not exceeding five years, without application to the court. The district court may, by order, on such terms and conditions as seem to it just and proper, authorize such trustee to lease such property for a term exceeding five years, if it appears to the satisfaction of the court that it is for the best interest of the trust estate, and may authorize such trustee to covenant in the lease to pay, at the end of the term or any renewal term, to the lessee, the then fair and reasonable value of any buildings and improvements which may have been erected or placed on the leased premises during such term or renewal term.

[1925 c. 360 s. 2] (8100-2)

501.25 SALE; APPLICATION FOR; PETITION, NOTICE, AND ORDER FOR HEARING; FILING. Application to the court for such order to sell or otherwise dispose of, mortgage, or pledge such trust property, real or personal, or any part thereof, or to lease such trust property, real, or any part thereof, shall be by petition, duly verified, made by such trustee, or any person beneficially interested in such property. Such petition shall set forth the nature of the trust estate, the particular facts making it necessary or proper for the application to be granted, a description of the trust property to be sold or otherwise disposed of, mortgaged, pledged, or leased, and the interest of the petitioner therein. Such petition and the notice of hearing thereof shall set out, so far as appears of record or as known to the petitioner, the names, and in addition such petition shall set out the places of residence, of all persons, who have any right, title, interest, estate, or lien, and the nature thereof, in or upon the trust property, or who, by the terms of the instrument creating the trust, may, at any time thereafter, have any such right, title, interest, estate, or lien, and the nature thereof. If there be persons having, or claiming to have, or who, at any time thereafter, may have any interest in the trust property, whose names are unknown, it shall be lawful to include such persons in such petition and the notice of hearing thereof, by the name and description of unknown persons interested in the trust property, and, to that end, such petition and notice, in addition to setting out the names of the persons aforesaid, may contain the following: "Also all other persons unknown, having, or claiming to have, or who at any time may have any right, title, or interest, estate, or lien in or upon the trust property." Such petition, together with a copy, annexed thereto, of the deed, will, or other written instrument creating the trust estate, shall be filed in the office of the clerk of the district court of the county wherein such property, or some part thereof, is situate. Upon the filing of any such petition, the district court shall, by order, fix a time and place of hearing the same. Such hearing may be at chambers, or at a general or special term of the court wherein the proceedings are pending.

[1925 c. 360 s. 3] (8100-3)

501.26 NOTICE OF HEARING; SERVICE. Notice of such hearing stating the time and place thereof and the objects of the petition shall be served upon all persons named in the petition as having any right, title, interest, estate, or lien in or upon the trust property, or who, by the terms of the instrument creating

such trust, may, at any time thereafter, have any such right, title, interest, estate, or lien. Such notice shall be served, except as provided in section 501.27, in the same manner as a summons in a civil action, at least ten days before such time of hearing. If any such person, whose name is set out in the petition, be not a resident of the state, or if his place of residence be unknown to the petitioner, then, upon the filing in the court of an affidavit of the petitioner, his agent or attorney, alleging that he believes that such person is not a resident of the state, and that he has mailed a copy of such notice to him at his last known place of residence, or that his place of residence is not known and cannot be ascertained by the affiant, the service of such notice upon such person may be made by publication thereof for two successive weeks in a qualified newspaper. Service of such notice may be had upon all persons named and described in such petition and notice, as unknown persons interested in the trust property, by publication of such notice in the same manner and for the same time, as in the case of non-residents whose names are set out in the petition upon the filing in the court of an affidavit by the petitioner, his agent or attorney, stating that there are, or that affiant is informed or believes there are, certain persons, in addition to those whose names are set out in such petition, who have, or claim to have, or may have some right, title, interest, estate, or lien in or upon the trust property, the nature of which is, as well as the names and places of residence of whom are, to affiant unknown.

[1925 c. 360 s. 4] (8100-4)

501.27 INCOMPETENTS; NOTICE; SERVICE; GUARDIAN AD LITEM. In case any person, whose name is set out in such petition, is a minor, lunatic, idiot, or person of unsound mind, or an habitual drunkard or spendthrift, such notice of hearing shall be served upon the duly appointed guardian, conservator, committee, or other legal representative, of such person, if any. If there be none, then the district court in which such proceedings are pending shall appoint a guardian ad litem to such person and may compel the person so appointed to act. In such case, service of such notice of hearing shall be had by service on such guardian ad litem.

