

# Frequently Asked Questions for Probate Auctions

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## 1. Can I purchase the property prior to the auction?

No, there will be no sale prior to auction.

## 2. Do I need to pre-register prior to auction day?

Register is required on Auction Day at the property (or as noted in the brochure). Arrive at the property 30 to 60 minutes before the auction begins and sign in with the Auctioneer and receive your bidder card. Don't forget to bring your deposit in the form of 1) a cashier's check for \$5,000 made payable to Kennedy Wilson and 2) a blank personal check for the balance of the 10% deposit.

## 3. How do I bid at a Probate Auction?

If you would like to bid at a probate auction, you must do your due diligence by attending the open house usually scheduled a week before the auction. At the open house, you can speak to Kennedy Wilson representatives who will answer all of your questions regarding the property. You can also conduct your inspections on this day. Once you know you would like to bid, all you need to do is show up on Auction Day with a cashier's check for \$5000 made payable to Kennedy Wilson and a blank personal check. The auctioneer will register you and provide you a bidder card. It's a live auction, usually conducted on-site at the specific property. The auction will take approximately 5 minutes!

## 4. Does the high bidder on Auction Day get the property?

The Probate sales are subject to the Court Confirmation. Higher bids may be accepted by the court if they are made in court and they are in an amount equal to or higher than the first minimum overbid which is 5% + \$500 of the Auction Day bid.

## 5. What do I need to bring on Auction Day?

Each bidder must have in their possession a \$5,000 cashier's check payable to Kennedy Wilson and a blank personal check; these will make up the sum of the 10% deposit which is required for all high bidders. The deposit will ONLY be collected from the high bidder.

## 6. Where can I find the showing instructions?

The showing instructions are located in the brochure and on our website. They are usually a week before the auction and an hour before the auction. In some cases properties are occupied and can only be shown by appointment prior to the Auction.

## 7. Must I be present to bid / If I am unable to attend can I send a representative on my behalf?

Yes. However, if you are not available, you may appoint someone to act on your behalf with a notarized, specific power of attorney.

## 8. Do you cooperate with outside real estate agents on the Probate Sales?

Yes, A Real Estate Agent or Broker who (a) registers a client with the Auctioneer the day of the sale (b) attends the Auction with his/her client and (c) signs the "Broker Cooperation Agreement" immediately after the Auction will receive 50% of the total commission awarded by the Court to the Seller's broker (the total is normally 4% of the purchase price). **THERE WILL BE NO EXCEPTIONS TO ANY OF THE ABOVE PROCEDURES.** In the event his/her client becomes the successful bidder, the commission will be paid at the close of escrow. A real estate licensee who buys as a principal will not be entitled to share in the commission if he or she is buying as a principal or intends to share the commission with the principal.

## 9. How many properties can I bid on?

You can bid on as many properties as you would like, all that is required is that you present your \$5,000 cashier's check and blank personal check to the auctioneer prior to bidding.

## 10. Will I receive a clear title to the property?

Yes, title insurance will be provided. The seller will be providing clear title. Title will be free of all prior monetary liens and encumbrances (unless otherwise specified). Any monetary liens will be paid off through escrow from the sales proceeds.

## 11. Can the buyer obtain a loan?

The buyer may obtain a loan, however there are no financing contingencies. Make sure that your loan is secure before bidding. Bidder's deposit will be applied to the purchase price. Balance of the purchase price to be "All cash".

## 12. How will the escrow fees be paid?

The escrow fees will be shared one half by seller, one half by buyer, each to pay own fees.

## 13. Do the properties have starting bids?

This varies by property. Usually, they do not have a starting bid unless otherwise stated in the brochure.

## 14. Can I have a home inspection company or termite company inspect the home prior to the auction?

Yes, we would prefer if you could schedule the inspection during the open house period. However, if this is not possible, we can set up an appointment with your inspector.

## 15. Are the properties open for inspection?

Yes. Please refer to the brochure for the specific open house schedule. However, for reasons beyond the seller's and Kennedy Wilson's control, the properties may not be available for inspection even if an open house has been scheduled.

## 16. Can I buy the property prior to the auction?

No, we will not accept any offers prior to the Auction.

## 17. Do I need to have any forms or papers with me if I buy the property?

No, Kennedy Wilson will have all the necessary documents. The only information you will need to complete the documents are the following: vesting (how you are going to hold title), your address and phone number. Bring your driver's license, cashier's check and personal check.

## 18. Is the 10% deposit refundable if I decide to change my mind?

If you are the high bidder, your 10% deposit will not be refundable because these properties are sold as-is with no financing contingencies. If escrow does not close within the 45 days, or within an extension of time granted by the seller, Probate Code of California Section 10350 requires the seller to ask the probate court to vacate the sale or charge the buyer a \$200 per day hold open fee. If the court orders the sale vacated, the law requires the deposit to be held by the seller until the property has been sold again and escrow has closed. If the total amount of the final sales price, plus the amount of expenses and fees allowed by the court for vacating the first sale, is less than sales price of the vacated sale, the difference is paid from the deposit. If the difference is greater than the deposit, a lawsuit to collect the amount is usually filed. The relevant portion of Probate Code Section 10350 says: "If after the confirmation, the purchaser neglects or refuses to comply with the terms of the sale, the court may

vacate the order of confirmation and order a resale of the property. If the amount realized on such resale does not cover the bid and the expenses of the previous sale, the defaulting purchaser at such previous sale is liable to the estate for the deficiency.”

## 19. Does Kennedy Wilson charge a buyer's premium?

No, Kennedy Wilson does not charge a buyer's premium.

## 20. How can I obtain a brochure?

You may obtain an auction brochure by downloading the brochure from BIDKW.COM.

## 21. What is the "1st Minimum Overbid?"

In the event a high bid was accepted at auction, a higher bid may be accepted by the court if they are made in court and they are in an amount equal to the accepted bid, plus five percent (5%) of that amount plus \$500. The court shall deem any further incremental successive overbidding amounts.

## 22. How many days after the auction will escrow be opened?

After the auction has been completed, and if the property is subject to Court Confirmation and Overbid, a court date will be scheduled approximately 45 to 60 days (subject to the court's calendar) after the date of the auction. Upon confirmation of the sale a 45-day escrow will be opened.

## 23. If the property is occupied will the new owner need to evict the current tenants?

Sales will be subject to the rights of tenants-in-possession, if any. If the property is occupied, escrow will close with the tenants in the property and it will be the responsibility of the new owner to negotiate rental agreements with those tenants.

## 24. What do I do with my cashier's check if I'm not the winning bidder?

Take your cashier's check back to your bank and they will redeposit it back into your account.

## 25. If I am the high bid at the auction, how will I be notified of the date of court confirmation hearing?

You will be notified by the Los Angeles County Superior court by mail and the court date will be listed on our website, BidKW.com