

Frequently Asked Questions for Probate Auctions

COVID-19 ADDENDUM FOR ONLINE AUCTIONS

INTRODUCTION: Due to Covid-19 certain policies and procedures for Kennedy Wilson's Probate Auctions are modified. This page is an addendum to identify some of these changes and amend and supplement the existing Frequently Asked Questions that follow this page. The terms and conditions in the Auction Brochure and Kennedy Wilson's websites and the Probate Code and Court orders supersede this addendum in event of any conflict.

Due to Covid-19, there will be no onsite auctions at the Property locations. Bidders may participate in two ways: 1) by PROXY BID, and 2) at a LIVE AUCTION to be held ONLINE at www.KWProbateAuction.com.

Due to Covid-19, there are no open houses. Properties are available for viewing by REGISTERED BIDDERS ONLY. Registered Bidders are required to (1) provide all information requested on the Auction Registration Form and agree to (2)(a) Auction Terms and Conditions, and (2)(b) Coronavirus Property Entry Advisory and Declaration (CAR Form PEAD). Upon registration you will receive further instructions on how to view the Properties. Registration is available at www.KWProbateAuction.com

To become ELIGIBLE TO BID AT THE AUCTION, each Registered Bidder must make a PayPal payment to Kennedy Wilson in advance of the Auction. If the Registered Bidder is the high bidder on Auction Day and returns the properly executed purchase documents plus the balance of the 10% deposit to Kennedy Wilson upon request, the PayPal payment will be credited towards the 10% deposit. The PayPal payment will be returned to the Registered Bidder if they are not the high bidder at the Auction.

All agents MUST BE REGISTERED by their clients at www.KWProbateAuction.com. (NO EXCEPTIONS).

Properties will be offered with a Starting Bid, however the sales are subject to the Public Administrator's approval and Probate Court Confirmation (Court hearing approximately 90 days following the auction day subject to the Court's reopening schedule).

Each bidder must pre-register with the auctioneer prior to the day of the Auction and the high bidder will be required to deposit 10% of the amount of their bid as follows: i) the first \$500 in the form of a PAYPAL payment to Kennedy Wilson prior to the Auction, plus ii) the balance of the 10% deposit will be collected upon successful bid and must be in the form of a personal or business check payable to Kennedy Wilson within 48-hours following the auction.

The PayPal payment(s) of the Auction Day High Bidder shall be immediately non-refundable and applicable towards the purchase price. Upon Kennedy Wilson's receipt from the high bidder the properly executed Offer To Purchase, disclosures and the balance of the 10% deposit, the initial PayPal payment(s) shall be applicable to the 10% deposit. If within 48 hours of the Auction, the High Bidder fails to return the properly executed Offer to Purchase, disclosures and the balance of the 10% deposit to Kennedy Wilson, the PayPal payment(s) made at the time of registration shall be retained by Kennedy Wilson as Liquidated Damages and Seller reserves the unilateral right to sell the

Property to any other buyer. In the event the bidder is not the high bidder the PayPal payment will be reversed/credited by Auctioneer within 3 business days after the auction. The bidder is responsible for all PayPal fees and credit card interest charges, if any, and for those fees charged to Kennedy Wilson for this service. Kennedy Wilson's fees are estimated to be \$20 per \$500 in PayPal transactions which shall be collected in advance.

In the event any bidder is unable to attend the Live Online Auction held on Auction Day, there are two alternatives to submitting a PROXY BID. In advance of Auction Day, the bidder may submit a Proxy Bid to Auctioneer by either i) mailing a fully executed Offer To Purchase contract, or ii) enter an offer online at www.KWProbateAuction.com. Proxy Bids must be received by Auctioneer no later than 2 business days prior to Auction Day. On Auction Day the Auctioneer will place Proxy Bids on behalf of the bidder. The deposit requirements stated above still apply for all Proxy Bids.

High bidders will be required to execute the Offer to Purchase contract within 48 hours of the auction which will require completion of the sale as previously specified.

