

501B.154 NONJUDICIAL SETTLEMENT AGREEMENTS.

(a) The trustee and all beneficiaries of a trust not under court supervision may enter into a binding nonjudicial settlement agreement with respect to the matters listed in paragraph (c).

(b) A nonjudicial settlement agreement is valid only to the extent it does not violate a material purpose of the trust, subject to paragraph (c), clause (5), and includes terms and conditions that could be properly approved by the court under applicable law.

(c) Matters that may be resolved by nonjudicial settlement agreement are:

- (1) the approval of a trustee's accounting;
- (2) the resignation of a trustee;
- (3) the determination of a trustee's compensation;
- (4) the transfer of the trust's situs; and

(5) the termination of a noncharitable trust and distribution of the trust property if the fair market value of the trust is less than \$50,000, as determined on the date of the nonjudicial settlement agreement, and it has been determined that relative to the costs of administering the trust, continuance pursuant to its existing terms will defeat or substantially impair the accomplishment of its purposes. The trust property must be distributed in a manner which conforms as nearly as possible to the intention of the grantor. The existence of a spendthrift or similar protective provision in the trust does not conclusively make this clause inapplicable.

History: 2004 c 146 art 1 s 4