

Edgar Filing: Kennedy-Wilson Holdings, Inc. - Form 10-K/A

Kennedy-Wilson Holdings, Inc.

Form 10-K/A

March 27, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1

to

Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-33824

Kennedy-Wilson Holdings, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

26-0508760

(State or Other Jurisdiction of

(I.R.S. Employer

Incorporation or Organization)

Identification No.)

9701 Wilshire Blvd., Suite 700

90212

Beverly Hills, CA

(Address of Principal Executive Offices)

(Zip Code)

(310) 887-6400

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Common Stock, \$.0001 par value

Securities registered pursuant to Section 12(g) of the Act: None

Name of Each Exchange on which Registered

NYSE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

EXPLANATORY NOTE

Kennedy-Wilson Holdings, Inc., a Delaware corporation (the “Company”), is filing this Amendment No. 1 (this “Amendment”) to its Annual Report on Form 10-K for the fiscal year ended December 31, 2014, which was originally filed with the Securities and Exchange Commission (the “SEC”) on March 2, 2015 (the “Original Report”), to amend Item 15 of the Original Report and include separate financial statements of the following entities, as required pursuant to Rule 3-09 of Regulation S-X under the Securities Exchange Act of 1934, as amended:

Bay Fund Opportunity, LLC and Subsidiaries
Kennedy Wilson Real Estate Fund IV, L.P.
One Baxter Way, LP
KW Funds - 303 North Glenoaks, LLC and KW Funds - 6100 Wilshire, LLC
Bay Area Smart Growth Fund II, LLC
Egret Limited and its subsidiaries
KWVF Panther Holdco Limited
WH Valle Di Oro 79, LLC
KW Stadium Gateway Partners, LLC
KW Marina View, LLC
KWF Real Estate Venture VI, L.P

Other than as set forth herein, this Amendment does not affect any other parts of, or exhibits to, the Original Report, and those unaffected parts or exhibits are not included in this Amendment. This Amendment continues to speak as of the date of the Original Report, and the Company has not updated the disclosure contained in this Amendment or the Original Report to reflect events that have occurred since the filing of the Original Report. Accordingly, this Amendment should be read in conjunction with the Company's other filings with the SEC since the filing of the Original Report.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this annual report:

- (1) Financial Statements. The consolidated financial statements of the Company, as listed in Item 8 of the Original Report, are included in Item 8 of the Original Report
- (2) Financial Statement Schedules. The financial statement schedules of the Company, as listed in Item 8 of the Original Report, are included in Item 8 of the Original Report.
- (3) Exhibits. See the Exhibit List beginning of page 5 of this Amendment.

(b) Exhibits. The exhibits listed on the Exhibit Index set forth below on page 5 are filed as part of, or are incorporated by reference into, this annual report on Form 10-K.

(c) Financial Statements Required by Rule 3-09 of Regulation S-X. The financial statements required by Rule 3-09 of Regulation S-X under the Securities Exchange Act of 1934, as amended, are filed as schedules to this report and are incorporated by reference into this Item 15.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 27th day of March 2015.

KENNEDY-WILSON HOLDINGS, INC.,
a Delaware corporation

By: /s/ WILLIAM J. MCMORROW
William J. McMorrow
Chief Executive Officer

EXHIBIT INDEX

Exhibit No.	Description
3.1 ⁽²⁾	Amended and Restated Certificate of Incorporation.
3.2 ⁽³⁾	Amended and Restated Bylaws.
4.1 ⁽¹⁴⁾	Specimen Common Stock Certificate.
4.2 ⁽⁴⁾	Form of Warrant Certificate.
4.3 ⁽⁵⁾	Amended and Restated Warrant Agreement between Continental Stock Transfer & Trust Company and Kennedy- Wilson Holdings, Inc.
4.4 ⁽²¹⁾	Indenture, dated as of April 5, 2011, among Kennedy-Wilson, Inc., as Issuer, Kennedy-Wilson Holdings, Inc., as guarantor, certain subsidiaries of the Issuer signatories thereto, as guarantors, and Wilmington Trust FSB, as trustee, including the form of 8.750% Notes due 2019.
4.5 ⁽²¹⁾	Registration Rights Agreement, dated April 5, 2011, among Kennedy-Wilson, Inc., Kennedy-Wilson Holdings, Inc., certain subsidiaries of the Issuer signatories thereto, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. Incorporated.
4.6 ⁽²²⁾	Registration Rights Agreement, dated April 12, 2011, among Kennedy-Wilson, Inc., Kennedy-Wilson Holdings, Inc., certain subsidiaries of the Issuer signatories thereto, and Merrill Lynch, Pierce, Fenner & Smith Incorporated.
4.7 ⁽²³⁾	Certificate of Designation of Series A Preferred Stock.
4.8 ⁽²⁴⁾	Certificate of Designation of Series B Preferred Stock.
4.9 ⁽²⁶⁾	First Supplemental Indenture dated August 5, 2011 among Kennedy-Wilson, Inc., KW Residential Group, Inc. and Wilmington Trust, National Association.
4.10 ⁽²⁶⁾	Second Supplemental Indenture dated August 5, 2011 among Kennedy-Wilson, Inc., KW Telstar Partners, LLC and Wilmington Trust, National Association.
4.11 ⁽²⁶⁾	Third Supplemental Indenture dated August 5, 2011 among Kennedy-Wilson, Inc., KWF Manager V, LLC and Wilmington Trust, National Association.
4.12 ⁽²⁶⁾	Fourth Supplemental Indenture dated August 5, 2011 among Kennedy-Wilson, Inc., KW Fund IV - Kohanaiki, LLC and Wilmington Trust, National Association.
4.13 ⁽²⁶⁾	Fifth Supplemental Indenture dated August 5, 2011 among Kennedy-Wilson, Inc., Kennedy Wilson Property Equity IV, LLC and Wilmington Trust, National Association.
4.14 ⁽²⁶⁾	Sixth Supplemental Indenture dated August 5, 2011 among Kennedy-Wilson, Inc., KW Ireland, LLC and Wilmington Trust, National Association.
4.15 ⁽²⁶⁾	Seventh Supplemental Indenture dated August 5, 2011 among Kennedy-Wilson, Inc., KW Manager IV, LLC and Wilmington Trust, National Association.
4.16 ⁽²⁶⁾	Eighth Supplemental Indenture dated September 26, 2011 among Kennedy-Wilson, Inc., KWF Investors IV, LLC, KWF Investors V, LLC and Wilmington Trust, National Association.
4.17 ⁽²⁶⁾	Ninth Supplemental Indenture dated December 28, 2011 among Kennedy-Wilson, Inc., KW Anaheim Land Partners LLC, Pacifica West Coast Partners, LLC, KW Multi-Family Management Group, KW Mill Creek Property Manager, LLC, KW Sunrise Carlsbad, LLC, Sunrise Property Associates, LLC, certain guarantors listed therein and Wilmington Trust, National Association.
4.18 ⁽³¹⁾	Tenth Supplemental Indenture, dated as of June 12, 2012, among Kennedy-Wilson, Inc., Meyers Research, LLC, KW Armacost, LLC, Santa Maria Land Partners Manager, LLC, KW Investment Adviser, LLC, NWLACDFI - Southern Oaks, LLC, Kennedy-Wilson Capital, KW Captowers Partners, LLC, KW Four Points, LLC, KW Loan Partners VII, LLC and Wilmington Trust, National Association, as trustee
4.19 ⁽³²⁾	Eleventh Supplemental Indenture, dated as of November 21, 2012, among Kennedy-Wilson, Inc., NWLACDFI-Southern Oaks, LLC, the subsidiary guarantor parties thereto, Kennedy-Wilson Holdings, Inc., and Wilmington Trust, National Association, as trustee
4.20 ⁽³³⁾	

Edgar Filing: Kennedy-Wilson Holdings, Inc. - Form 10-K/A

Twelfth Supplemental Indenture, dated as of November 21, 2012, among Kennedy-Wilson, Inc., KWF Investors VII, LLC, KWF Manager VII, LLC, KW Residential Capital, LLC, KW Boise Plaza, LLC, KW Loan Partners VIII, LLC, KW UR Investment 1, LLC, KW UR Investment 2, LLC, Kennedy Wilson Property Services IV, L.P., Kennedy Wilson Property Services IV GP, LLC, KW/CV Third-Pacific Manager, LLC, KW EU Loan Partners II, LLC, KWF Investors VIII, LLC, KWF Manager VIII, LLC, KW HP 11, LLC, KW 1200 Main LLC, KW

4.21⁽⁵⁰⁾

Thirteenth Supplemental Indenture, dated as of February 13, 2013, among Kennedy-Wilson, Inc., KW Fund IV La Barranta, LLC (formerly KW HP 11, LLC), the subsidiary guarantor parties thereto, Kennedy-Wilson Holdings, Inc., and Wilmington Trust, National Association, as trustee

5

- 4.22⁽⁵¹⁾ Fourteenth Supplemental Indenture, dated as of February 14, 2013, among Kennedy-Wilson, Inc., KWF Manager X, LLC, KWF Manager XI, LLC, KWF Manager XII, LLC and Wilmington Trust, National Association, as trustee
- 4.23⁽²⁹⁾ Form of Indenture, dated as of November 28, 2012, between Kennedy-Wilson, Inc. and Wilmington Trust, National Association, as trustee
- 4.24⁽³⁰⁾ Supplemental Indenture No. 1, dated as of November 28, 2012, among Kennedy-Wilson, Inc., Kennedy-Wilson Holdings, Inc., the subsidiary guarantor parties thereto and Wilmington Trust, National Association, as trustee
- 4.25⁽⁵²⁾ Supplemental Indenture No. 2, dated as of February 14, 2013, among Kennedy-Wilson, Inc., the subsidiary guarantor parties thereto and Wilmington Trust, National Association, as trustee
- 4.26⁽³⁴⁾ Registration Rights Agreement, dated as of December 6, 2012, among Kennedy-Wilson, Inc., Kennedy-Wilson Holdings, Inc., the subsidiary guarantor parties thereto, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC
- 4.27⁽⁸⁰⁾ Nineteenth Supplemental Indenture to the 2019 Notes Indenture, dated as of January 6, 2014, among Kennedy-Wilson, Inc., the guarantors party thereto and Wilmington Trust, National Association, as trustee.
- 4.28⁽²⁹⁾ Form of Indenture (the “2042 Notes Indenture”), dated as of November 28, 2012, between Kennedy-Wilson, Inc. and Wilmington Trust, National Association, as trustee.
- 4.29⁽³⁰⁾ Supplemental Indenture No. 1 to the 2042 Notes Indenture, dated as of November 28, 2012, among Kennedy-Wilson, Inc., Kennedy-Wilson Holdings, Inc., the subsidiary guarantor party thereto and Wilmington Trust, National Association, as trustee.
- 4.30⁽⁵²⁾ Supplemental Indenture No. 2 to the 2042 Notes Indenture, dated as of February 14, 2013, among Kennedy-Wilson, Inc., the subsidiary guarantor parties thereto and Wilmington Trust, National Association, as trustee.
- 4.31⁽⁵³⁾ Supplemental Indenture No. 3 to the 2042 Notes Indenture, dated as of May 28, 2013, among Kennedy-Wilson, Inc., the guarantors party thereto and Wilmington Trust, National Association, as trustee.
- 4.32⁽⁵⁴⁾ Supplemental Indenture No. 4 to the 2042 Notes Indenture, dated as of July 15, 2013, among Kennedy-Wilson, Inc., the guarantors party thereto and Wilmington Trust, National Association, as trustee.
- 4.33⁽⁵⁵⁾ Supplemental Indenture No. 5 to the 2042 Notes Indenture, dated as of September 6, 2013, among Kennedy-Wilson, Inc., the guarantors party thereto and Wilmington Trust, National Association, as trustee.
- 4.34⁽⁵⁶⁾ Supplemental Indenture No. 6 to the 2042 Notes Indenture dated as of October 31, 2013, among Kennedy-Wilson, Inc., the guarantors party thereto and Wilmington Trust, National Association, as trustee.
- 4.35⁽⁸¹⁾ Supplemental Indenture No. 7 to the 2042 Notes Indenture dated as of January 6, 2014, among Kennedy-Wilson, Inc., the guarantors party thereto and Wilmington Trust, National Association, as trustee.
- 4.36⁽³⁴⁾ Registration Rights Agreement, dated as of December 6, 2012, by and among Kennedy-Wilson, Inc., Kennedy-Wilson Holdings, Inc., the subsidiary guarantors party thereto, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC
- 4.37⁽⁶⁰⁾ Base Indenture dated March 25, 2014 between Kennedy-Wilson, Inc. and Wilmington Trust, National Association.
- 4.38⁽⁶¹⁾ Supplemental Indenture No. 1 dated March 25, 2014 among Kennedy-Wilson Holdings, Inc., the subsidiary guarantors named therein and Wilmington Trust, National Association.
- 4.39⁽⁶²⁾ Supplemental Indenture No. 2 dated September 5, 2014 among Kennedy-Wilson Holdings, Inc., the subsidiary guarantors named therein and Wilmington Trust, National Association.
- 4.40⁽⁶³⁾ Supplemental Indenture No. 3 dated November 11, 2014 among Kennedy-Wilson Holdings, Inc., the subsidiary guarantors named therein and Wilmington Trust, National Association.

