

21-204. DUTIES AND RESPONSIBILITIES OF TRUSTEES.

(A) IN GENERAL.

(1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (C) OF THIS SECTION, IN EXERCISING THE STANDARDS SET FORTH IN § 21-203 OF THIS SUBTITLE:

(I) THE TRUSTEES JOINTLY SHALL MANAGE AND CONTROL THE ASSETS OF THE SEVERAL SYSTEMS; AND

(II) EACH TRUSTEE OF THE SEVERAL SYSTEMS, WHEN ACTING AS A FIDUCIARY, SHALL USE REASONABLE CARE TO PREVENT ANOTHER TRUSTEE FROM COMMITTING A BREACH.

(2) PARAGRAPH (1) OF THIS SUBSECTION DOES NOT PRECLUDE ANY AGREEMENT THAT ALLOCATES SPECIFIC RESPONSIBILITIES, OBLIGATIONS, OR DUTIES AMONG THE TRUSTEES.

(B) DESIGNATION OR ALLOCATION — IN GENERAL.

THE BOARD OF TRUSTEES MAY:

(1) ALLOCATE THE RESPONSIBILITIES OF THE FIDUCIARIES AMONG THE FIDUCIARIES; AND

(2) DESIGNATE ANY OTHER PERSON TO CARRY OUT THE RESPONSIBILITIES OF A FIDUCIARY.

(C) SAME — LIABILITY.

(1) IF THE BOARD OF TRUSTEES MAKES AN ALLOCATION OR DESIGNATION TO A PERSON UNDER SUBSECTION (B) OF THIS SECTION, THE BOARD OF TRUSTEES IS NOT LIABLE FOR AN ACT OR OMISSION OF THAT PERSON IN CARRYING OUT THE RESPONSIBILITY, EXCEPT TO THE EXTENT THAT THE BOARD OF TRUSTEES VIOLATES § 21-203 OF THIS SUBTITLE WITH RESPECT TO:

(I) THE ALLOCATION OR DESIGNATION;

(II) THE ESTABLISHMENT OR IMPLEMENTATION OF A PROCEDURE TO ALLOCATE OR DESIGNATE; OR

(III) THE CONTINUANCE OR REVIEW OF THE ALLOCATION OR DESIGNATION.

(2) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (1) OF THIS SUBSECTION, A TRUSTEE TO WHOM CERTAIN RESPONSIBILITIES, OBLIGATIONS, OR DUTIES HAVE NOT BEEN ALLOCATED IS NOT LIABLE, EITHER INDIVIDUALLY OR AS A TRUSTEE, FOR ANY LOSS RESULTING TO THE SEVERAL SYSTEMS ARISING FROM AN ACT OR OMISSION OF ANOTHER PERSON TO WHOM THE RESPONSIBILITIES, OBLIGATIONS, OR DUTIES HAVE BEEN ALLOCATED.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 73B, § 1-204.