[1925 c. 360 s. 5] (8100-5)

501.28 HEARING; FINAL ORDER; REPORT OF SALE; CONVEYANCE BY TRUSTEE; DISPOSITION OF PROCEEDS; BONDS. Upon proof being filed of the service of such notice, the court, at the time and place therein fixed or to which the hearing may be adjourned, shall hear all competent evidence offered for and against the granting of such petition, regulating the order of proof as it may deem best, and make and enter a final order upon the application. If the application is granted, the final order shall authorize the sale or other disposition, or the mortgaging, pledging, or leasing, as the case may be, of such trust property, or any part thereof, in manner and upon such terms as the court may prescribe. Any such sale or other disposition, mortgaging, pledging, or leasing of such trust property, by such trustee, shall be reported to the court for confirmation and confirmed by the court, before the same shall become effective and valid. Upon such confirmation, such trustee shall make, execute, and deliver, subject to such terms and conditions as the court in its order of confirmation may impose, good and sufficient instruments of conveyance, assignment, and transfer or mortgage, pledge, or lease, as the case may be. On receipt by such trustee of the money or other proceeds derived from any such sale or other disposition, or mortgaging, pledging, or leasing of such trust property, such money or other proceeds shall be held, administered, distributed, or otherwise dealt with by such trustee under and pursuant to the terms of the deed, will, or other written instrument creating the trust estate, but subject, at all times, to the direction and order of the court. The court in its discretion may require such trustee to give bond in such amount and with such sureties as the court shall direct, conditioned for accounting for all such money or other proceeds so received by such trustee and for the faithful discharge of his trust.

[1925 c. 360 s. 6] (8100-6)

501.29 FINAL ORDER, EFFECT OF; OBJECTIONS, TIME FOR. The final order of the court in such proceedings, made or had with respect to such unknown persons, shall have the same effect and be as binding and conclusive upon them, as though they had been named and described in such petition and notice by their proper names. If any such unknown persons be minors without guardian ad litem or other guardian or legal representative duly appointed when such order is made,

they may be allowed to appear and object to such order and the granting thereof at any time within one year after becoming of age.

[1925 c. 360 s. 7] (8100-7)

501.30 PERSONS ENTITLED TO OBJECT. In every case where service of such notice is made and had by publication, as provided in sections 501.23 to 501.32, any person so served shall have the right to appear and oppose the granting of such petition before the making of such final order, and the right to appear and object to such order and the granting thereof, on such terms as may be just, at any time within one year after such order has been made and entered. If the objection be sustained in such case or in the case of a minor without a guardian, as provided in section 501.29, the direction of the court shall be such as seems to it just and equitable in the circumstances.

[1925 c. 360 s. 8] (8100-8)

501.31 FINAL ORDERS AND CONVEYANCES VALID AS TO PERSONS SERVED WITH NOTICE. The final order of the court in such proceedings, and every deed or other instrument of conveyance, assignment, transfer, mortgage, pledge, or lease made, executed, and delivered by such trustee pursuant to any such final order shall be valid and effectual against all persons whose names are set out in such petition, and all persons therein named and described as unknown persons interested in the trust property, served with notice of hearing as provided in sections 501.23 to 501.32 or appearing voluntarily in the proceedings and consenting to the granting of such order, whether such persons, or any of them, are in being or not in being, and whatever the nature of their interest and estate in the trust property, whether vested or contingent, in expectancy, in reversion, or in remainder, or otherwise, at the time of the granting of such order.

[1925 c. 360 s. 9] (8100-9)

501.32 LIMITATION; LIABILITY OF PERSONS PAYING MONEY TO TRUSTEE. Any person who shall actually and in good faith pay to any such trustee any money or other proceeds derived from the sale or other disposition, or from the mortgaging, pledging, or leasing of such trust property, or any part thereof, shall not be responsible for the proper application of such money or other proceeds in accordance with the terms of the trust; and any right, title, interest, or estate derived from such trustee by such person, in consideration of such payment, shall not be impeached or called in question in consequence of any misapplication by such trustee of such money or proceeds so paid.

[1925 c. 360 s. 10] (8100-10)

501.33 TRUSTEE; CONFIRMATION OF APPOINTMENT; COURT JURISDICTION. Upon petition of any person appointed as trustee of an express trust by any will or other written instrument, or upon petition of any beneficiary of such trust, the district court of the county wherein such trustee resides or has his place of business, shall consider the application to confirm the appointment of the trustee and specify the manner in which he shall qualify. Thereafter such district court shall have jurisdiction of such trust as a proceeding in rem.

[1933 c. 259 s. 1] (8100-11)

501.34 TRUSTEE TO FILE INVENTORY. Any trustee whose appointment has thus been confirmed shall file with the clerk of the district court an inventory containing a true and complete list of all property received by the trustee belonging to the trust estate. Thereafter such trustee shall render to such court at least annually a verified account containing a complete inventory of the trust assets and itemized principal and income accounts.