Edgar Filing: Kennedy-Wilson Holdings, Inc. - Form 10-K/A

- 4.41⁽⁶⁴⁾ Supplemental Indenture No. 8 dated January 6, 2014 among Kennedy-Wilson, Inc., the subsidiary guarantors named therein and Wilmington Trust, National Association.
- 4.42⁽⁶⁵⁾ Supplemental Indenture No. 9 dated March 18, 2014 among Kennedy-Wilson, Inc., the subsidiary guarantors named therein and Wilmington Trust, National Association.
- 4.43⁽⁶⁶⁾ Supplemental Indenture No. 10 dated September 5, 2014 among Kennedy-Wilson, Inc., the subsidiary guarantors named therein and Wilmington Trust, National Association.
- 4.44⁽⁶⁷⁾ Supplemental Indenture No. 11 dated November 11, 2014 among Kennedy-Wilson, Inc., the subsidiary guarantors named therein and Wilmington Trust, National Association.

- 4.45⁽⁶⁸⁾ Twentieth Supplemental Indenture dated January 16, 2014 among Kennedy-Wilson, Inc., the subsidiary guarantors named therein and Wilmington Trust, National Association.
- 4.46⁽⁶⁹⁾ Twenty First Supplemental Indenture dated March 18, 2014 among Kennedy-Wilson, Inc., the subsidiary guarantors named therein and Wilmington Trust, National Association.
- 4.47⁽⁷⁰⁾ Twenty-Second Supplemental Indenture dated September 5, 2014 among Kennedy-Wilson, Inc., the subsidiary guarantors named therein and Wilmington Trust, National Association.
- 4.48⁽⁷¹⁾ Twenty-Third Supplemental Indenture dated November 11, 2014 among Kennedy-Wilson, Inc., the subsidiary guarantors named therein and Wilmington Trust, National Association.
- 10.1⁽³⁸⁾ Kennedy-Wilson Holdings, Inc. 2009 Equity Participation Plan.
- 10.2⁽³⁹⁾ Form of Amended and Restated Consultant Restricted Stock Award Agreement to Kennedy-Wilson Holdings, Inc. 2009 Equity Participation Plan.
- 10.3⁽³⁹⁾ Form of Amended and Restated Director Restricted Stock Award Agreement to Kennedy-Wilson Holdings, Inc. 2009 Equity Participation Plan.
- 10.4⁽³⁹⁾ Form of Amended and Restated Employee Restricted Stock Award Agreement to Kennedy-Wilson Holdings, Inc. 2009 Equity Participation Plan.
- 10.5⁽³⁷⁾ Promissory Note issued by Kennedy-Wilson, Inc. to The Guardian Life Insurance Company of America on November 3, 2008.
- 10.6⁽³⁷⁾ Fifteenth Amendment to Employment Agreement by Kennedy-Wilson, Inc. and William J. McMorrow.
- 10.7⁽³⁹⁾ Employment Agreement dated August 14, 1992 between Kennedy-Wilson and William J. McMorrow.
- 10.8⁽³⁷⁾ Amendment to Employment Agreement dated as of January 1, 1993 between Kennedy-Wilson and William J. McMorrow.
- 10.9⁽³⁷⁾ Second Amendment to Employment Agreement dated as of between January 1, 1994 Kennedy-Wilson and William J. McMorrow.
- 10.10⁽⁴⁰⁾ Third Amendment to Employment Agreement dated as of March 31, 1995 between Kennedy-Wilson and William J. McMorrow.
- 10.11⁽⁴⁰⁾ Fourth Amendment to Employment Agreement dated as of January 1, 1996 Kennedy-Wilson and William J. McMorrow.
- 10.12⁽³⁷⁾ Amendment to Employment Agreement dated as of February 28, 1996 between Kennedy-Wilson and William J. McMorrow.
- 10.13⁽⁴⁵⁾ Fifth Amendment to Employment Agreement dated as of May 19, 1997 between Kennedy-Wilson and William J. McMorrow.
- 10.14⁽³⁷⁾ Sixth Amendment to Employment Agreement dated as of August 20, 1998 between Kennedy-Wilson and William J. McMorrow.
- 10.15⁽³⁷⁾ Seventh Amendment to Employment Agreement dated as of August 9, 1999 between Kennedy-Wilson and William J. McMorrow.
- 10.16⁽³⁷⁾ Eighth Amendment to Employment Agreement dated as of January 3, 2000 between Kennedy-Wilson and William J. McMorrow.
- 10.17⁽³⁷⁾ Ninth Amendment to Employment Agreement dated as of October 1, 2000 between Kennedy-Wilson and William J. McMorrow.
- 10.18⁽³⁷⁾ Tenth Amendment to Employment Agreement dated as of April 22, 2002 between Kennedy-Wilson and William J. McMorrow.
- 10.19⁽³⁷⁾ Eleventh Amendment to Employment Agreement dated as of October 1, 2003 between Kennedy-Wilson and William J. McMorrow.
- 10.20⁽³⁷⁾ Twelfth Amendment to Employment Agreement dated as of April 21, 2004 between Kennedy-Wilson and William J. McMorrow.
- 10.21⁽³⁷⁾ Thirteenth Amendment to Employment Agreement dated as of January 1, 2008 between Kennedy-Wilson and William J. McMorrow.
- 10.22⁽³⁷⁾ Fourteenth Amendment to Employment Agreement dated as of February 1, 2009 between Kennedy-Wilson and William J. McMorrow.

Edgar Filing: Kennedy-Wilson Holdings, Inc. - Form 10-K/A

- 10.23^(b) Employment Agreement dated February 1, 2009 between Kennedy-Wilson and Mary L. Ricks.
- 10.24^(b) First Amendment to Employment Agreement dated June 1, 2009 between Kennedy-Wilson and Mary L. Ricks.
- 10.25^(b) Second Amendment to Employment Agreement by Kennedy-Wilson, Inc. and Mary L. Ricks.
- 10.26^(b) Employment Agreement dated June 15, 2009 between Kennedy-Wilson and Donald J. Herrema.
- 10.27^(b) First Amendment to Employment Agreement by Kennedy-Wilson, Inc. and Donald J. Herrema.

7

Edgar Filing: Kennedy-Wilson Holdings, Inc. - Form 10-K/A

- 10.28^(f7) Employment Agreement dated April 1, 1996 between Kennedy-Wilson and Freeman Lyle.
- 10.29^(f7) Business Loan Agreement dated July 29, 2009 between Kennedy-Wilson, Inc. and Pacific Western Bank.
- 10.30^(f1) Amended and Restated Loan Agreement dated June 5, 2008 between Kennedy-Wilson, Inc. and U.S. Bank National Association.
- 10.31^(f1) Revolving Loan Agreement, dated as of August 5, 2010, by and among Kennedy-Wilson, Inc., U.S. Bank National Association, as agent, lead arranger and book manager, U.S. Bank National Association, as lender, East-West Bank, as lender, and any other bank that becomes a party thereto.
- 10.32^(f7) Repayment Guaranty, dated as of August 5, 2010, by Kennedy-Wilson Holdings, Inc. in favor of U.S. Bank National Association, as agent for the lenders.
- 10.33^(f8) Fee Letter, dated as of August 5, 2010.
- 10.34^(f1) Modification Agreement, dated June 29, 2012, by and among Kennedy-Wilson, Inc., U.S. Bank National Association, as administrative agent, U.S. Bank National Association, as lender and East-West Bank, as lender.
- 10.35^(f1) Second Modification Agreement, dated September 19, 2013, by and among Kennedy-Wilson, Inc., U.S. Bank National Association, as administrative agent, U.S. Bank National Association, as lender, East-West Bank, as lender and The Governor and Company of the Bank of Ireland, as lender.
- 10.36^(f7) Junior Subordinated Indenture dated, January 31, 2007 between Kennedy-Wilson, Inc. and The Bank of New York Trust Company, National Association, as trustee.
- 10.37^(f7) First Amendment to Office Lease dated March 5, 1999 between Wilshire-Camden Associates and Kennedy-Wilson, Inc.
- 10.38⁽³⁷⁾ Second Amendment to Lease dated June 2, 1999 between Wilshire-Camden Associates and Kennedy-Wilson, Inc.
- 10.39⁽³⁷⁾ Third Amendment to Office Lease dated December 20, 2002 between Brighton Enterprises, LLC and Kennedy-Wilson, Inc.
- 10.40⁽³⁷⁾ Fourth Amendment to Office Lease dated September 11, 2003 between Wilshire-Camden Associates and Kennedy-Wilson, Inc.
- 10.41⁽³⁷⁾ Fifth Amendment to Office Lease dated January 7, 2006 between Douglas Emmett 2000, LLC and Kennedy-Wilson, Inc.
- 10.42⁽³⁷⁾ Standard Office Lease dated March 3, 2009 by and among 9701-Hempstead Plaza, LLC, 9701-Carolina Gardens LLC, 9701-West Point Realty LLC, 9701-Dakota Leasing LLC and 9701-Iowa Leasing LLC and Kennedy-Wilson Inc.
- 10.43⁽³⁷⁾ Second Amended and Restated Guaranty of Payment dated November 4, 2008 by Arthur S. Levine, as Trustee of the Ray J. Rutter Trust, Arthur S. Levine, as Trustee of the Susan Ray Rutter Trust, and Arthur S. Levine, as Trustee of the Robert Jonathan Rutter Trust, and Kennedy-Wilson Inc., to Bank Midwest N.A.
- 10.44⁽³⁷⁾ Amended and Restated Guaranty dated October 25, 2007 Agreement by Kennedy-Wilson, Inc. in favor of Bank of America, N.A., as agent for lenders.
- 10.45⁽³⁷⁾ Amendment to Irrevocable standby letters of credit dated October 26, 2007 from Bank of America to the beneficiary, City of Walnut Creek on behalf of Fairways 340 LLC.
- 10.46⁽³⁷⁾ Guaranty Agreement made as of August 14, 2007 by Kennedy-Wilson, Inc. in favor of Bank of America, N.A., as agent for lenders.
- 10.47⁽³⁷⁾ Repayment Guaranty made as of September 4, 2007 by Kennedy-Wilson, Inc. in favor of Wachovia Bank, N.A., as agent for lenders.
- 10.48⁽³⁷⁾ Commercial Guaranty made as of September 13, 2007 by Kennedy-Wilson, Inc., to Pacific Western Bank, on behalf of Windscape Village LLC.
- 10.49⁽³⁷⁾ Repayment Guaranty made as of May 9, 2007 by Kennedy-Wilson, Inc. and KW Property Fund I, L.P. for the benefit of Wachovia Bank National Association.
- 10.50⁽³⁷⁾ Commercial Guaranty dated January 16, 2009 to Pacific Western Bank by KWI Property Fund I, L.P.

