

501B.81 ENUMERATED POWERS OF TRUSTEE.

Subdivision 1. **Trust assets.** The trustee may retain trust assets until, in the judgment of the trustee, disposition of the assets should be made, without regard to any effect retention may have on the diversification of the assets of the trust. The property may be retained even though it includes an asset in which the trustee is personally interested.

Subd. 2. **Additions to trust assets.** The trustee may receive from any source additions to the assets of the trust.

Subd. 3. **Business or enterprise.** The trustee may continue or participate in the operation of a business or other enterprise, and to effect incorporation, dissolution, or other change in the form of the organization of the business or enterprise.

Subd. 4. **Undivided interest in trust asset.** The trustee may acquire an undivided interest in a trust asset in which the trustee, in a trust capacity, holds an undivided interest.

Subd. 5. **Investment of trust assets.** The trustee may invest and reinvest trust assets in any property or any undivided interest in the property. These investments include but are not limited to bonds, debentures, secured or unsecured notes, preferred or common stocks of corporations, mutual funds, real estate or real estate improvements or interests, wherever located, oil and mineral leases, royalty or similar interests, and interests in trusts, including investment trusts and common trust funds maintained by a corporate trustee, and insurance upon the life of a person who is or may become a trust beneficiary. These investments may be made without regard to diversification.

Subd. 6. **Deposits.** The trustee may deposit trust funds in a bank, including a bank operated by the trustee, or in a state or federal savings association.

Subd. 7. **Purchase and sale.** The trustee may acquire, sell, or otherwise dispose of an asset, at public or private sale, for cash or on credit, with or without security as the trustee deems advisable, and manage, develop, exchange, partition, change the character of, or abandon a trust asset or any interest in it.

Subd. 8. **Options.** The trustee may grant an option for the sale or other disposition of a trust asset, or take an option for the acquisition of an asset.

Subd. 9. **Leases.** The trustee may enter into a lease as lessor or lessee, with or without option to purchase or renew, though the term of the lease, renewal, or option extends beyond the terms of the trust.

Subd. 10. **Repairs; improvements; alterations.** The trustee may make ordinary or extraordinary repairs, improvements, or alterations in buildings or other structures or in other trust assets, and remove or demolish improvements.

Subd. 11. **Buildings; party walls.** The trustee may raze existing or erect new party walls or buildings, alone or jointly with owners of adjacent property.

Subd. 12. **Subdivision; development; dedication to public use.** The trustee may subdivide, develop, or dedicate land to public use; make or obtain the vacation of plats and adjust boundaries; on exchange or partition, adjust differences in valuation by giving or receiving consideration; and dedicate easements to public use without consideration.

Subd. 13. **Exploration and removal of natural resources.** The trustee may enter into a lease or arrangement for exploration for and removal of oil, gas, and other minerals or natural resources, and may enter into pooling and unitization agreements.

Subd. 14. **Insurance.** The trustee may insure the assets of the trust against damage or loss and the trustee against liability with respect to third persons.

Subd. 15. **Voting stock or securities.** The trustee may vote shares of stock or other securities held by the trustee, in person or by general or limited proxy, and enter into voting trust agreements on terms and for periods the trustee considers advisable.

Subd. 16. **Securities calls, assessments, and charges.** The trustee may pay calls, assessments, and any other sums chargeable or accruing against or on account of shares of stock, bonds, debentures, or other corporate securities in the hands of the trustee.

Subd. 17. **Stock rights.** The trustee may sell or exercise stock subscription or conversion rights, participate in foreclosures, reorganizations, consolidations, mergers, or liquidations, and consent, directly or through a committee or other agent, to corporate sales, leases, and encumbrances. In the exercise of these powers the trustee may, if the trustee considers it expedient, deposit stocks, bonds, or other securities with a protective or other similar committee, on terms and conditions respecting the deposit that the trustee approves.

Subd. 18. **Ownership in other name.** The trustee may hold any asset in the name of a nominee or nominees, without disclosure of a fiduciary relationship, but the trustee is liable for acts and omissions of the nominee relating to those assets.

Subd. 19. **Borrowing; mortgages.** The trustee may borrow money and mortgage or otherwise encumber or pledge trust assets for a term within or extending beyond the term of the trust, in connection with the exercise of a power vested in the trustee.

Subd. 20. **Contracts.** The trustee may enter into contracts binding on the trust that are reasonably incident to the administration of the trust and that the trustee believes to be for the best interests of the trust.

Subd. 21. **Settlement of claims.** The trustee may pay, compromise, contest, submit to arbitration, or otherwise settle claims in favor of or against the trust or the trustee.

Subd. 22. **Release of claims.** The trustee may release, in whole or in part, a claim or lien belonging to the trust.

Subd. 23. **Trust expenses.** The trustee may pay taxes, assessments, compensation of the trustee, and other expenses incurred in the collection, care, administration, and protection of the trust.

Subd. 24. **Reserves.** The trustee may create reserves out of income for depreciation, obsolescence, or amortization, or for depletion in mineral or timber properties.

Subd. 25. **Payments to minors and those under legal disability.** The trustee may pay a sum distributable to a minor or other beneficiary under legal disability, without liability to the trustee, in one or more of the following ways:

- (1) directly to the beneficiary;
- (2) to the legal guardian or conservator of the beneficiary;
- (3) directly for the maintenance, education, and general welfare of the beneficiary;
- (4) to a parent of the beneficiary;
- (5) to a person who has custody and care of the person of the beneficiary; or
- (6) to a custodian under a uniform transfers to minors statute.

Subd. 26. **Distribution of interests.** The trustee may distribute property and money in divided or undivided interests and adjust resulting differences in valuation.

Subd. 27. **Employment of advisors, assistants.** The trustee may employ attorneys, accountants, investment advisors, agents, or other persons, even if they are associated with the trustee, to advise or assist the trustee in the performance of duties. The trustee may act without independent investigation upon their recommendations, and instead of acting personally, may employ one or more agents to perform any act of administration whether or not discretionary.

Subd. 28. **Legal actions.** The trustee may prosecute or defend actions, claims, or proceedings for the protection of trust assets and of the trustee in the performance of duties.

Subd. 29. **Advances to beneficiaries.** The trustee may advance income to or for the use of a beneficiary, for which advance the trustee has a lien on the future benefits of that beneficiary.

Subd. 30. **Advances by trustee; repayment.** The trustee may advance money for the protection of the trust or its assets, for all expenses and liabilities sustained or incurred in or about

the administration or protection of the trust, or because of the holding or ownership of any trust assets, for which advances the trustee has a lien on the trust assets, and may be reimbursed out of the trust assets with interest.

Subd. 31. **Execution and delivery of instruments.** The trustee may execute and deliver instruments that will accomplish or facilitate the exercise of the powers vested in the trustee.

Subd. 32. **Multiple trusts.** The trustee may hold two or more trusts or parts of trusts created by the same instrument, as an undivided whole, without separation between the trusts or parts of trusts, if the separate trusts or parts of trusts have undivided interests and if no holding defers the vesting of an estate in possession or otherwise.

History: 1989 c 340 art 1 s 68; 1995 c 202 art 1 s 25