

KENNEDY WILSON

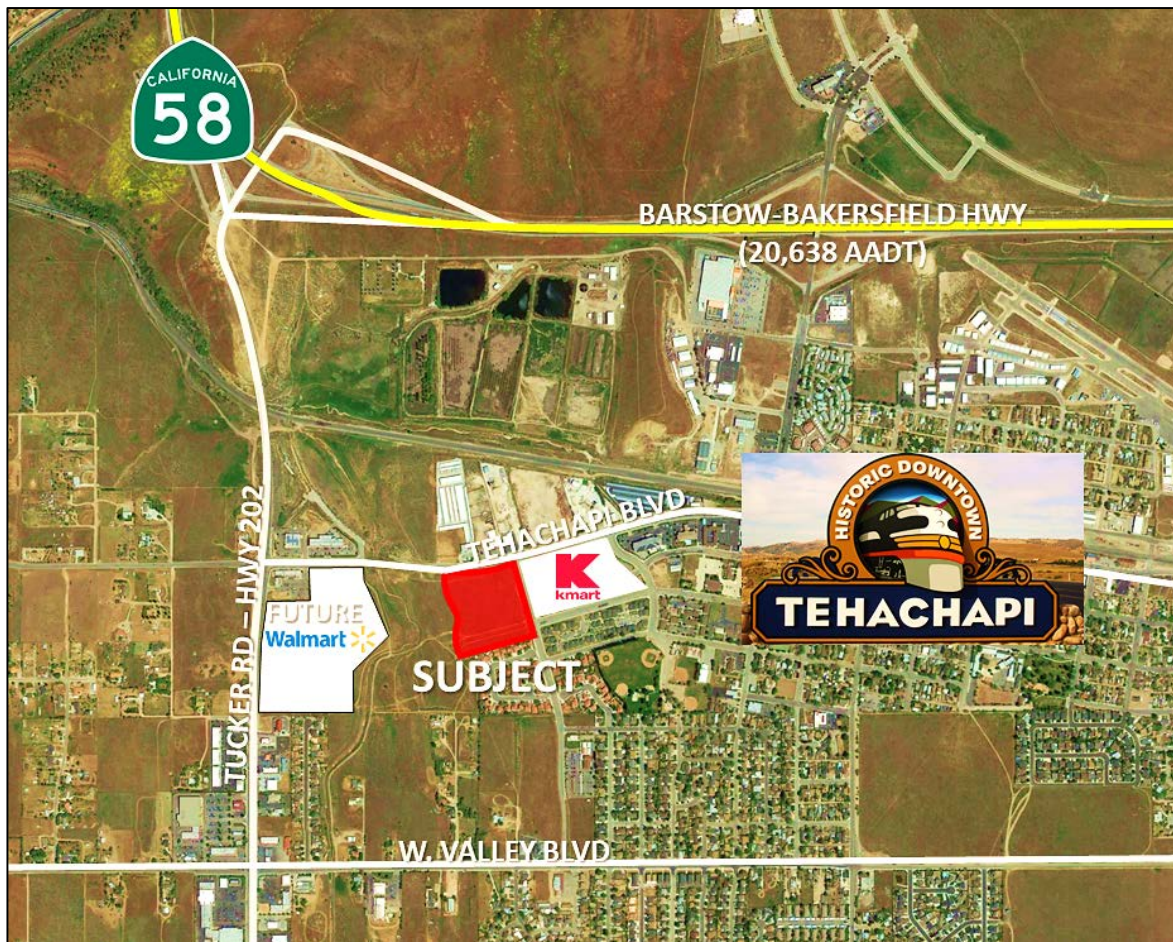
# AUCTION

COMMERCIAL PARCEL 10.51± ACRES IN TEHACHAPI, CA

**STARTING BID ONLY \$400,000 (\$0.87/SF)**

PREVIOUS ASKING PRICE \$3,500,000 (\$7.62/SF)

AUCTION DATE OCTOBER 1, 2017



Kennedy Wilson presents this 10.51+/- acre flat parcel on a main commercial street between historic downtown Tehachapi and State Hwy 202 (Tucker Rd). Potential uses include office; retail; hospitality; storage; senior housing; multi-family; and much more!