Edgar Filing: Kennedy-Wilson Holdings, Inc. - Form 10-K/A

- 10.51 ⁽³⁷⁾ Guaranty made as of May 29, 2008 by Kennedy-Wilson, Inc. and KW Property Fund III, L.P. for the benefit of Deutsche Bank, AG.
- 10.52 ⁽³⁷⁾ Guaranty made as of September 9, 2005, by Kennedy-Wilson, Inc., a Delaware corporation, in favor of Bank of America, N.A.
- 10.53 ⁽³⁷⁾ Repayment Guaranty made as of September 4, 2007 by KWI Property Fund I, L.P. and KW Property Fund II, L.P., Delaware limited partnerships in favor of Wachovia Bank, N.A., as agent for lenders. ^x

8

- 10.54⁽⁴⁰⁾ Fourteenth Amendment to Employment Agreement dated January 1, 2009 between Kennedy-Wilson Properties and James Rosten.
- 10.55⁽⁴⁰⁾ First Amendment to Forfeiture Agreement dated October 22, 2009 between Prospect Acquisition Corp., De Guardiola Advisors, Inc., De Guardiola Holdings, Inc., Flat Ridge Investments LLC, LLM Structured Equity Fund L.P., LLM Investors L.P., CMS Platinum Fund, L.P., SJC Capital LLC, Michael P. Castine, Daniel Gressel, Michael Downey, James J. Cahill, John Merchant and Kennedy-Wilson, Inc.
- 10.56⁽⁴⁰⁾ Waiver and Modification with respect to Employment Agreements dated October 22, 2009 between Kennedy-Wilson, Inc. and William J. McMorrow, Mary L. Ricks and Donald J. Herrema.
- 10.57⁽⁴²⁾ Agreement, dated as of November 11, 2009, by and between Prospect Acquisition Corp. and Victory Park Capital Advisors, LLC.
- 10.58⁽⁴²⁾ Form of Stock Purchase Agreement, among Prospect Acquisition Corp., David A. Minella, LLM Structured Equity Fund L.P., and LLM Investors L.P.
- 10.59⁽⁴²⁾ Stock Purchase Agreement, dated as of November 12, 2009, by and between Prospect Acquisition Corp. and Credit Suisse Securities (USA) LLC.
- 10.60⁽⁴²⁾ Stock Purchase Agreement, dated as of November 11, 2009, by and between Prospect Acquisition Corp. and Nisswa Acquisition Master Fund, Ltd.
- 10.61⁽⁴²⁾ Share Purchase Agreement, dated as of November 12, 2009, by and between Prospect Acquisition Corp. and Milton Arbitrage Partners, LLC.
- 10.62⁽⁴³⁾ Stock Purchase Agreement.
- 10.63⁽⁴⁴⁾ Stock Purchase Agreement, dated as of November 12, 2009, by and between Prospect Acquisition Corp. and Arrowgrass Master Fund Ltd.
- 10.64⁽⁴⁴⁾ Stock Purchase Agreement, dated as of November 12, 2009, by and between Prospect Acquisition Corp. and Bulldog Investors.
- 10.65⁽⁴⁴⁾ Stock Purchase Agreement, dated as of November 12, 2009, by and between Prospect Acquisition Corp. and Del Mar Master Fund Ltd.
- 10.66⁽⁴⁴⁾ Stock Purchase Agreement, dated as of November 12, 2009, by and between Prospect Acquisition Corp. and Citigroup Global Markets Inc.
- 10.67⁽⁴⁴⁾ Share Purchase Agreement, dated as of November 12, 2009, by and between Prospect Acquisition Corp. and IBS (MF) Ltd. In Respect of Glazer Merger Arbitrage Series.
- 10.68⁽⁴⁴⁾ Stock Purchase Agreement, dated as of November 12, 2009, by and between Prospect Acquisition Corp. and Glazer Offshore Fund Ltd.
- 10.69⁽⁴⁴⁾ Stock Purchase Agreement, dated as of November 12, 2009, by and between Prospect Acquisition Corp. and Glazer Capital Management, LP.
- 10.70⁽⁴⁴⁾ Stock Purchase Agreement, dated as of November 12, 2009, by and between Prospect Acquisition Corp. and HFR MA Select Opportunity Master Trust.
- 10.71⁽⁴⁴⁾ Stock Purchase Agreement, dated as of November 12, 2009, by and between Prospect Acquisition Corp. and GSS Offshore SPC-Glazer Segregated Portfolio.
- 10.72⁽⁴⁵⁾ Waiver and Modification With Respect to Employment Agreement Amendments.
- 10.73⁽⁴⁶⁾ Securities Purchase Agreement, dated June 28, 2011, by and among Kennedy-Wilson Holdings, Inc., a Delaware corporation and the Purchasers named thereto.
- 10.74⁽⁴⁷⁾ Transfer Agreement dated December 28, 2011 between KW Executive Loan Partners I LLC and K-W Properties.
- 10.75⁽⁴⁷⁾ Membership Interest Acquisition Agreement dated December 28, 2011 by and among KW Summer House Manager, LLC, K-W Properties, KW Summer House Executives, LLC and the members of KW Summer House Executives, LLC as set forth therein.
- 10.76⁽⁴⁷⁾ Membership Interest Acquisition Agreement dated December 28, 2011 by and among KW Montclair, LLC, K-W Properties, KW Montclair Executives, LLC and the members of KW Montclair Executives, LLC set forth therein.
- 10.77⁽⁴⁷⁾

Membership Interest Acquisition Agreement dated December 28, 2011 by and among KW Montclair, LLC, K-W Properties, KW Montclair Executives, LLC and the members of KW Montclair Executives, LLC set forth therein

10.78⁽⁴⁷⁾

Membership Interest Acquisition Agreement dated December 28, 2011 by and among KW Blossom Hill Manager, LLC, K-W Properties, KW Blossom Hill Executives, LLC and the members of KW Blossom Hill Executives, LLC set forth therein.

10.79⁽⁴⁷⁾

Membership Interest Acquisition Agreement dated December 28, 2011 by and among KWF Investors I, LLC, K-W Properties, KWF Executives I, LLC and the members of KWF Executives I, LLC set forth therein

9

- 10.80⁽⁴⁷⁾ Membership Interest Acquisition Agreement dated December 28, 2011 by and among KWF Investors II, LLC, K-W Properties, KWF Executives II, LLC, and the members of KWF Executives II, LLC set forth therein.
- 10.81⁽⁴⁷⁾ Membership Interest Acquisition Agreement dated December 28, 2011 by and among KWF Investors III, LLC, K-W Properties, KWF Executives III, LLC, and the members of KWF Executives III, LLC set forth therein.
- 10.82⁽⁴⁷⁾ Membership Interest Acquisition Agreement dated December 28, 2011 by and among KWF Investors V, LLC, K-W Properties, KWF Executives V, LLC, and the members of KWF Executives V, LLC set forth therein.
- 10.83⁽⁴⁷⁾ Membership Interest Acquisition Agreement dated December 28, 2011 by and among KW - Richmond, LLC, K-W Properties, KW Executives - Richmond, LLC, and the members of KW Executives - Richmond, LLC set forth therein.
- 10.84⁽⁴⁷⁾ Membership Interest Acquisition Agreement dated December 28, 2011 by and among SG KW Venture I Manager, LLC, K-W Properties, SG KW Venture I Executives, LLC, and the members of SG KW Venture I Executives, LLC set forth therein.
- 10.85⁽⁴⁸⁾ Kennedy-Wilson Holdings, Inc. Amended and Restated 2009 Equity Participation Plan.
- 10.86⁽⁸²⁾ Form of First Amendment to Kennedy-Wilson Holdings, Inc. Amended and Restated 2009 Equity Participation Plan Restricted Stock Award Agreement
- 10.87⁽⁸³⁾ Form of Kennedy-Wilson Holdings, Inc. Amended and Restated 2009 Equity Participation Plan Employee Restricted Stock Award Agreement
- 10.88⁽⁸⁴⁾ Form of Kennedy-Wilson Holdings, Inc. Amended and Restated 2009 Equity Participation Plan Consultant Restricted Stock Award Agreement
- 10.89⁽⁵⁹⁾ Consulting Agreement, dated as of December 31, 2013, among Kennedy-Wilson, Inc., Barry S. Schlesinger and CV I R.E. Services, LLC.
- 10.90⁽⁷²⁾ First Amendment to Amended and Restated 2009 Equity Participation Plan.
- 10.91⁽⁷³⁾ Third Modification Agreement, dated July 16, 2014, by and among Kennedy-Wilson, Inc., U.S. Bank National Association, a national banking association (“U.S. Bank”), as administrative agent, lead arranger and book manager, and U.S. Bank, East-West Bank, a California banking corporation, The Governor and Company of the Bank of Ireland, Bank of America N.A., a national banking association, Deutsche Bank AG New York Branch and J.P. Morgan Chase Bank, N.A., a national banking association, as lenders.
- 10.92⁽⁷⁴⁾ Form of Employee Restricted Stock Award Agreement.
- 10.93⁽⁷⁵⁾ Sixteenth Amendment to Employment Agreement dated August 6, 2014 by and between Kennedy-Wilson, Inc. and William J. McMorrow.
- 10.94⁽⁷⁶⁾ Fourth Amendment to Employment Agreement dated August 6, 2014 by and between Kennedy-Wilson, Inc., and Mary L. Ricks.
- 10.95⁽⁷⁷⁾ Employment Agreement dated December 29, 2014 between Kennedy-Wilson, Inc. and Kent Mouton.
- 10.96⁽⁷⁸⁾ Employment Agreement dated December 29, 2014 between Kennedy-Wilson, Inc. and Matt Windisch.
- 10.97⁽⁷⁹⁾ Employment Agreement dated December 29, 2014 between Kennedy-Wilson, Inc. and Justin Enbody.
- 21** List of Subsidiaries
- 23.1** Consent of Independent Registered Public Accounting Firm for the consolidated financial statements of Kennedy-Wilson Holdings, Inc.
- 23.2* Consent of Independent Auditors for the consolidated financial statements of Bay Fund Opportunity, LLC and Subsidiaries
- 23.3* Consent of Independent Auditors for the financial statements of Kennedy Wilson Real Estate Fund IV, L.P.
- 23.4* Consent of Independent Auditors for the financial statements of One Baxter Way , LP
- 23.5* Consent of Independent Auditors for the combined financial statements of KW Funds - 303 North Glenoaks, LLC and KW Funds - 6100 Wilshire, LLC
- 23.6* Consent of Independent Auditors for the financial statements of Bay Area Smart Growth Fund II, LLC

Edgar Filing: Kennedy-Wilson Holdings, Inc. - Form 10-K/A

- 23.7* Consent of Independent Auditors for the financial statements of Egret Limited
- 23.8* Consent of Independent Auditors for the consolidated financial statements of KWVF Panther Holdco Limited
- 23.9* Consent of Independent Auditors for the consolidated financial statements of WH Valle Di Oro 79, LLC
- 23.10* Consent of Independent Auditors for the consolidated financial statements of KW Stadium Gateway Partners, LLC
- 23.11* Consent of Independent Auditors for the financial statements of KW Marina View, LLC

10

- 23.12* Consent of Independent Auditors for the consolidated financial statements of KWF Real Estate Venture VI, L.P.
- 24.1 Power of Attorney (included on signature page).
- 31.1* Certification Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934 of the Principal Executive Officer.
- 31.2* Certification Pursuant to Rule 13a-14(a) under Securities Exchange Act of 1934 of the Principal Financial Officer.
- 32.1* Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of the Principal Executive Officer.
- 32.2* Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of the Principal Financial Officer
- 101** The following materials from Kennedy-Wilson Holdings, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2014 formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets (ii) the Consolidated Statements of Operations and Comprehensive (Loss) Income (iii) the Consolidated Statements of Equity (iv) the Consolidated Statements of Cash Flows (v) related notes to those financial statements and (vi) Schedule III - Real Estate and Accumulated Depreciation.*

Management Contract, Compensation Plan or Agreement.