During the live online auction, an Online Bidder will see and hear the auction and compete with other online bidders by placing bids with a click of the mouse. Successful online bidders will be notified that they are the winning bidder. NOTE: There will not be an on-site auction at each property. All bidding will be done online or by Proxy Bid. In order to qualify to bid please follow these simple steps:

STEP #1: REGISTER FOR THE AUCTION at www.KWProbateAuction.com. Registration is required to be eligible to view the Properties. To register you must complete the online registration form at www.KWProbateAuction.com no later than 2 business days prior to auction day.

STEP #2: To be approved to bid, prior to the start of the auction, bidders must provide a PayPal payment in the amount of \$500 if they intend to buy one Property and \$1,000 if they intend to buy two or more properties.

STEP #3: Upon completion of the required Steps 1 and 2 you will be notified of your APPROVAL TO BID by Proxy Bid and online on the day of the auction.

STEP #4: Upon approval to bid you will be provided further instructions for bidding online auction day.

For an online high bidder, an "OFFER TO PURCHASE REAL PROPERTY" contract and disclosures will be emailed to the high bidder no later than the end of auction day. Online high bidders must complete, sign and return these documents no later than 24 hours after receipt. For a Proxy bidder that is the high bidder and has already submitted a fully executed contract and disclosures they will be notified if they are the high bidder immediately following the auction.

For online and Proxy bidders that are the high bidder, the balance of the 10% deposit will be due within 48 hours from auction day.

Frequently Asked Questions for Probate Auctions

Please see the Covid-19 Addendum for any modifications to these terms that pertain to Online Auctions.

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?

Registration 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. See "What do I need to bring on Auction Day" below for additional information. See Covid-19 Addendum for online auctions.

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 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 \$10,000 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! See Covid-19 Addendum for online auctions.

4. If I am the high bidder on Auction Day, how do I provide Kennedy Wilson with my 10% deposit?

Kennedy Wilson collects the 10% deposit at the auction consisting of the \$10,000 cashier's check and the remaining balance on a personal/ business check. For instance, if the high bid is \$700,000 Kennedy Wilson will collect \$70,000 (\$10,000 cashier's check + \$60,000 personal/ business check). See Covid-19 Addendum for online auctions.

5. When do you deposit my cashier's check and personal/ business check?

The checks are deposited into Kennedy Wilson's Client Trust Account three (3) business days following the auction.

6. 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.

7. What do I need to bring on Auction Day?

Each bidder must have in their possession a \$10,000 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. See Covid-19 Addendum for online auctions.

8. Where can I find the open house/showing instructions?

The open house/showing instructions are 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. See Covid-19 Addendum for online auctions.

9. Must I be present to bid?

Yes, you must be present at the auction to bid. See Covid-19 Addendum for online auctions.

10. 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. See Covid-19 Addendum for online auctions.

11. Do you cooperate with outside real estate agents on Probate Sales?

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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. See Covid-19 Addendum for online auctions.

12. 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 \$10,000 cashier's check and blank personal check to the auctioneer prior to bidding. See Covid-19 Addendum for online auctions.

13. 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.

14. 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."

15. 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.

16. Do the properties have starting bids?

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

17. 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. See Covid-19 Addendum for online auctions.

18. 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. See Covid-19 Addendum for online auctions.

19. 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.

20. 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

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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." See Covid-19 Addendum for online auctions.

21. Does Kennedy Wilson charge a buyer's premium?

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

22. How can I obtain a brochure?

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

23. 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. For instance, if the high bid on auction day was \$700,000 the first minimum overbid will be \$735,500 ($\$700,000 + 5\%$ of the high bid amount + \$500).

24. 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.

25. 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.

26. 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.

27. 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

28. I am the high bid at the auction and the property is sold due to overbidding in court, will my deposit be returned to me?

Yes, if the original bidder is outbid in court the original bidder's deposit will be returned at the court hearing.