Several national retailers nearby plus a future Walmart on nearby lot and new housing development are in process and under construction

KENNEDY WILSON AUCTION GROUP  
CalBRE #01830032  
151 El Camino Drive  
Beverly Hills, CA 90212

PROPERTY SUMMARY

LOCATION	SWC Tehachapi Blvd & Mt View Blvd Tehachapi CA 93561
TYPE	Vacant Commercial/Residential Land
GROSS LAND AREA	10.51+/- Acres
ASSESSOR PARCEL NO	415-130-21-00 (Kern County)
ZONING	Tehachapi Blvd West (SD-2.1); Neighborhood General (T4)

AUCTION DATE AND LOCATION

**TIME & DATE:** 10:00 AM  
Sunday, October 1, 2017

**AUCTION LOCATION:** 7715 Santa Monica Blvd  
West Hollywood, CA 90046

**PLEASE NOTE: ON THE DAY OF THE AUCTION DO NOT GO TO THE SUBJECT PROPERTY SITE IN TEHACHAPI. INSTEAD GO TO THE WEST HOLLYWOOD AUCTION LOCATION.**

HIGHLIGHTS

- Flat commercial/residential land with 565 ft. of frontage on Tehachapi Blvd;
- Located east of approved Walmart which according to the city planner will pull permits soon (buyer to verify);
- Main corridor between the downtown historic district and the highly trafficked Tucker Road/State Hwy which is the city's primary retail corridor;
- Greater Tehachapi area population of estimated 40,000;
- Nestled in Sierra Nevada foothills with highly favorable climate which is milder than Antelope Valley and Bakersfield;
- Tehachapi is perched above California's high desert hotbed of aerospace innovation, mineral mining, and renewable energy job creation, and the Tehachapi region is filled with a highly skilled and educated workforce.
- Tehachapi benefits from a broad range of industries and close proximity to major employment centers. NASA, The Spaceship Company (a Virgin Galactic company), Scaled Composites (a Northrop Grumman company), Rio Tinto Minerals, GE Renewables, Grimmway Farms and many other major employers call the region around Tehachapi their home.
- With the Nation's largest windfarm, major solar projects and only spaceport all just a few miles away, Tehachapi is home to many forward-thinking leaders.

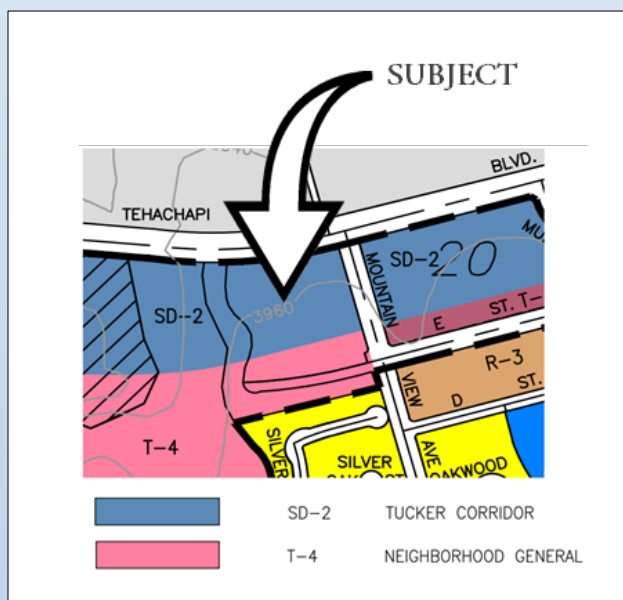
ZONING

The subject is in the plan area named Tehachapi Blvd West. Subject parcel has split zoning of SD2.1 in the northern section facing Tehachapi Blvd and zoned T4 in the southern section adjacent to an existing SFR subdivision. According to the city planner, T4 was recently applied to this area of the subject parcel to act as a buffer between the existing SFR subdivision and any future commercial development on the subject under the SD2.1 zoning. There is no clearly defined boundary between differing zones but any plans for development of the parcel will require subdivision according to the split zoning.

In addition to the T4 zoning the property is also subject to two easements in the south (T4 zone) area in favor of the city for sewer & water (20') and road purposes (45'). City planner verbally expressed the possible willingness of the city dedicating the road purposes easement subject to review of the developers plans.

**SD2.1 ZONE:**  
Applied to areas on Tehachapi Boulevard between Downtown and Tucker Road for regional and community-oriented lodging, retail and service businesses that complement Downtown.”

Land Use Standards  
Health/Fitness; Restaurant<sup>1</sup>; Retail <10K sf; Retail >10K sf<sup>1</sup>; Elderly Care Facility & Adult Day Care; Hotel/Motel<sup>1</sup>; Medical & Business Services; Veterinary Clinic/Boarding<sup>1</sup>; Office; Multi-Family<sup>1</sup>; Single Family Residential; Car Wash<sup>1</sup>; Ag/Greenway.