- (1) Filed as an Exhibit 10.1 to Registrant's Current Report on Form 8-K (File No.: 001-33824) filed August 5, 2010.
- (2) Filed as Annex D to Amendment No. 5 to the Registrant's Registration Statement on Form S-4 (File No.: 333-162116) filed on October 28, 2009 and incorporated by reference herein.
- (3) Filed as Exhibit 3.2 to Amendment No. 3 to the Registrant's Registration Statement on Form S-1 (File No. 333-145110) filed October 26, 2007 and incorporated by reference herein.
- (4) Filed as Exhibit A to Annex C to Amendment No. 5 to the Registrant's Registration Statement on Form S-4 (File No.: 333-162116) filed on October 28, 2009 and incorporated by reference herein.
- (5) Filed as Annex C to Amendment No. 5 to the Registrant's Registration Statement on Form S-4 (File No.: 333-162116) filed on October 28, 2009 and incorporated by reference herein.
- (6) Reserved.
- (7) Reserved.
- (8) Reserved.
- (9) Reserved.
- (10) Reserved.
- (11) Reserved.
- (12) Reserved.
- (13) Reserved.
- (14) Filed as an Exhibit to the Registrant's Registration Statement on Amendment no. 1 to Form 8-A (File No.: 333-145110) filed on November 16, 2009 and incorporated by reference herein.
- (15) Reserved.
- (16) Reserved.
- (17) Reserved.

- (18) Reserved.
- (19) Reserved.
- (20) Reserved.
- (21) Filed as an Exhibit to the Registrant's Current Report on Form 8-K (File No.: 001-33824) filed April 7, 2011.
- (22) Filed as an Exhibit to the Registrant's Current Report on Form 8-K (File No.: 001-33824) filed April 13, 2011.
- (23) Filed as an Exhibit to the Registrant's Current Report on Form 8-K (File No.: 001-33824) filed May 21, 2010.
- (24) Filed as an Exhibit to the Registrant's Current Report on Form 8-K (File No.: 001-33824) filed August 16, 2010.
- (25) Reserved.
- (26) Filed as an Exhibit to the Registrant's Current Report on Form 8-K (File No.: 001-33824) filed December 30, 2011.
- (27) Reserved.
- (28) Filed as Exhibit 10.1 to Kennedy-Wilson Holding, Inc.'s Current Report on Form 8-K (File No.: 001-33824) filed June 29, 2012.
- (29) Filed as Exhibit 4.3 to Kennedy-Wilson Holding, Inc.'s Registration Statement on Form S-3 (File No. 333-184752) filed November 5, 2012.
- (30) Filed as Exhibit 4.2 to Kennedy-Wilson Holding, Inc.'s Current Report on Form 8-K (File No.: 001-33824) filed November 28, 2012.
- (31) Filed as Exhibit 4.11 to Kennedy-Wilson Holding, Inc.'s Current Report on Form 8-K (File No.: 001-33824) filed December 7, 2012.
- (32) Filed as Exhibit 4.12 to Kennedy-Wilson Holding, Inc.'s Current Report on Form 8-K (File No.: 001-33824) filed December 7, 2012.
- (33) Filed as Exhibit 4.13 to Kennedy-Wilson Holding, Inc.'s Current Report on Form 8-K (File No.: 001-33824) filed December 7, 2012.
- (34) Filed as Exhibit 4.14 to Kennedy-Wilson Holding, Inc.'s Current Report on Form 8-K (File No.: 001-33824) filed December 7, 2012.
- (35) Filed as Exhibit 10.105 to Kennedy-Wilson Holdings, Inc.'s Registration Statement on Form S-4 (File No.: 333-162116) filed September 24, 2009.
- (36) Filed as Exhibit 10.11 to Kennedy-Wilson Holdings, Inc.'s Current Report on Form 10-K (File No.: 001-33824) filed on March 31, 2008 and incorporated by reference herein.
- (37) Filed as an Exhibit to Kennedy-Wilson Holdings, Inc.'s Registration Statement on Form S-4 (File No.: 333-162116) filed on September 24, 2009 and incorporated by reference herein.
- (38) Filed as Annex E to Amendment No. 5 to Kennedy-Wilson Holdings, Inc.'s Registration Statement on Form S-4 (File No.: 333-162116) filed on October 28, 2009 and incorporated by reference herein.
- (39) Filed as an Exhibit to Kennedy-Wilson Holdings, Inc.'s Registration Statement on Form S-8 (File No.: 333-164928) filed on February 16, 2010 and incorporated by reference herein.
- (40) Filed as an Exhibit to Amendment No. 2 to Kennedy-Wilson Holdings, Inc.'s Registration Statement on Form S-4 (File No.: 333-162116) filed on October 23, 2009 and incorporated by reference herein.

- (41) Filed as an Exhibit to Amendment No. 1 to Kennedy-Wilson Holdings, Inc.'s Registration Statement on Form S-4 (File No.: 333-162116) filed on October 16, 2009 and incorporated by reference herein.
- (42) Filed as an Exhibit to Kennedy-Wilson Holdings, Inc.'s Current Report on Form 8-K (File No.: 001-33824) filed November 11, 2009.
- (43) Filed as an Exhibit to Kennedy-Wilson Holdings, Inc.'s Current Report on Form 8-K (File No.: 001-33824) filed November 12, 2009.
- (44) Filed as an Exhibit to Kennedy-Wilson Holdings, Inc.'s Current Report on Form 8-K (File No.: 001-33824) filed November 13, 2009.
- (45) Filed as an Exhibit to Kennedy-Wilson Holdings, Inc.'s Current Report on Form 8-K (File No.: 001-33824) filed November 19, 2009.
- (46) Filed as an Exhibit to Kennedy-Wilson Holdings, Inc.'s Current Report on Form 8-K (File No.: 001-33824) filed June 29, 2011 and incorporated by reference herein.
- (47) Filed as an Exhibit to the Registrant's Current Report on Form 8-K (File No.: 001-33824) filed December 30, 2011.
- (48) Filed as an Exhibit to the Registrant's Current Report on Form 8-K (File No.: 001-33824) filed January 30, 2012..
- (49) Filed as an Exhibit to Registrant's Current Report on Form 8-K (File No.: 001-33824) filed June 29, 2012 and incorporated by reference herein.
- (50) Filed as Exhibit 4.21 to Kennedy-Wilson Holdings, Inc.'s Current Report on Form 10-K (File No.: 001-33824) filed on March 12, 2013 and incorporated by reference herein.
- (51) Filed as Exhibit 4.22 to Kennedy-Wilson Holdings, Inc.'s Current Report on Form 10-K (File No.: 001-33824) filed on March 12, 2013 and incorporated by reference herein.
- (52) Filed as Exhibit 4.25 to Kennedy-Wilson Holdings, Inc.'s Current Report on Form 10-K (File No.: 001-33824) filed on March 12, 2013 and incorporated by reference herein.
- (53) Filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K (File No. 001-33824) filed on May 29, 2013.
- (54) Filed as Exhibit 4.27 to the Registrant's Registration Statement on Form S-3 (File No. 333-192059) filed November 1, 2013.
- (55) Filed as Exhibit 4.28 to the Registrant's Registration Statement on Form S-3 (File No. 333-192059) filed November 1, 2013.
- (56) Filed as Exhibit 4.29 to the Registrant's Registration Statement on Form S-3 (File No. 333-192059) filed November 1, 2013.
- (57) Filed as Exhibit 10.2 to Registrant's Current Report on Form 8-K (File No.: 001-33824) filed August 5, 2010.
- (58) Filed as Exhibit 10.3 to Registrant's Current Report on Form 8-K (File No.: 001-33824) filed August 5, 2010.
- (59) Filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K (File No.: 001-33824) filed on December 31, 2013.
- (60) Filed as Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q (001-33824) filed May 12, 2014.
- (61) Filed as Exhibit 4.2 to Registrant's Current Report on Form 8-K (001-33824) filed March 26, 2014.
- (62) Filed as Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q (001-33824) filed November 10, 2014.

- (63) Filed as Exhibit 4.4 to Registrant's Current Report on Form 8-K (001-33824) filed November 18, 2014.
 - (64) Filed as Exhibit 4.37 to Registrant's Annual Report on Form 10-K filed March 3, 2014.
 - (65) Filed as Exhibit 4.5 to Registrant's Quarterly Report on Form 10-Q (001-33824) filed May 12, 2014.
 - (66) Filed as Exhibit 4.2 to Registrant's Quarterly Report on Form 10-Q (001-33824) filed November 10, 2014.
 - (67) Filed as Exhibit 4.6 to Registrant's Current Report on Form 8-K (001-33824) filed November 18, 2014.
 - (68) Filed as Exhibit 4.28 to Registrant's Annual report on Form 10-K filed March 3, 2014.
 - (69) Filed as Exhibit 4.6 to Registrant's Quarterly Report on Form 10-Q (001-33824) filed May 12, 2014.
 - (70) Filed as Exhibit 4.3 to Registrant's Quarterly Report on Form 10-Q (001-33824) filed November 10, 2014.
 - (71) Filed as Exhibit 4.7 to Registrant's Current Report on Form 8-K (001-33824) filed November 18, 2014.
 - (72) Filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K (001-33824) filed June 19, 2014.
 - (73) Filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K (001-33824) filed July 17, 2014.
 - (74) Filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K (001-33824) filed July 18, 2014.
 - (75) Filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K (001-33824) filed August 8, 2014.
 - (76) Filed as Exhibit 10.2 to Registrant's Current Report on Form 8-K (001-33824) filed August 8, 2014.
 - (77) Filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K (001-33824) filed December 30, 2014.
 - (78) Filed as Exhibit 10.2 to Registrant's Current Report on Form 8-K (001-33824) filed December 30, 2014.
 - (79) Filed as Exhibit 10.3 to Registrant's Current Report on Form 8-K (001-33824) filed December 30, 2014.

 - (80) Filed as Exhibit 4.27 to Registrant's Annual Report on Form 10-K filed March 3, 2014.

 - (81) Filed as Exhibit 4.36 to Registrant's Annual Report on Form 10-K filed March 3, 2014.

 - (82) Filed as Exhibit 10.114 to Registrant's Annual Report on Form 10-K filed March 12, 2013.

 - (83) Filed as Exhibit 10.115 to Registrant's Annual Report on Form 10-K filed March 12, 2013.

 - (84) Filed as Exhibit 10.116 to Registrant's Annual Report on Form 10-K filed March 12, 2013.
- * Filed herewith
** Filed with the Original Report
(c) Financial Statement Schedules. Reference is made to Item 15(a)(2) above

3-09 FINANCIAL STATEMENTS

Kennedy-Wilson Holdings, Inc.

Index to 3-09 Financial Statements

	Page
3-09 Financial Statements	
<u>Bay Fund Opportunity, LLC and Subsidiaries</u>	<u>16</u>
<u>Kennedy Wilson Real Estate Fund IV, L.P.</u>	<u>24</u>
<u>One Baxter Way, LP</u>	<u>42</u>
<u>KW Funds - 303 North Glenoaks, LLC and KW Funds - 6100 Wilshire, LLC</u>	<u>51</u>
<u>Bay Area Smart Growth Fund II, LLC</u>	<u>61</u>
<u>Egret Limited and its subsidiaries</u>	<u>72</u>
<u>KWVF Panther Holdco Limited</u>	<u>85</u>
<u>WH Valle Di Oro 79, LLC</u>	<u>97</u>
<u>KW Stadium Gateway Partners, LLC</u>	<u>105</u>
<u>KW Marina View, LLC</u>	<u>116</u>
<u>KWF Real Estate Venture VI, L.P.</u>	<u>125</u>

Independent Auditors' Report

The Members

Bay Fund Opportunity, LLC and Subsidiaries:

We have audited the accompanying consolidated financial statements of Bay Fund Opportunity, LLC and subsidiaries, which comprise the consolidated balance sheet as of December 31, 2012, and the related consolidated statements of operations, changes in members' equity, and cash flows for each of the years in the two-year period then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bay Fund Opportunity, LLC and subsidiaries as of December 31, 2012, and the results of their operations and their cash flows for each of the years in the two-year period then ended, in accordance with U.S. generally accepted accounting principles.

The accompanying consolidated balance sheet of Bay Fund Opportunity, LLC and subsidiaries as of December 31, 2014 and December 31, 2013 and the related statements of operations, changes in members' equity, and cash flows for the years then ended were not audited by us, and accordingly, we do not express an opinion on them.