[1933 c. 259 s. 2] (8100-12)

501.35 MAY APPLY TO COURT FOR INSTRUCTIONS. Any trustee whose appointment has thus been confirmed at any time thereafter may petition the court for instructions in the administration of the trust or for a construction of the trust instrument, or upon or after the filing of any account, for the settlement and allowance thereof. Upon the filing of such petition the court shall make an order fixing a time and place for hearing thereof, unless hearing has been waived in writing by the beneficiaries of such trust. Notice of such hearing shall be given by publishing a copy of such order one time in a legal newspaper of such county at least 20 days before the date of such hearing, and by mailing a copy thereof to each party in interest then in being, at his last known address, at least ten days before the date of such hearing or in such other manner as the court shall order and if such court shall deem further notice necessary it shall be given in such manner

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as may be specified in such order. Upon such hearing the court shall make such order as it deems appropriate, which order shall be final and conclusive as to all matters thereby determined and binding in rem upon the trust estate and upon the interests of all beneficiaries, vested or contingent, except that appeal to the supreme court may be taken from such order within 30 days from the entry thereof by filing notice of appeal with the clerk of the district court, who shall mail a copy of such notice to each adverse party who has appeared of record.

[1933 c. 259 s. 3] (8100-13)

501.36 GUARDIAN MAY BE APPOINTED. If any person upon whom the court has ordered that personal service be made is a minor or otherwise incompetent to act in his own behalf and has no general guardian within the state, or if any party in interest is unascertained or not in being, or unknown to the trustee or outside this state, the court shall be deemed to represent such person, but may, upon the application of the trustee, or any other person interested therein, appoint a guardian ad litem for any such minor or incompetent person.

[1933 c. 259 s. 4] (8100-14)

501.37 APPLICATION. The provisions of sections 501.33 to 501.38 shall not apply to trusts in the nature of mortgages or to trusts commonly known as voting trusts. The word "person," as used therein, shall refer to an artificial as well as to a natural person.

[1933 c. 259 s. 5] (8100-15)

501.38 NOT TO LIMIT JURISDICTION OF COURT. Nothing in sections 501.33 to 501.37 shall be deemed to limit or abridge the power or jurisdiction of the district court over trusts and trustees.

[1933 c. 259 s. 6] (8100-16)

501.39 MISAPPLICATION OF PAYMENT TO TRUSTEE. No person who actually and in good faith makes any payment to a trustee which the trustee, as such, is authorized to receive, shall be responsible for the proper application thereof according to the trust; nor shall any right or title derived by such person from the trustee, in consideration of such payment, be impeached or called in question in consequence of any misapplication of such payment by the trustee.

[R. L. s. 3260] (8101)

501.40 TERMINATION OF TRUSTEES' ESTATE. When the purposes for which an express trust is created cease, the estate of the trustee shall also cease.

[R. L. s. 3261] (8102)

501.41 TRUST TO VEST IN DISTRICT COURT ON DEATH OF TRUSTEE. Upon the death of the surviving trustee of an express trust, the trust estate shall not descend to his heirs, nor pass to his personal representatives; but the trust, if then unexecuted, shall vest in the district court with all the powers and duties of the original trustees, and shall be executed by some person appointed for that purpose, under the direction of the court.

[R. L. s. 3262] (8103)

501.42 RESIGNATION OF TRUSTEE. Upon the petition of any trustee of an express trust, the district court may accept his resignation and discharge him from the trust, under such regulations as it shall establish for that purpose and upon such terms as the rights and interests of the person interested in the execution of the trust require.

[R. L. s. 3263] (8104)

501.43 REMOVAL OF TRUSTEE. Upon the complaint of any person interested in the execution of an express trust, and under such regulations as shall be established by the court for that purpose, it may remove any trustee who has violated or threatened to violate his trust, or who is insolvent, or whose insolvency is apprehended, or who for any other cause is deemed an unsuitable person to execute the trust.

[R. L. s. 3264] (8105)

501.44 POWERS OF COURT. The district court has full power to appoint a new trustee in place of one deceased, resigned, or removed; and when, in consequence of such death, resignation, removal, or other cause, there is no acting trustee, the court, in its discretion, may appoint a trustee, or cause the trust to be executed by one of its officers under its direction; and when any person other than the trustee originally named, or appointed by a court of this state, has in good faith done any act in execution of the trust, the court may confirm such act.

[R. L. s. 3265] (8106)