

of §1-103. The only other changes are in style.

2-116. PASSIVE TRUSTS EXECUTED; SECTION INAPPLICABLE TO SECURITY INSTRUMENTS; EXECUTORY INTERESTS AND POWERS OF APPOINTMENT VALID.

(A) PASSIVE TRUST EXECUTED — TRUSTEE WITH NOMINAL DUTIES.

IF A GRANT, DEED, COVENANT, OR BEQUEST OF ANY ~~[[REAL]]~~ LAND OR PERSONAL PROPERTY IS TO A TRUSTEE WHOSE TITLE IS NOMINAL ONLY AND WHO HAS NO EXPRESS POWER OF DISPOSITION OR MANAGEMENT OF THE PROPERTY, AND IS TO BE HELD FOR A BENEFICIARY EXPRESSLY DESIGNATED IN IT, THE GRANT, DEED, COVENANT, OR BEQUEST IS VOID AS TO THE TRUSTEE, AND IS A DIRECT GRANT, DEED, COVENANT, OR BEQUEST TO THE BENEFICIARY.

(B) PASSIVE TRUST EXECUTED — TRUSTEE WHOSE DUTIES BECOME NOMINAL.

IF A TRUST IS CREATED BY GRANT, DEED, COVENANT, OR BEQUEST OF ANY ~~[[REAL]]~~ LAND OR PERSONAL PROPERTY IN WHICH THE TRUSTEE HAS DUTIES OTHER THAN NOMINAL TO PERFORM AT THE INCEPTION OF OR DURING THE TERM OF THE TRUST, BUT LATER BECAUSE OF THE DEATH OF A LIFE TENANT OR OTHER OCCURRENCE THE TRUST TERMINATES OR THERE REMAINS ONLY NOMINAL DUTIES TO PERFORM, THE LEGAL ESTATE IN THE CORPUS OF THE TRUST THEN VESTS IN THE BENEFICIARIES OF THE TRUST, EVEN THOUGH THE INSTRUMENT CREATING THE TRUST SPECIFICALLY REQUIRES A GRANT OF THE LEGAL ESTATE, UNLESS THE TRUSTEE IS REQUIRED TO MAKE PARTITION OR DIVISION BY THE TERMS OF THE CREATING INSTRUMENT.

(C) INAPPLICABILITY TO SECURITY INSTRUMENTS.

THIS SECTION IS NOT APPLICABLE TO ANY DEED OF TRUST GIVEN AS SECURITY FOR THE PAYMENT OF A DEBT OR THE PERFORMANCE OF AN OBLIGATION.

(D) EXECUTORY INTERESTS AND POWERS OF APPOINTMENT VALID.

NOTWITHSTANDING THE REPEAL OF THE BRITISH STATUTE OF USES, EXECUTORY INTERESTS AND POWERS OF APPOINTMENT ARE VALID IN THE STATE, SUBJECT TO THE RULE AGAINST PERPETUITIES.

REVISOR'S NOTE: This section presently appears as Art. 21, §5-116 of the Code. In subsection (a) the phrase "real or personal" modifying "property" is added because this subsection is intended to apply to both real and personal