/s/ KPMG LLP

Dallas, Texas

March 21, 2013

BAY FUND OPPORTUNITY, LLC AND SUBSIDIARIES

(A California Limited Liability Company)

Consolidated Balance Sheets

	December 31,	
	2014	2013
	(unaudited)	(unaudited)
Assets		
Real estate		
Land	\$21,874,072	\$21,874,072
Building and improvements	87,566,335	87,566,335
Fixtures and equipment	1,071,800	944,198
Total	110,512,207	110,384,605
Less accumulated depreciation	(14,971,517)	(12,610,146)
Total real estate, net	95,540,690	97,774,459
Cash and cash equivalents	1,718,359	1,585,568
Tax escrow	240,641	225,950
Capital and financing escrow deposits	637,174	499,473
Deferred financing costs, net	512,348	666,053
Accounts receivable	47,882	68,229
Prepaid expenses and other assets	28,609	18,802
Total assets	\$98,725,703	\$100,838,534
Liabilities and members' equity		
Liabilities		
Accounts payable and accrued expenses	\$1,455,706	\$1,431,038
Reserve for future warranty claims	332,000	344,500
Security deposits from tenants	398,998	415,654
Prepaid rent	3,104	13,036
Mortgages payable	46,219,467	47,610,010
Total liabilities:	48,409,275	49,814,238
Commitments and contingencies (note 6)		
Members' equity		
Bay Fund Opportunity, LLC	50,316,428	51,024,296
Total members' equity	50,316,428	51,024,296
Total liabilities and members' equity	\$98,725,703	\$100,838,534
See accompanying notes to the consolidated financial statements.		

BAY FUND OPPORTUNITY, LLC AND SUBSIDIARIES

(A California Limited Liability Company)

Consolidated Statements of Operations

	Year ended December 31,		
	2014	2013	2012
	(unaudited)	(unaudited)	
Revenue			
Rental income	\$9,553,943	\$8,647,554	\$8,088,922
Total revenue	9,553,943	8,647,554	8,088,922
Expenses			
Real estate and other taxes	1,780,964	1,444,142	1,356,675
Property insurance	52,549	52,048	57,797
Homeowners association fees	2,034,751	1,970,786	1,926,489
Repairs, maintenance and utilities	668,652	658,131	560,523
Depreciation	2,361,372	2,274,451	2,292,647
Marketing and promotion	170,522	188,413	148,936
General, administrative and other	134,341	76,881	85,963
Management fees (note 5)	429,298	410,409	399,906
Letter of credit fees	—	9,823	50,000
Mortgage interest	1,434,362	1,744,442	1,746,528
Total expenses	9,066,811	8,829,526	8,625,464
Net income (loss) attributable to Bay Fund Opportunity, LLC	\$487,132	\$(181,972)	\$(536,542)
See accompanying notes to the consolidated financial statements.			

BAY FUND OPPORTUNITY, LLC AND SUBSIDIARIES

(A California Limited Liability Company)

Consolidated Statements of Members' Equity

	Members' Equity	
Balance, December 31, 2011 (unaudited)	43,467,810	
Contributions	(825,000))
Net loss	(536,542))
Balance, December 31, 2012	42,106,268	
Contributions (unaudited)	9,800,000	
Distributions (unaudited)	(700,000))
Net loss (unaudited)	(181,972))
Balance, December 31, 2013 (unaudited)	51,024,296	
Distributions (unaudited)	(1,195,000))
Net income (unaudited)	487,132	
Balance, December 31, 2014 (unaudited)	\$50,316,428	

See accompanying notes to the consolidated financial statements.

BAY FUND OPPORTUNITY, LLC AND SUBSIDIARIES

(A California Limited Liability Company)

Consolidated Statements of Cash Flows

	Year ended December 31,		
	2014	2013	2012
	(unaudited)	(unaudited)	
Cash flows from operating activities:			
Net income (loss)	\$487,132	\$(181,972)	) \$(536,542)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation	2,361,372	2,274,451	2,292,647
Amortization of deferred financing costs	153,705	340,943	266,817
Change in assets and liabilities:			
Tax escrow	(14,691)	) (82,501)	) 160,515
Accounts receivable	20,347	(20,708)	) (364)
Prepaid expenses and other assets	(9,807)	) 19,035	5,866
Accounts payable and accrued expenses	24,668	(20,145)	) (31,902)
Reserve for future warranty claims	(12,500)	) (47,500)) —
Security deposits from tenants	(16,656)	) 31,351	(12,932)
Prepaid rent	(9,932)	) 8,313	1,602
Net cash flow provided by operating activities	2,983,638	2,321,267	2,145,707
Cash flows from investing activities:			
Additions to real estate	(127,603)	) (105,260)	) (124,927)
Net cash flow used in by investing activities	(127,603)	) (105,260)	) (124,927)
Cash flow from financing activities:			
Principal payments on mortgage loans	(1,390,543)	) (58,788,338)	) (892,515)
Origination of mortgage loan	—	48,400,000	—
Mortgage loan costs	—	(776,698)	) (116,355)
Changes in capital and financing escrow deposits	(137,701)	) 215,276	12,615
Contributions from members	—	9,800,000	—
Distributions to members	(1,195,000)	) (700,000)	) (825,000)
Net cash flow used in financing activities	(2,723,244)	) (1,849,760)	) (1,821,255)
Net increase in cash and cash equivalents	132,791	366,247	199,525
Cash and cash equivalents, beginning of year	1,585,568	1,219,321	1,019,796
Cash and cash equivalents, end of year	\$1,718,359	\$1,585,568	\$1,219,321
Supplemental disclosure of noncash financing activities:			
Interest paid	\$1,284,015	\$1,417,975	\$1,504,773

See accompanying notes to the consolidated financial statements.

Table of Contents

BAY FUND OPPORTUNITY, LLC AND SUBSIDIARIES

(A California Limited Liability Company)

Notes to Consolidated Financial Statements

December 31, 2014 (unaudited), 2013 (unaudited), and 2012

NOTE 1—ORGANIZATION

Bay Fund Opportunity, LLC (the Company), a California limited liability company, was formed by and among, KW - Richmond, LLC, a Delaware limited liability company, KW Fund III - Richmond, LLC, a Delaware limited liability company, and BASGF II - Richmond, LLC, a Delaware limited liability company (collectively, the Managers). The Company was formed upon the filing of the Articles of Formation with the California Secretary of State on April 18, 2008. The term of the Company extends until the date that the Company is terminated pursuant to the terms defined in the Company's operating agreement.

The Company was organized to form, invest in, capitalize and own 50% of the equity in Emerald Marina Shores Richmond, LLC, a Delaware limited liability company, and 50% of the equity in Emerald Marina Cove Richmond, LLC, a Delaware limited liability company, which collectively own the real property located in Richmond, California (Marina Cove and Shores). Initial capital contributions to acquire these investments are \$6,076,000 from KW - Richmond, LLC, \$5,000,000 from KW Fund III - Richmond, LLC, and \$14,000,000 from BASGF II - Richmond, LLC, for a total initial investment of \$25,076,000.

The Managers may elect from time to time to distribute available cash to the Members in proportion to their percentage interests at the time of distribution.

The limited liability companies (LLCs) within the accompanying consolidated balance sheets will continue in existence until dissolved in accordance with the provisions of their operating agreements and are funded through the equity contributions of their members. As LLCs, except as may otherwise be provided under applicable law, no member shall be bound by, or personally liable for, the expenses, liabilities, or obligations of the individual companies. The members are not obligated to restore capital deficits.

Profit and loss for each fiscal period shall be allocated among the members in proportion to their percentage interests. If any membership interest is transferred or otherwise changed during any fiscal year, profit and loss for that fiscal year, shall be assigned pro rata to each day in the particular period of that fiscal year to which such item is attributable and shall be allocated to the members based upon their respective percentage interest at the close of that day. Gain or loss of the Company realized in connection with a sale or other disposition of any of the assets of the Company shall be allocated solely to the parties owning membership interests as of the date that sale or other disposition occurs.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION—The Company consolidates entities in which it holds a greater than 50% voting interest and real estate entities that are deemed variable interest entities (VIEs) in which the Company was determined to be the primary beneficiary. The Company accounts for investments over which it has significant influence but not a controlling financial interest using the equity method of accounting.

VARIABLE INTEREST ENTITIES—The VIEs (Marina Cove and Shores) lease, manage, operate, improve, finance and sell real estate property. Management determined that the Company is the primary beneficiary of the VIEs by determining the Company has (i) the power to direct the activities that most significantly impact the VIE's economic performance and (ii) the right to receive benefits or the obligation to absorb losses which could potentially be significant to the VIE based on the terms of the VIE's operating agreement. Activities that most significantly impact the VIE's performance include selling real estate.

USE OF ESTIMATES—The preparation of the accompanying financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, and reported amounts of income and expenses. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Such estimates and assumptions are adjusted when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in those estimates resulting from continuing changes in the

economic environment will be reflected in the financial statements in future periods.

CASH AND CASH EQUIVALENTS—Cash and cash equivalents include highly liquid investments purchased with original maturities of three months or less. Periodically, the Company maintains cash balances in various bank accounts in excess of federally insured limits. To date, no losses have been experienced related to such amounts. The Company places cash with quality financial institutions and does not believe there is a significant concentration of credit risk.

REAL ESTATE ASSETS—Real estate is carried at depreciated cost, less impairment, if any. Depreciation on buildings and improvements has been provided for in the accompanying financial statements using the straight-line method based on estimated useful lives of 40 years for building and improvements and five to ten years for fixtures and equipment. Maintenance and repairs are charged to expense as incurred, and costs of renewals or betterments are capitalized and depreciated at the appropriate rates.

Table of Contents

BAY FUND OPPORTUNITY, LLC AND SUBSIDIARIES

(A California Limited Liability Company)

Notes to Consolidated Financial Statements

December 31, 2014 (unaudited), 2013 (unaudited), and 2012

IMPAIRMENT OF LONG-LIVED ASSETS—In accordance with Financial Standards Accounting Board (FASB) Accounting Standards Codification (ASC) 360, Property, Plant, and Equipment, for long lived assets, the asset or asset group is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If indications of impairment exist, the Company will evaluate the property by comparing the carrying amount of the asset or asset group to the estimated future undiscounted cash flows of the property. Estimated future cash flows include estimated costs to develop the property whether these costs would be recognized as an expense or capitalized in future periods. Future interest costs that are necessary to develop the property, and therefore capitalizable, are also included. If impairment exists, an impairment loss will be recognized based on the amount by which the carrying amount exceeds the fair value of the asset or asset group. For the years ended December 31, 2014 (unaudited), 2013 (unaudited), and 2012, there were no impairments recorded.

CONCENTRATION OF RISK—The Company's real estate is concentrated in California. Adverse conditions in the sector or geographic location would likely result in a material decline in the value of the Company's investments.

NONCONTROLLING INTERESTS—Noncontrolling interests in the financial statements reflect the interests of noncontrolling members in Marina Cove and Shores.

ACCOUNTS RECEIVABLE—Accounts receivable primarily consist of amounts due for rental and operating expense payments in accordance with tenants' lease agreements.

REVENUE RECOGNITION—Rental revenue related to multifamily investments is recognized on the straight-line basis over the terms of the lease.

DEFERRED FINANCING COSTS, NET—Financing costs incurred in obtaining long-term debt are capitalized and amortized over the term of the related debt on a straight-line basis.

INCOME TAXES—As a limited liability company, the members elected for the Company to be a pass-through entity for income tax purposes; therefore, the Company's taxable income or loss is allocated to members in accordance with their respective ownership, and no provision or liability for income taxes has been included in the financial statements. Management has evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements in order to comply with the provisions of ASC 740, Income Taxes. The Company is not subject to income tax examinations by U.S. federal, state or local tax authorities for years before 2010.

NOTE 3—MORTGAGES PAYABLE

Mortgages secured by Marina Cove and Shores totaled \$46,219,467 (unaudited) and \$47,610,010 (unaudited) as of December 31, 2014 and 2013, respectively. In April 2013 (unaudited), the Company paid off its existing mortgages with the proceeds of new mortgages in the aggregate principal amount of \$48,400,000 (unaudited) and additional capital contributions of \$9,800,000 (unaudited) from the members. The mortgages are collateralized by the properties and bear interest of 3 month LIBOR + 2.50% (approximately 2.75% (unaudited) at December 31, 2014). The mortgages mature on May 1, 2018 and require monthly principal and interest payments through maturity.

