306.77 APPOINTMENT OF TRUST COMPANY.

The board of trustees of an association mentioned in section 306.76 shall, by a resolution adopted by a vote of at least two-thirds of its members, appoint one or more trust companies organized under state law, or a board consisting of at least three individuals, to act as trustees of the permanent care and improvement fund. If more than one trust company is appointed, the board of trustees shall, from time to time, apportion all money available for the fund between these trust companies in the proportion that the board determines. The appointment must be evidenced by a written instrument executed by the proper officers of the association under its corporate seal. Each trust company and the appointed individuals shall qualify as trustee by filing a written acceptance of the appointment with the secretary of the association. All instruments of appointment, any revocation of appointment, and the written acceptances must be recorded at length by the secretary of the association in its corporate records. The appointment of any trustee may be revoked by the board of trustees of the association at any time by a vote of two-thirds of its members. No trustee of the fund is liable as a trustee except for neglect or willful default in the discharge of duties.

Seven days before any portion of the principal of a permanent care and improvement fund is transferred or withdrawn from its present location, the board of trustees must, in writing, notify the county auditor of such activity and of the destination of the funds. Any person, firm, partnership, association, or corporation knowingly violating the provisions of this section shall be guilty of a misdemeanor and for a second offense shall be guilty of a gross misdemeanor.

History: *(7615) 1917 c 95 s 2; 1986 c 444; 1988 c 469 art 5 s 1; 1988 c 509 s 8*