

HOUSE AMENDMENT 1 TO hb1684.

deleting everything on lines 10 through 13 of page 4 and substituting therefor the new § 24-3-423 as follows:

"24-3-423. Investment costs - Limitations on investment authority.

(a) In investing and managing trust assets, trustees may only incur costs that are appropriate and reasonable in relation to the assets, the purposes of the trust, and the skills of the trustee.

(b) Trustees may delegate investment functions to an agent that a prudent trustee of comparable skills could properly delegate as provided in § 24-3-425.

(c) Provided, however, the purchase or sale of investments or trust assets by the trustee on its own behalf and in its own name shall be executed on a competitive award basis on which at least three (3) offerings or bids have been secured. The trustee shall record and keep on file all competitive offerings and bids."

AND

by inserting on line 2 of page 5 after the period (.) a new subsection (e) as follows:

"(e) Single agent or exclusive agency delegations by the trustees shall be discouraged. Trustees shall delegate investment and management functions to a single agent or an exclusive agency arrangement only after the trustee has determined the exclusive agency arrangement is in the best interest of the trust, has exercised extraordinary care and caution in selecting the exclusive agent, and has arranged to periodically review in detail the agent s actions to monitor their performance and compliance with the terms of the delegation."