**T4 ZONE:**  
Known as “Neighborhood General” is applied to Tehachapi's general neighborhood areas to provide for a variety of single-family and multi-family housing choices in a small-town neighborhood setting.

Land Use Standards  
Small Day Care/Group Home; Large Elderly/Group Home<sup>1</sup>; Multi-Family<sup>1</sup>; Single Family Residential; Ag/Greenway/Playground.

(1) Requires Minor Use Permit (MUP)



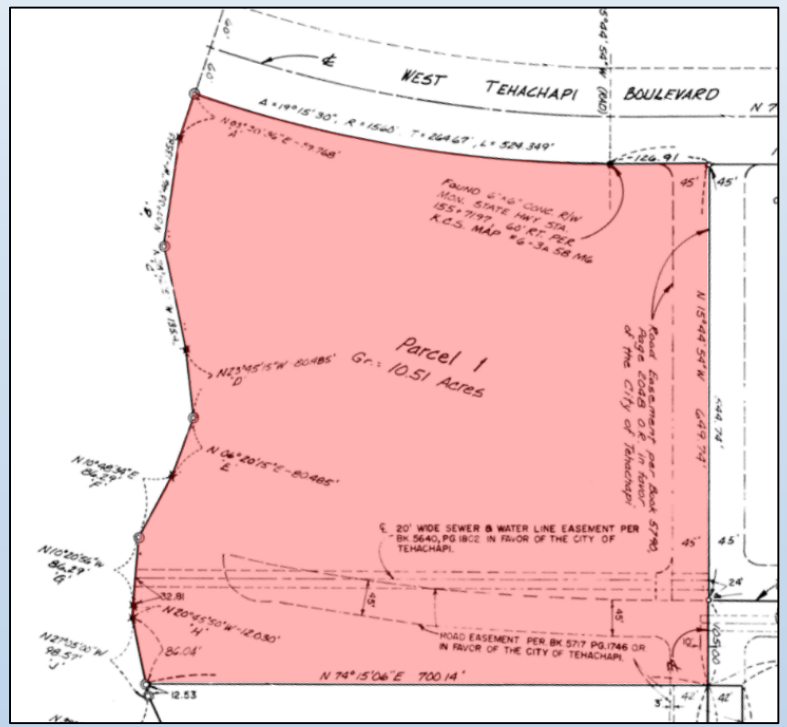


ECONOMIC HIGHLIGHTS

- According to a “2017 Retail Leakage study” provided by the City of Tehachapi there are potential market opportunities for starting or growing a business in many sectors led by motor vehicles and parts (\$66 million), general merchandise (\$38 million), and food and beverage stores (\$36 million).
- According to the city manager’s office the current residential construction is not meeting demands.
- A recent California Retail Survey stated that Tehachapi is the 10th fastest growing retail market in the State of California.
- Some indicators of continued economic growth include several recently completed commercial developments including Kaiser Permanente opening, Tractor Supply, General Dollar, \$90 million Adventist Hospital, repurpose an existing structure for police headquarters, new Dunkin Donuts and O’Reilly Auto Parts.
- More projects are either under construction, approved or on the drawing boards including Walmart, Red Apple Pavilion, Hampton Inn, an unbranded hotel, Pilot Center and housing construction.

Sources: City of Tehachapi, Kern Economic Development Corporation, Greater Tehachapi Economic Development Council

PARCEL MAP NO. 7708





PROPERTY LOCATION:

SWC Tehachapi Blvd & Mt. View Blvd  
Tehachapi, CA 93561

(Lat/Long: 35.131400, -118.460354)

[Click here for map](#)



**AUCTION TIME & DATE**  
10:00 AM, Sunday, October 1, 2017

**AUCTION LOCATION**  
7715 Santa Monica Blvd  
West Hollywood, CA 90046  
*(click here for map to auction location)*

Presented by:



Marty Clouser  
SVP, Kennedy Wilson Auction Group  
CalBRE No. 00912230

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# TEHACHAPI COMMERCIAL LAND AUCTION – TERMS AND CONDITIONS

## REGISTRATION

Registration is open to the public without regard to race, color, sex, religion, familial status, handicap or national origin. Registration is required to be eligible to attend and bid on auction day. To register you must complete the Auction Registration Form available on-site and online. Bidders must complete and return the Auction Registration Form with proof of funds and prequalification letter from the lender to Kennedy Wilson prior to **Friday, September 29th, at 4 PM**. Bidders may deliver the Auction Registration Form by email to [bidkw@kennedywilson.com](mailto:bidkw@kennedywilson.com) or fax to 310.887.6222. There will be no registrations accepted the day of the auction.