Aggregate principal payments due under the loans secured by real estate are as follows (unaudited):

	Marina Cove	Marina Shores	Total
2015	\$430,955	\$997,690	\$1,428,645
2016	442,893	1,025,328	1,468,221
2017	455,162	1,053,731	1,508,893
2018	12,613,366	29,200,342	41,813,708
Total	\$13,942,376	\$32,277,091	\$46,219,467

NOTE 4—MEMBERSHIP INTEREST CHANGES

In May 2011, KW - Richmond, LLC acquired an additional interest of 24.07% in the Company for \$7,000,000 from BASGF II - Richmond, LLC, increasing its interest in the Company from 24.23% to 48.30%.

Marina Cove and Marina Shores had mortgage notes payable that had total balances of \$65,249,799 (unaudited) at December 31, 2010. On December 2, 2011, their loans were extended to June 26, 2013, with a required principal paydown of \$6,358,937, which was funded by the capital contributions from two of the three members of the Company. These capital

Table of Contents

BAY FUND OPPORTUNITY, LLC AND SUBSIDIARIES

(A California Limited Liability Company)

Notes to Consolidated Financial Statements

December 31, 2014 (unaudited), 2013 (unaudited), and 2012

contributions increased KW - Richmond, LLC's interest from 48.30% to 48.61% and KW Fund III - Richmond, LLC's interest from 19.94% to 25.43%.

On December 28, 2011, KW Executives - Richmond, LLC transferred its interest in KW - Richmond, LLC to the Company, in exchange for a 3.57% interest directly in the Company. As a result of this exchange, KW - Richmond, LLC's interest in the Company was reduced from 48.61% to 45.04%.

Membership interest as of December 31, 2014 (unaudited), 2013 (unaudited), and 2012

	KW Richmond, LLC	%	KW Richmond, LLC	%	BASGF II Richmond, LLC	%	KW Executives Richmond, LLC	%	Total	%
12/31/2014	45.04	%	25.43	%	25.96	%	3.57	%	100.00	%
12/31/2013	45.04	%	25.43	%	25.96	%	3.57	%	100.00	%
12/31/2012	45.04	%	25.43	%	25.96	%	3.57	%	100.00	%

NOTE 5—FEES PAID TO AFFILIATES

The Company has entered into an agreement with Emerald Fund, Inc., an affiliate of the Company to provide various asset and property management services in return for a management fee. During the years ended December 31, 2014, 2013, and 2012, management fees incurred for such services totaled \$429,298 (unaudited), \$410,409 (unaudited), and \$399,906, respectively.

NOTE 6—COMMITMENTS AND CONTINGENCIES

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Currently, the Company does not have any material commitments or contingencies.

NOTE 7—SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the Company has evaluated events and transactions for potential recognition and disclosure through March 27, 2015, the date at which the financial statements were available to be issued, and determined there are no other items to disclose.

Independent Auditors' Report

The Partners

Kennedy Wilson Real Estate Fund IV, L.P.

We have audited the accompanying financial statements of Kennedy Wilson Real Estate Fund IV, L.P., which comprise the statement of financial condition, including the schedules of investments, as of December 31, 2013, and the related statements of operations, partners' capital, and cash flows for the years ended December 31, 2013 and 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kennedy Wilson Real Estate Fund IV, L.P. as of December 31, 2013, and the results of its operations and its cash flows for the years ended December 31, 2013 and 2012, in accordance with U.S. generally accepted accounting principles.

The accompanying statement of financial condition, including the schedules of investments, of Kennedy Wilson Real Estate Fund IV, L.P., as of December 31, 2014 and the related statements of operations, partners' capital and cash flows for the year ended December 31, 2014 were not audited by us, and accordingly, we do not express an opinion on them.

/s/ KPMG LLP

Los Angeles, California
March 31, 2014

KENNEDY WILSON REAL ESTATE FUND IV, L.P.
 Statements of Financial Condition

	December 31, 2014	2013
Assets		
Investments at fair value (cost \$207,444,759 in 2014 and \$177,681,995 in 2013)	\$234,033,108	\$194,060,981
Cash and cash equivalents	—	1,322
Total assets	\$234,033,108	\$194,062,303
Liabilities and partners' capital		
Liabilities		
Accounts payable and accrued expenses	\$308	\$700
Total liabilities	308	700
Partners' capital		
General partner and special limited partner	8,085,966	3,343,086
Limited partners	225,946,834	190,718,517
Total partners' capital	234,032,800	194,061,603
Total liabilities and partners' capital	\$234,033,108	\$194,062,303

See accompanying notes to financial statements.

KENNEDY WILSON REAL ESTATE FUND IV, L.P.

Schedule of Investments

December 31, 2014 (unaudited)

Ownership interest	Security description	Percentage of total investments	Cost	Fair value
85.02 %	Kennedy Wilson REF IV AG, LLC, an entity holding interests in twenty-five office, retail and multifamily real estate investments located in California, Oregon, Washington, Arizona, Utah, Colorado and Hawaii, and four investments in loan pool participations and notes	100.00	% \$207,444,759	\$234,033,108
	Total investments	100.00	% \$207,444,759	\$234,033,108

See the following page for the full listing of investments held by Kennedy Wilson REF IV AG, LLC.

KENNEDY WILSON REAL ESTATE FUND IV, L.P.
Schedule of Investments - Kennedy Wilson REF IV AG, LLC
December 31, 2014 (unaudited)

Ownership interest	Security description	Percentage of total investments	Cost	Fair value
	Interests in real estate assets:			
100.00 %	KW Fund IV-Westview Heights, LLC, a single-purpose entity holding a fee simple interest in a 132-unit multifamily project located in Portland, Oregon. (The property was sold in August 2014, and the entity is in the process of winding down.)	0.05	% \$137,595	\$137,595
100.00	KW Fund IV-Westview Heights 66, LLC, a single-purpose entity holding a fee simple interest in a 66-unit multifamily project located in Portland, Oregon. (The property was sold in August 2014, and the entity is in the process of winding down.)	0.02	62,897	62,897
100.00	KW Royal Beverly Glen, LLC, a single-purpose entity holding a fee simple interest in 77,749 square foot office building located in Los Angeles, California	4.66	13,575,821	12,223,911
100.00	KW TriCenter, LLC, a single-purpose entity holding a fee simple interest in a 143,256-square foot office building and a four-level parking structure located in Van Nuys, California	7.06	14,388,400	18,529,773
100.00	KW Vancouver Partners, LLC, a single-purpose entity holding a fee simple interest in a 388-unit multifamily project located in Vancouver, Washington	6.63	12,229,000	17,400,223
100.00	KW El Cerrito, LLC, a single-purpose entity holding a fee simple interest in a 159-unit multifamily project located in El Cerrito, California	8.22	18,147,500	21,574,442
100.00	KW 245 Los Robles, LLC, a single-purpose entity holding a fee simple interest in a 175,792-square foot office project and a four-level parking structure located in Pasadena, California	6.79	19,263,045	17,836,732
96.66	KW Aurora Land Partners, LLC, an entity holding an interest in a single-purpose entity holding a fee simple interest in a 420 unit multifamily project located in Aurora, Colorado	6.66	12,163,335	17,497,330
50.00	KW Huntington, LLC, an entity holding an interest in a single-purpose entity holding a fee simple interest in a 277-unit multifamily project located in Huntington Beach, California	4.74	12,175,713	12,454,855
50.00	KW CapTowers, LLC, an entity holding an interest in a single-purpose entity holding a fee simple interest in a 409-unit apartment building comprising	3.31	9,667,830	8,701,808

Edgar Filing: Kennedy-Wilson Holdings, Inc. - Form 10-K/A

	a fifteen-story tower and 206 garden-style villas located in Sacramento, California			
	KW Redwood Shores, LLC, an entity holding an interest in a			
50.00	single-purpose entity holding a fee simple interest in a 89,455 square foot office building located in Redwood City, California	2.43	4,170,562	6,377,695
	KW Stadium Gateway, LLC, an entity holding an interest in a			
50.00	single purpose entity holding a fee simple interest in a 272,826 square foot office building located in Anaheim, California	4.81	9,478,025	12,641,418
	KW Marina View, LLC, a single purpose entity holding a fee simple interest in a six-story, 60,918 square-foot office building with 14,774 square feet of ground floor retail space and a two-level parking deck located in Marina Del Rey, California			
50.00	KW 5161 Lankershim, LLC, a single purpose entity holding a fee simple interest in a 182,369 square foot office building located in North Hollywood, California	3.73	7,929,603	9,784,243
	KW University Partners, LLC, a single-purpose entity holding a fee simple interest in a 209,329 square foot retail shopping center located in Orem, Utah			
50.00	KW Paradise Hills, LLC, an entity holding an interest in a single-purpose entity holding a fee simple interest in a retail shopping center located in Phoenix, Arizona	3.75	11,007,225	9,857,438
48.81	KW Mission Blvd, LLC, a single-purpose entity holding a fee simple interest in a 188-unit multifamily community in Hayward, California	3.64	5,361,370	9,548,096
48.45	KW Telstar, LLC, a single-purpose entity holding a fee simple interest in a two-story, 246,912-square foot flex building and a four-level parking structure located in El Monte, California	1.89	2,245,724	4,958,493
45.40	Kennedy Wilson 145 Fairfax, LLC, a single-purpose entity that held a fee simple interest in a four-story, 55,574-square foot office building and a two-level subterranean parking garage located in Los Angeles, California (The property was sold in September 2013, and the entity is in the process of winding down.)	3.04	5,059,838	7,970,298
33.33		1.57	5,588,038	4,130,938
33.33		—	17,625	5,039

KENNEDY WILSON REAL ESTATE FUND IV, L.P.

Schedule of Investments - Kennedy Wilson REF IV AG, LLC (continued)

December 31, 2014 (unaudited)

33.33	KW Warner Atrium, LLC, a single-purpose entity that held a fee simple interest in a three-story, 126,436-square foot office building and a three-level parking structure located in Woodland Hills, California	0.35	2,608,068	911,417
25.00	KW 9301 Partners, LLC, an entity holding an interest in a single-purpose entity that held a fee simple interest in a six-story, 86,529-square foot office building and a three-level subterranean parking garage located in Beverly Hills, California. (The property was sold in July 2014, and the entity is in the process of winding down.)	0.02	64,532	64,532
20.00	KW Hilltop Manager, LLC, an entity holding an interest in a single-purpose entity holding a fee simple interest in a 1,008-unit multifamily project located in Richmond, California	6.65	9,444,840	17,457,524
15.57	KW/CV Sunset, LLC, an entity holding an interest in a single-purpose entity holding a fee simple interest in a 251-unit multifamily project located in West Covina, California	1.22	2,298,910	3,195,769
15.00	KW Kohanaiki Shores Member, LLC, an entity holding an interest in a single-purpose entity holding a fee simple interest in a 450-acre planned community under development for up to 474 residences and a golf course on the Kona Coast of Hawaii	14.66	38,937,327	38,495,056
10.00	Guardian/KW Hayward, LLC, an entity holding an interest in a single-purpose entity holding a fee simple interest in a 544-unit multifamily project located in Hayward, California	2.35	3,074,296	6,163,368
25.00	Interests in loan pool participations and notes: KW Loan Investors VII, LLC, an entity holding a portfolio initially consisting of nine construction and term loans with an outstanding principal balance of approximately \$51,000,000, collateralized by seven retail properties located in Arizona, California and Utah. As of December 31, 2014, two loans remain	0.30	786,728	768,728
50.00	Participation interest in KW Residential Capital, an entity holding a participating loan interest in a single-purpose entity owning a project under development consisting of nine single-family residences located in Ventura, California	0.41	1,078,000	1,078,000
50.00	Participation interest in KW Residential Capital, an entity holding a participating loan interest in a	1.04	2,712,500	2,712,500

Edgar Filing: Kennedy-Wilson Holdings, Inc. - Form 10-K/A

single-purpose entity owning a project under
development consisting of seventeen single-family
residences located in Los Angeles, California

Total investments	100.00	%	\$223,674,347	\$262,558,118
-------------------	--------	---	---------------	---------------

See accompanying notes to financial statements

KENNEDY WILSON REAL ESTATE FUND IV, L.P.

