

386A.6-030 Contribution by beneficial owner.

- (1) A contribution of a beneficial owner to a statutory trust may be in cash, property, or services rendered or a promissory note or other obligation to contribute cash or property or to perform services. A person may become a beneficial owner of a statutory trust and may receive a beneficial interest in a statutory trust without making or being obligated to make a contribution to the trust.
- (2) An obligation of a beneficial owner to make a contribution, whether of cash, property, or services, to the statutory trust shall not be enforceable unless set forth in a writing signed by the beneficial owner.
- (3) Unless otherwise provided in a governing instrument, a beneficial owner shall be obligated to the statutory trust to perform any enforceable promise to contribute cash or property or to perform services, even if the beneficial owner is unable to perform because of death, disability, or other reason. If a beneficial owner does not make a required contribution of property or services, then the beneficial owner shall be obligated, at the option of the statutory trust, to contribute cash equal to that portion of value of the stated contribution that has not been made. This obligation is in addition to any other right, including the right to specific performance, that the trust has against the beneficial owner under the governing instrument or applicable law.
- (4) Unless otherwise provided in a governing instrument, an obligation of a beneficial owner to make a contribution may be compromised by the beneficial owners. Notwithstanding any compromise, a creditor of a statutory trust who extended credit or otherwise acted in reliance on an obligation after the beneficial owner executed a writing which reflects that obligation and before any such compromise is reached may enforce the original obligation.

Effective: June 25, 2013

History: Amended 2013 Ky. Acts ch. 106, sec. 10, effective June 25, 2013. -- Created 2012 Ky. Acts ch. 81, sec. 47, effective July 12, 2012.