Potential bidders shall be solely responsible for confirming the delivery and timely receipt of their completed and signed registration form by Kennedy Wilson. A bidder's failure to timely register with Kennedy Wilson may result in nonrecognition of the bidder at the Auction.

## INSPECTION AND REVIEW OF SALE DOCUMENTS

The Property is open for inspection prior to the auction. The property will be sold **“AS-IS WHERE-IS, WITH ALL FAULTS KNOWN OR UNKNOWN AT THE TIME OF THE CLOSING”** and without any expressed or implied warranty or representations whatsoever on the part of the seller and Kennedy Wilson. It is the responsibility of all prospective buyers to inspect the property prior to the auction and satisfy themselves as to the physical condition.

All potential purchasers, prior to bidding and signing an offer to purchase the Property, must thoroughly review the documents which are available online at [BidKW.com](http://BidKW.com). A partial list of documents include: (a) Purchase and Sale Agreement and Escrow Instructions; (b) Preliminary Title Report or Commitment; and (c) Other Disclosure Documents (collectively referred to as the “Purchase Documents”).

## DEPOSIT

To participate in the auction and bid on auction day, all approved registered bidders must present a **cashier's check in the amount of \$5,000**. For the successful bidder, the cashier's check will be used as a portion of the **10% deposit**. Cashier's checks must be made payable to **MB ESCROW**. The balance of your 10% deposit will be in the form of a personal or business check. Please bring your checkbook to the auction.

## AUCTION DAY PROCEDURES

Check in and receive your bidder package which will include auction day announcements and your bidder number. You will be required to show proof of your cashier's check, personal check and proof of funds from your lender; however, you will retain your checks until you are a successful bidder.

The purchase is subject to an unpublished reserve price which means that the seller has established an unpublished minimum selling price (“Reserve Price”). The Starting Bid is not the Reserve Price. In order to become the winning bidder, a

bidder must have the highest bid and meet or exceed the Reserve Price. The highest bid is subject to acceptance by the seller. With respect to a high bid less than the seller's reserve, the high bid, and resulting Purchase Documents/offer are subject to the seller's acceptance, counter-offer or rejection during the auction and/or within 5 days following the auction.

If you are the highest bidder at the auction, you will execute the Purchase Documents and receive a receipt for your 10% deposit.

## BROKER COOPERATION

Participation of California licensed real estate brokers is encouraged. A commission of 2% of the purchase price will be offered to all qualified, registered brokers. All commissions will be earned and paid at the close of escrow. In order to qualify for the broker cooperation commission, brokers must comply with the following requirements:

- a) The prospective client (“Bidder/Buyer”) must register their Broker on their Auction Registration Form no later than Friday, September 29th, 2017. No Broker registration will be accepted on auction day.
- b) Brokers must accompany the Bidder/Buyer to the auction and, if successful, through the entire purchase process at the auction on Sunday, October 1<sup>st</sup>, 2017 and execute the Cooperating Broker Agreement.
- c) A Bidder/Buyer who does not comply with subparagraphs (a) – (d), inclusive, shall assume liability and be solely responsible for payment of any commission due and owing to its broker.
- d) Through your attendance at this auction you acknowledge and agree that Kennedy Wilson is the exclusive real estate agent of the seller and is not acting as the real estate agent for or representative of the buyer.

## CLOSING

The sale must close on or before Tuesday, October 31, 2017 (30 days after the auction) unless extended by the Seller in writing. The buyer will be required to use the Seller's approved Purchase Documents, and pay all of its due diligence expenses and customary closing costs including, but not limited to: one-half of escrow fees, recording fees and normal pro-rations. Seller will pay for the Owner's Policy of title insurance, all documentary transfer taxes, and NHD. Buyers purchase of the Property is with no contingencies or conditions, including, without limitation, a contingency for financing or inspections. Contingent buyers will not be allowed to bid or purchase.

## DEFAULT OF BUYER

If a buyer defaults on the terms of the executed Purchase Documents, seller may retain up to 3% of the purchase price pursuant to the terms of the Purchase Documents.

See Purchase Documents for complete details.