Schedule of Investments

December 31, 2013

Ownership interest	Security description	Percentage of total investments	Cost	Fair value
85.02 %	Kennedy Wilson REF IV AG, LLC, an entity holding interests in twenty-four office, retail and multifamily real estate investments located in California, Oregon, Washington, Arizona, Utah, Colorado and Hawaii, and four investments in loan pool participations and notes	100.00	% \$177,681,995	\$194,060,981
	Total investments	100.00	% \$177,681,995	\$194,060,981

See the following page for the full listing of investments held by Kennedy Wilson REF IV AG, LLC.

KENNEDY WILSON REAL ESTATE FUND IV, L.P.
 Schedule of Investments - Kennedy Wilson REF IV AG, LLC
 December 31, 2013

Ownership interest	Security description	Percentage of total investments	Cost	Fair value
	Interests in real estate assets:			
100.00 %	KW Fund IV-Westview Heights, LLC, a single-purpose entity holding a fee simple interest in a 132-unit multifamily project located in Portland, Oregon	4.81	% \$9,120,589	\$11,071,237
100.00	KW Fund IV-Westview Heights 66, LLC, a single-purpose entity holding a fee simple interest in a 66-unit multifamily project located in Portland, Oregon	3.16	5,004,609	7,288,048
100.00	KW Royal Beverly Glen, LLC, a single-purpose entity holding a fee simple interest in 77,749-square foot office building located in Los Angeles, California	5.72	12,614,333	13,166,799
100.00	KW TriCenter, LLC, a single-purpose entity holding a fee simple interest in a 143,256-square foot office building and a four-level parking structure located in Van Nuys, California	7.29	13,068,200	16,792,942
100.00	KW Vancouver Partners, LLC, a single-purpose entity holding a fee simple interest in a 388-unit multifamily project located in Vancouver, Washington	4.88	11,260,000	11,241,393
100.00	KW El Cerrito, LLC, a single-purpose entity holding a fee simple interest in a 159-unit multifamily project located in El Cerrito, California	7.75	18,147,500	17,863,490
96.66	KW Aurora Land Partners, LLC, an entity holding an interest in a single-purpose entity holding a fee simple interest in a 420 unit multifamily project located in Aurora, Colorado	5.73	9,952,007	13,193,017
50.00	KW Huntington, LLC, an entity holding an interest in a single-purpose entity holding a fee simple interest in a 277-unit multifamily project located in Huntington Beach, California	6.14	12,008,213	14,143,199
50.00	KW CapTowers, LLC, an entity holding an interest in a single-purpose entity holding a fee simple interest in a 409-unit apartment building comprising a fifteen-story tower and 206 garden-style villas located in Sacramento, California	4.23	8,647,830	9,741,273
50.00	KW Redwood Shores, LLC, an entity holding an interest in a single-purpose entity holding a fee simple interest in a 89,455-square foot office building located in Redwood City, California	2.08	3,964,062	4,785,956

Edgar Filing: Kennedy-Wilson Holdings, Inc. - Form 10-K/A

50.00	KW Stadium Gateway, LLC, an entity holding an interest in a single-purpose entity holding a fee simple interest in a 272,826-square foot office building located in Anaheim, California	4.44	9,392,525	10,218,720
50.00	KW Marina View, LLC, a single-purpose entity holding a fee simple interest in a six-story, 60,918-square foot office building with 14,774 square feet of ground floor retail space and a two-level parking deck located in Marina Del Rey, California.	2.25	5,726,603	5,176,360
50.00	KW 5161 Lankershim, LLC, a single-purpose entity holding a fee simple interest in a 182,369-square foot office building located in North Hollywood, California	3.49	8,090,000	8,049,395
48.81	KW University Partners, LLC, a single-purpose entity holding a fee simple interest in a 209,329 square foot retail shopping center located in Orem, Utah	2.57	5,068,482	5,912,791
48.45	KW Paradise Hills, LLC, an entity holding an interest single-purpose entity holding a fee simple interest in a retail shopping center located in Phoenix, Arizona	1.55	2,145,174	3,564,997
45.40	KW Mission Blvd, LLC, a single-purpose entity holding a fee simple interest in a 188-unit multifamily community in Hayward, California	2.77	4,412,434	6,383,240
33.33	KW Telstar, LLC, a single-purpose entity holding a fee simple interest in a two-story, 246,912-square foot flex building and a four-level parking structure located in El Monte, California	2.37	5,588,038	5,451,923
33.33	Kennedy Wilson 145 Fairfax, LLC, a single-purpose entity that held a fee simple interest in a four-story, 55,574-square foot office building and a two-level subterranean parking garage located in Los Angeles, California (The property was sold in September 2013, and the entity is in the process of winding down.)	0.01	17,625	17,625

KENNEDY WILSON REAL ESTATE FUND IV, L.P.

Schedule of Investments - Kennedy Wilson REF IV AG, LLC (continued)

December 31, 2013

33.33	KW Warner Atrium, LLC, a single-purpose entity holding a fee simple interest in a three-story, 126,436-square foot office building and a three-level parking structure located in Woodland Hills, California	0.71	2,214,157	1,632,097
25.00	KW 9301 Partners, LLC, an entity holding an interest in a single-purpose entity holding a fee simple interest in a six-story, 86,529-square foot office building and a three-level subterranean parking garage located in Beverly Hills, California	2.82	6,061,123	6,507,080
20.00	KW Hilltop Manager, LLC, an entity holding an interest in a single-purpose entity holding a fee simple interest in a 1,008-unit multifamily project located in Richmond, California	4.59	9,326,040	10,584,986
15.57	KW/CV Sunset, LLC, an entity holding an interest in a single-purpose entity holding a fee simple interest in a 251-unit multifamily project located in West Covina, California	1.24	2,298,910	2,855,541
15.00	KW Kohanaiki Shores Member, LLC, an entity holding an interest in a single-purpose entity holding a fee simple interest in a 450-acre planned community under development for up to 474 residences and a golf course on the Kona Coast of Hawaii	14.20	33,298,227	32,711,439
10.00	KW Hayward Manager, LLC, an entity holding an interest in a single-purpose entity holding a fee simple interest in a 544-unit multifamily project located in Hayward, California	1.82	3,074,296	4,205,409
25.00	Interests in loan pool participations and notes: KW Loan Investors VII, LLC, an entity holding a portfolio initially consisting of nine construction and term loans with an outstanding principal balance of approximately \$51,000,000, collateralized by seven retail properties located in Arizona, California and Utah. As of December 31, 2013, four loans remain	0.66	1,676,155	1,526,283
50.00	Participation interest in KW Residential Capital, an entity holding a participating loan interest in a single-purpose entity owning a project under development consisting of 79 single-family residences located in Santa Clarita, California	1.15	2,644,526	2,644,526
50.00	Participation interest in KW Residential Capital, an entity holding a participating loan interest in a single-purpose entity owning a project under development consisting of nine single-family	0.37	863,000	863,000

	residences located in Ventura, California			
	Participation interest in KW Residential Capital, an entity holding a participating loan interest in a single-purpose entity owning a project under development consisting of seventeen single-family residences located in Los Angeles, California	1.20	2,766,800	2,766,800
50.00				
	Total investments	100.00	% \$208,451,458	\$230,359,566
See accompanying notes to financial statements				

KENNEDY WILSON REAL ESTATE FUND IV, L.P.
Statements of Operations

	Year ended December 31,		
	2014	2013	2012
	(unaudited)		
Investment income:			
Dividends	\$7,810,775	\$3,628,660	\$1,842,575
Interest	1,129,846	1,220,900	1,854,804
Total investment income	8,940,621	4,849,560	3,697,379
Expenses:			
Management fees	3,036,444	4,767,106	1,720,041
Organization costs	—	115,294	409,387
Interest expense	229,763	378,325	585,404
Other professional and administrative costs	617,452	443,852	566,602
Total expenses	3,883,659	5,704,577	3,281,434
Net investment income (loss)	5,056,962	(855,017)	) 415,945
Realized and unrealized gain on investments:			
Net realized gain on investments	9,988,150	1,028,741	—
Net change in unrealized appreciation on investments	14,305,289	18,145,836	13,294,030
Net income	\$29,350,401	\$18,319,560	\$13,709,975
See accompanying notes to financial statements.			

KENNEDY WILSON REAL ESTATE FUND IV, L.P.
Statements of Partners' Capital

	General partner and special limited partner	Limited partners	Total
Partners' capital, December 31, 2012	1,508,996	141,432,701	142,941,697
Capital contributions	86,183	47,177,507	47,263,690
Capital distributions	(28,927)	(14,434,417)	(14,463,344)
Net income	1,776,834	16,542,726	18,319,560
Partners' capital, December 31, 2013	3,343,086	190,718,517	194,061,603
Capital contributions(unaudited)	87,792	46,545,695	46,633,487
Capital distributions (unaudited)	(72,025)	(35,940,666)	(36,012,691)
Net income (unaudited)	4,727,113	24,623,288	29,350,401
Partners' capital, December 31, 2014 (unaudited)	\$8,085,966	\$225,946,834	\$234,032,800

See accompanying notes to financial statements.

KENNEDY WILSON REAL ESTATE FUND IV, L.P.

Statements of Cash Flows

	Year ended December 31,		
	2014	2013	2,012
	(unaudited)		
Cash flows from operating activities:			
Net income	\$29,350,401	\$18,319,560	\$13,709,975
Adjustments to reconcile net income to net cash used in operating activities:			
Change in accreted interest	(1,129,846)	(1,219,448)	(1,852,806)
Net realized loss on sale of investments	(9,988,150)	(1,028,741)	—
Net change in unrealized appreciation on investments	(14,305,289)	(18,145,836)	(13,294,030)
Change in operating assets and liabilities:			
Purchases of investments	(42,750,758)	(82,125,268)	(97,157,671)
Transfer of cash and cash equivalents	—	(2,159,975)	—
Proceeds from sale of investments	28,201,916	41,292,902	29,948,591
Accounts receivable	—	52,078	(67,127)
Costs related to investments to be acquired	—	(46,056)	—
Prepaid expenses	—	(167,276)	(151,071)
Accounts payable and accrued expenses	(392)	17,800	15,424
Net cash used in operating activities	(10,622,118)	(45,210,260)	(68,848,715)
Cash flows from financing activities:			
Borrowings under line of credit	—	23,621,580	26,461,756
Payments under line of credit	—	(12,817,485)	(23,448,851)
Capital contributions	46,633,487	47,263,690	88,703,157
Capital distributions	(36,012,691)	(14,463,344)	(24,145,272)
Net cash provided by financing activities	10,620,796	43,604,441	67,570,790
Net decrease in cash and cash equivalents	(1,322)	(1,605,819)	(1,277,925)
Cash and cash equivalents, beginning of year	1,322	1,607,141	2,885,066
Cash and cash equivalents, end of year	\$—	\$1,322	\$1,607,141
Supplemental disclosure of cash paid during the year:			
Cash paid for interest	\$237,552	\$252,451	\$568,259
Supplemental disclosure of net assets and liabilities transferred to Kennedy Wilson REF IV AG, LLC:			
Cash and cash equivalents	\$—	\$2,159,975	\$—
Accounts receivable	—	15,049	—
Costs related to investments to be acquired	—	46,056	—
Prepaid expenses	—	701,700	—
Accounts payable	—	(34,345)	—
Notes payable	—	(13,817,000)	—
Total net assets and liabilities transferred to Kennedy Wilson REF IV AG, LLC	\$—	\$(10,928,565)	\$—
See accompanying notes to financial statements.			

Table of Contents

KENNEDY WILSON REAL ESTATE FUND IV, L.P.

