

387.125 Guardian's duty as to use of ward's assets.

- (1) A guardian shall apply the income or principal of the ward's estate to the payment of debts, taxes, claims, charges, and expenses of the guardianship and, in accordance with KRS 387.065, for the support, care, and education of the ward or the ward's dependents.
- (2) A guardian shall take possession of all of the ward's real and personal property.
- (3) A guardian may sell any of the ward's personal property without District Court authorization or confirmation. To sell any of the ward's real property, a guardian shall comply with the provisions of KRS Chapter 389A.
- (4) A guardian shall invest any of the ward's money or property which is not required for the ward's current support, care and education. The investments made of a ward's funds shall be investments authorized by KRS 386.020.
- (5) A guardian may expend the ward's funds to repair and maintain the ward's personal and real property.
- (6) A guardian may institute or defend actions, claims, or proceedings in any jurisdiction for the protection of the ward's estate. Subject to the approval of the court in which the action, claim, or proceeding has been filed, a guardian may settle or compromise the action, claim, or proceeding on behalf of the ward. If the action, claim, or proceeding has not been filed in any court, the District Court of the county where a guardian qualified shall approve the settlement or compromise. Upon approval of a settlement or compromise, a guardian may execute a release on behalf of the ward. A guardian shall receive any proceeds from a settlement for management in accordance with the provisions of this statute.
- (7) A guardian may lease any real property of the ward until the ward reaches majority, but no lease shall be made for a term longer than seven (7) years unless otherwise approved by the District Court.
- (8) A guardian shall obtain approval from the District Court of the county where the guardian qualified for any of the following made on behalf of the ward:
 - (a) Any lease of mineral rights;
 - (b) Any lease of oil and gas rights;
 - (c) Any sale of timber owned by the ward; or
 - (d) Any consolidation agreement, as defined by KRS 353.220.To aid it in making the decision on a proposed sale, lease, or consolidation agreement, the court shall appoint a guardian ad litem for the ward. The guardian ad litem shall report to the court on the suitability of the transaction.
- (9) A guardian shall comply with the reporting requirements specified in KRS 387.175.

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