## ADDITIONAL TERMS AND CONDITIONS

- a) In order to purchase at the auction the bidder must be acknowledged by the Auctioneer as the Winning Bidder (the bidder to whom the Auctioneer acknowledges the Property as being "SOLD" to) and such Property is therefore not identified as being sold subject to confirmation.
- b) Upon the completion of the bidding, the Winning Bidder will be required to immediately execute the Purchase Documents and such other documents reasonably requested by the Seller and the Escrow Agent and deposit 10% of the Winning Bid amount.
- c) With respect to a winning bid that is not immediately accepted by the seller, the Auctioneer will inform the winning bidder that acceptance of their winning bid is "Sold Subject to Confirmation." The winning bidder acknowledges and agrees that winning bidder's purchase/offer is subject to and contingent upon the Seller's approval of the resulting purchase/offer, during the auction and/or within 5-days following the auction.
- d) No claim will be considered for allowance, adjustment, or rescission based upon failure of the property to correspond to any expectation or standard (except the Preliminary Title Report).
- e) Bidding increases will be in such increments as the Auctioneer in his sole discretion directs. In the event of a dispute between bidders, the Auctioneer shall make the sole and final decision to either accept the final bid or reoffer and resell the property in dispute. The auction will be recorded, and if any dispute arises following the auction, the Auctioneer's records shall be conclusive in all respects.
- f) Title Insurance is available through Fidelity Title Insurance Company, insuring the title of such Property subject to no encumbrances except as set forth in the Purchase Documents, current taxes and assessments, easements, rights-of-way, reservations, covenants, conditions and restrictions of record, and printed exceptions in the standard form title insurance policy. A copy of the Preliminary Title Report (or title commitment) must be inspected by all potential buyers prior to bidding at the auction or submitting an offer.
- g) Layout, dimensions, property boundaries, location of easements, zoning, size, square footage, features, amenities, specifications, and land use standards set forth in the brochure and on Kennedy Wilson's website (the "Informational Materials") are approximations only, based on the best information available. Kennedy Wilson and Seller do not guarantee the accuracy of the Informational Materials or other information regarding the condition and features of the property provided by the Seller or obtained from public records or other sources. Each bidder is advised to independently verify the accuracy of all Informational Materials and other information through personal inspections with appropriate professionals and to rely on their own research at their own cost.
- h) The Seller and Auctioneer reserve the right to refuse admittance to or expel anyone from the auction premises for interference with auction activities, nuisance, canvassing, collusive bidding, bid-rigging or other reasons.
- i) The auction will be recorded. Bidders' attendance at the auction shall constitute Bidders' consent to any audio and/or visual recording.
- j) No auction attendees may take audio or visual recordings of the auction.
- k) The Seller has the right to postpone or cancel the auction in whole or in part, in its sole discretion, and to modify or add any terms and conditions of sale and to announce such modifications or additional terms and conditions either prior to or at the auction. Written and oral auction announcements shall take precedence over prior printed information; however, the executed Purchase Documents will evidence all understandings and agreements between buyer and Seller and will be in all respects controlling.
- l) Except where prohibited by law, the Auctioneer may, on behalf of seller, bid at any time up to the amount of the Reserve Price for the Property.
- m) The executed Purchase Documents and such other documents reasonably requested by the Seller and the Escrow Agent serves as the definitive document for the purchase and sale of the Property and shall control in all respects and supersedes any and all other documents or information, whether oral or written, including the auction brochure terms and conditions, MLS listing, advertising, and announcements made by Kennedy Wilson and the Auctioneer prior to the start of the auction.
- n) No Buyer shall assign his/her rights under the Purchase Documents to any other party and any attempted assignment shall be null and void.
- o) The Property shall be sold "as is". Prospective buyers should examine the Property and all supporting documentation carefully as each bidder is responsible for making his or her evaluation of the Property and may not rely on the Seller or sales agents.
- p) INDEMNIFICATION. Bidder shall indemnify, defend and hold harmless Kennedy Wilson Auction Group, Inc. and its parent, affiliates, officers, employees, agents and representatives (collectively, "Kennedy Wilson") against any loss, claim, demand, cause of action, liability, deficiency, fine, penalty, damage or expense, including reasonable attorney's fees and costs and interest and penalties which Kennedy Wilson may suffer, incur, sustain or become subject to, as a result of or in connection with: (i) any breach by Bidder of any representation, warranty, obligation or covenant set forth in these terms and conditions and (ii) any breach by Bidder of any Purchase and Sale Agreement entered into with Seller.
- q) Kennedy Wilson Auction Group, Inc., a California Real Estate Broker, is not acting as agent for the buyer in any capacity and is acting in the capacity exclusively as the Seller's agent.
- r) OFFER VOID WHERE PROHIBITED. Brochure will not be mailed to residents of any state in which this offering is not in compliance with the real estate laws or other laws of that state.

