633A.4603 Obligations of third parties.

- 1. With respect to a third party dealing with a trustee or assisting a trustee in the conduct of a transaction, if the third party acts in good faith and for a valuable consideration and without knowledge that the trustee is exceeding the trustee's powers or is improperly exercising them, the following apply:
- a. A third party is not bound to inquire as to whether a trustee has power to act or is properly exercising a power and may assume without inquiry the existence of a trust power and its proper exercise.
- b. A third party is fully protected in dealing with or assisting a trustee, as if the trustee has and is properly exercising the power the trustee purports to exercise.
- 2. A third party who acts in good faith is not bound to ensure the proper application of trust property paid or delivered to the trustee.
- 3. If a third party acting in good faith and for a valuable consideration enters into a transaction with a former trustee without knowledge that the person is no longer a trustee, the third party is fully protected as if the former trustee were still a trustee.

99 Acts, ch 125, \$81, 109 C2001, \$633.4603 2005 Acts, ch 38, \$54 CS2005, \$633A.4603 Referred to in \$633A.4502