501C.0104 KNOWLEDGE.

(a) Subject to paragraph (b), a person has knowledge of a fact if the person:

(1) has actual knowledge of it;

(2) has received a notice or notification of it; or

(3) from all the facts and circumstances known to the person at the time in question, has reason to know it.

(b) An organization that conducts activities through employees has notice or knowledge of a fact involving a trust only from the time the information was received by an employee having responsibility to act for the trust, or would have been brought to the employee's attention if the organization had exercised reasonable diligence. An organization exercises reasonable diligence if it maintains reasonable policies and procedures for communicating significant information to the employee having responsibility to act for the trust and there is reasonable compliance with the policies and procedures. Reasonable diligence does not require an employee of the organization to communicate information unless the communication is part of the individual's regular duties or the individual knows a matter involving the trust would be materially affected by the information.

(c) With respect to a conveyance of real property, an organization or other person shall be deemed to have knowledge of facts disclosed by a title examination in accordance with applicable customs and standards.

History: *2015 c 5 art 1 s 4*