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**FILL IN, SIGN AND RETURN THIS FORM TODAY  
IN ORDER TO BE ELIGIBLE TO BID ON AUCTION DAY**

KW USE ONLY: POF \_\_\_\_\_ Prequal \_\_\_\_\_ Checks \_\_\_\_\_ Bidder No \_\_\_\_\_

KENNEDY WILSON

**TEHACHAPI COMMERCIAL PARCEL AUCTION**

AUCTION REGISTRATION FORM #8007

Please complete and return this Registration Form with Proof of Funds to Kennedy Wilson prior to 4 PM, Friday, September 29th, 2017 in order to be eligible to bid at the Auction. Bidders must deliver the Registration Form via email to [bidkw@kennedywilson.com](mailto:bidkw@kennedywilson.com), or by fax to 310.887.6222.

BIDDER FIRST NAME \_\_\_\_\_ LAST NAME \_\_\_\_\_  
CO-BIDDER FIRST NAME \_\_\_\_\_ LAST NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_ CITY \_\_\_\_\_  
STATE \_\_\_\_\_ ST, ZIP \_\_\_\_\_  
PHONE \_\_\_\_\_ EMAIL \_\_\_\_\_

**REAL ESTATE AGENCY**

- NOT REPRESENTED BY A REAL ESTATE AGENT  
 REPRESENTED BY A REAL ESTATE AGENT

If a buyer is represented by a Real Estate Agent, please complete the following:

REAL ESTATE CO \_\_\_\_\_  
PHONE # \_\_\_\_\_  
AGENT NAME \_\_\_\_\_  
SIGNATURE \_\_\_\_\_

The Real Estate Agent must sign here and must accompany the Bidder to the Auction and sign the "Cooperating Broker Agreement" attached to the Purchase Agreement and Escrow Instructions in order to qualify for cooperating commission, See the Auction Brochure for complete details.

**SUMMARY OF AUCTION TERMS & CONDITIONS**

- Registration Deadline Friday, September 29th, 2017 at 4 PM.
- The Auction will be held at 7715 Santa Monica Blvd, West Hollywood, CA 90046 at 10 AM on Sunday, October 1st, 2017. Bidders are advised to arrive no later than 9:30 AM.
- The Starting Bid Price is \$400,000.
- On Auction Day, all bidders must have in their possession a cashier's check in the amount of \$5,000 made payable to MB Escrow, and a personal check for the balance of the 10% deposit
- Winning Bidder Deposit is 10% of the Winning Bid Amount
- The Winning Bidders Deposit is due at the time of the auction and will be deposited 3-days following acceptance.

**PLEASE TAKE A MOMENT TO LET US KNOW  
HOW YOU FOUND OUT ABOUT OUR AUCTION**

- |  |  |
|--|--|
| <input type="checkbox"/> Los Angeles Times | <input type="checkbox"/> Broker        |
| <input type="checkbox"/> Realtor.com       | <input type="checkbox"/> E-blast       |
| <input type="checkbox"/> BidKW.com         | <input type="checkbox"/> Google        |
| <input type="checkbox"/> CoStar            | <input type="checkbox"/> Friend        |
| <input type="checkbox"/> Loopnet           | <input type="checkbox"/> Redfin        |
| <input type="checkbox"/> MLS               | <input type="checkbox"/> Sign/Drive By |

**I/WE HAVE** received, read and accepted the terms and conditions of sale for the Auction, and I/we have reviewed and accept the **Purchase Documents**, as defined in the terms and conditions.

Signature \_\_\_\_\_  
Signature \_\_\_\_\_  
Date \_\_\_\_\_

INDEMNIFICATION. Bidder shall indemnify, defend and hold harmless Kennedy Wilson Auction Group, Inc. and its parent, affiliates, officers, employees, agents and representatives (collectively, "Kennedy Wilson") against any loss, claim, demand, cause of action, liability, deficiency, fine, penalty, damage or expense, including reasonable attorney's fees and costs and interest and penalties which Kennedy Wilson may suffer, incur, sustain or become subject to, as a result of or in connection with: (i) any breach by Bidder of any representation, warranty, obligation or covenant set forth in these terms and conditions and (ii) any breach by Bidder of any Purchase and Sale Agreement entered into with Seller.