Notes to Financial Statements

December 31, 2014 (unaudited), 2013, and 2012

NOTE 1—ORGANIZATION

Kennedy Wilson Real Estate Fund IV, L.P. (the Partnership), a Delaware limited partnership, was formed on January 28, 2011. The Agreement of Limited Partnership of the Partnership (Partnership Agreement) was executed on May 13, 2011. The general partner of the Partnership is Kennedy Wilson Property Services IV, L.P., a Delaware limited partnership (the General Partner), and the special limited partner is Kennedy Wilson Property Special Equity IV, LLC, a Delaware limited liability company (the Special Limited Partner). The Partnership Agreement was amended and restated on January 1, 2013 to allow for the creation of a parallel fund structure to enable foreign investors to co-invest with the Partnership. On March 20, 2013, Kennedy Wilson Real Estate Fund IV (IP), L.P. (the Investment Partnership) was created and Kennedy Wilson REF IV AG, LLC (the Aggregator), was formed for the purpose of aggregating the investments of the Partnership. On July 16, 2013, the Partnership contributed 100% of its net assets to the Aggregator in exchange for an 85.02% ownership interest in the Aggregator and was equalized by the investors of the Investment Partnership who afterwards owned 14.98% of the Aggregator. The contribution of net assets from the Partnership to the Aggregator and the admittance/equalization of the Investment Partnership were done as prescribed in the Partnership's amended and restated agreement of limited partnership. Per the agreement, any admitted limited partner shall be (a) treated as having been a party to the agreement and any such increased capital commitment shall be treated as having been made, as if they had been invested from day 1 of the Partnership for all purposes, (b) required to bear and contribute its portion of the management fee from day 1 of the Partnership, other Partnership expenses from day 1 and all organizational expenses whenever incurred, and (c) unless otherwise determined by the General Partner, required to pay to the Partnership an additional amount calculated at 10% per annum (determined as of the date of such limited partner's admittance to the Partnership or increase in capital commitment (with respect to the increase in capital commitment), as applicable, on each portion of its capital contribution (including, as applicable, to fund management fees) from the date such portion of such capital contribution would have been made if such Partner had been admitted as a Partner for its full capital commitment on day 1. The Partnership's investment objective has remained unchanged and continues to be to acquire office, multifamily, and other real estate investments, including real estate loans and condominiums through its ownership in the Aggregator. In accordance with this objective, the Partnership may form joint ventures with appropriate strategic coinvestors or invest in real estate related financings, such as first trust deeds. Partnership investments will generally involve real estate located in the western United States and Hawaii. Under the terms of the Partnership Agreement, the Partnership shall continue until the eighth anniversary of the effective date of May 13, 2011 and may be extended for an additional one-year period by the General Partner in its discretion, and for an additional one-year period by the General Partner with the prior consent of the limited partners with a majority of aggregate commitments.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION—The Partnership is an investment company and follow specialized accounting and reporting requirements for investment companies established under U.S. generally accepted accounting principles.

USE OF ESTIMATES—The preparation of the accompanying financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, and reported amounts of revenue and expenses. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Such estimates and assumptions are adjusted when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods.

CASH AND CASH EQUIVALENTS—The Partnership considers its investment in a money market account to be a cash equivalent.

The Partnership maintains its cash in federally insured banking institutions. The account balances at these institutions periodically exceed the Federal Deposit Insurance Corporation's (FDIC) insurance coverage, and as a result, there is a concentration of credit risk related to amounts in excess of FDIC's insurance coverage. To mitigate this risk, the Partnership places its cash with quality financial institutions.

FAIR VALUE MEASUREMENT—Fair value is defined as the price that would be received to sell an asset or would be paid to transfer a liability (the exit price) in an orderly transaction between market participants at the measurement date.

A three-level hierarchy was established for fair value measurements that distinguishes between market participant assumptions developed based on market data obtained from sources independent of the reporting entity (observable inputs) and the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The hierarchy level assigned to each investment of the Partnership is based on the

Table of Contents

KENNEDY WILSON REAL ESTATE FUND IV, L.P.

Notes to Financial Statements

December 31, 2014 (unaudited), 2013, and 2012

assessment of the transparency and reliability of the inputs used in the valuation of such investment at the measurement date. The three hierarchy levels are defined as follows:

Level 1 - Valuations based on unadjusted quoted market prices in active markets for identical securities.

Level 2 - Valuations based on observable inputs (other than Level 1 prices), such as quoted prices for similar assets and quoted prices in markets that are not active.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement, and involve management judgment.

The availability of valuation techniques and observable inputs can vary from investment to investment. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised by the General Partner in determining fair value is greatest for investments classified as Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest-level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the General Partner's own assumptions are set to reflect those that market participants would use in valuing the asset or liability at the measurement date. The General Partner uses prices and inputs that it believes are current as of the measurement date. **VALUATION OF INVESTMENTS**—The Partnership's investments in real estate assets are stated at fair value using the income and market approaches. For the Limited Liability Companies (LLC) in which the Partnership has a partial ownership interest, the LLC's investments in real estate are also stated at fair value using the income and market approaches. The income approach requires the General Partner to estimate the projected operating cash flows of the real estate on an asset-by-asset basis, apply a capitalization (cap) rate to the reversion year's cash flows and discount the cash flows with a risk-adjusted rate for the respective holding periods. The market approach requires the General Partner to identify transactions for similar assets, if any, and apply asset specific adjustments for items such as location, physical condition, and other pertinent factors which would impact fair value. The Partnership's investments in notes and loan pool participations are stated at fair value based on a comparison of the yield that would be required in a current transaction, taking into consideration the risk of the underlying collateral and the credit risk of the borrower to the current yield of similar fixed-income securities.

The accuracy of estimating fair value for Level 3 investments cannot be determined with precision, cannot be substantiated by comparison to quoted prices in active markets, and may not be realized in a current sale or immediate settlement of the asset or liability. Additionally, there are inherent uncertainties in any fair value measurement technique, and changes in the underlying assumptions used, including discount rates, liquidity risks, and estimates of future cash flows, could significantly affect the fair value measurement amounts.

The Partnership's investments in real estate and real estate related assets and real estate related fixed income securities are accounted for on a closing-date basis.

CONCENTRATION OF RISK—Substantially all of the Partnership's investments are concentrated in real estate related investments in California, Oregon, and Hawaii. Adverse conditions in the sector or geographic locations would likely result in material declines in the value of the Partnership's investments.

REVENUE RECOGNITION—Dividend income from investments in real estate and real estate related entities is recorded when a disbursement has been approved and declared from the underlying investments of the Partnership. Undistributed earnings from real estate and real estate related entities are considered by the General Partner in

estimating the fair value of these investments. The Partnership also records its proportionate share of the Aggregator's income, expenses, realized and unrealized gains (losses) after July 16, 2013 (date of equalization).

INCOME TAXES—The Partnership is not subject to federal or state income taxes, and accordingly, no provision for income taxes has been made in the accompanying financial statements. The partners are required to report their proportional share of income, gains, loss, credit, or deduction on their respective tax returns.

The Partnership is required to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits

Table of Contents

KENNEDY WILSON REAL ESTATE FUND IV, L.P.

Notes to Financial Statements

December 31, 2014 (unaudited), 2013, and 2012

of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement, which could result in the Partnership recording a tax liability that would reduce net assets. Based on its analysis, the Partnership has determined that there are no tax benefits that would have a material impact on the Partnership's financial position or results of operations. The tax year 2011 (year of inception) is the earliest year that remains open to examination by the taxing jurisdictions to which the Partnership is subject.

NOTE 3—FAIR VALUE OF INVESTMENTS

The following table presents the classification of the Partnership's fair value measurements as of December 31, 2014 (unaudited):

	Level 1	Level 2	Level 3	Total
Interests in real estate assets	\$—	\$—	\$229,960,932	\$229,960,932
Interests in loan pool participations and notes	—	—	4,072,176	4,072,176
	\$—	\$—	\$234,033,108	\$234,033,108

The following table presents changes in Level 3 investments for the year ended December 31, 2014 (unaudited):

	January 1, 2014	Purchases	Sales	Realized gains	Accretion on loans	Unrealized appreciation (depreciation)	December 31, 2014
Interests in real estate assets	\$187,501,720	\$42,280,778	\$(24,115,005)	\$9,988,150	—	\$14,305,289	\$229,960,932
Interests in loan pool participations and notes	6,559,261	469,980	(4,086,911)	—	1,129,846	—	4,072,176
	\$194,060,981	\$42,750,758	\$(28,201,916)	\$9,988,150	\$1,129,846	\$14,305,289	\$234,033,108

The net change in unrealized appreciation on investments that use Level 3 inputs still held as of December 31, 2014 was \$18,294,962 (unaudited).

The following table presents the classification of the Partnership's fair value measurements as of December 31, 2013:

	Level 1	Level 2	Level 3	Total
Interests in real estate assets	\$—	\$—	\$187,501,720	\$187,501,720
Interests in loan pool participation and notes	—	—	6,559,261	6,559,261
	\$—	\$—	\$194,060,981	\$194,060,981

The following table presents changes in Level 3 investments for the year ended December 31, 2013:

	January 1, 2013	Purchases	Transfers from real estate to loans	Transfer to Aggregator	Sales	Realized gains	Accretion on loans	Unrealized appreciation (depreciation)
Interests in real estate assets	\$140,888,821	\$78,445,308	\$(1,818,081)	\$(10,067,162)	\$(39,166,000)	\$1,028,741	\$—	\$18,190,093
Interests in loan pool participations and notes	2,874,334	3,679,960	1,818,081	(861,403)	(2,126,902)	—	1,219,448	(44,257)
	\$143,763,155	\$82,125,268	\$—	\$(10,928,565)	\$(41,292,902)	\$1,028,741	\$1,219,448	\$18,145,836

The net change in unrealized appreciation on investments that use Level 3 inputs still held as of December 31, 2013 was \$20,299,207.

Table of Contents

KENNEDY WILSON REAL ESTATE FUND IV, L.P.

Notes to Financial Statements

December 31, 2014 (unaudited), 2013, and 2012

The following table presents the classification of the Partnership's fair value measurements as of December 31, 2012:

	Level 1	Level 2	Level 3	Total
Interests in real estate assets	\$—	\$—	\$140,888,821	\$140,888,821
Interests in loan pool participations and notes	—	—	2,874,334	2,874,334
	\$—	\$—	\$143,763,155	\$143,763,155

The following table presents changes in Level 3 investments for the year ended December 31, 2012:

	January 1, 2012	Purchases	Sales	Unrealized appreciation (depreciation)	December 31, 2012
Interests in real estate assets	\$61,407,239	\$67,871,834	\$(1,500,000)	\$13,109,748	\$140,888,821
Interests in loan pool participations and notes	—	31,138,643	(28,448,591)	184,282	2,874,334
	\$61,407,239	\$99,010,477	\$(29,948,591)	\$13,294,030	\$143,763,155

The net change in unrealized appreciation on investments that use Level 3 inputs still held as of December 31, 2012 was \$13,294,030.

Since inception, all investments have been classified as Level 3 investments and there have been no transfers between other levels of the hierarchy.

In estimating fair value of investments in real estate assets, the Partnership considers significant inputs such as capitalization and discount rates. The table below describes the range of inputs used as of December 31, 2014 (unaudited):

	Cap rate		Discount rate		
	Min	Max	Min	Max	
Multifamily	5.00	% 6.00	% 7.00	% 9.00	%
Office	5.25	8.25	7.00	11.00	
Retail	6.70	7.00	8.00	8.65	
Land and Condo	N/A	N/A	25.00	25.00	

In estimating fair value of investments in real estate assets, the Partnership considers significant inputs such as capitalization and discount rates. The table below describes the range of inputs used as of December 31, 2013:

	Cap rate		Discount rate		
	Min	Max	Min	Max	
Multifamily	5.75	% 7.00	% 8.50	% 9.25	%
Office	6.00	7.50	7.50	9.00	
Retail	8.00	8.00	9.00	10.00	

For valuation of real estate related assets and indebtedness, the Partnership considers significant inputs such as the term of the debt, value of collateral, current loan-to-value ratios, market interest rates and spreads, and credit quality of investment entities. The credit spreads used by the Partnership for these types of investments range from 1.70% to 4.59% and 1.75% to 5.86% as of December 31, 2014 (unaudited) and 2103, respectively.

The accuracy of estimating fair value for investments utilizing unobservable inputs cannot be determined with precision, cannot be substantiated by comparison to quoted prices in active markets, and may not be realized in a current sale of immediate settlement of the asset or liability. Additionally, there are inherent uncertainties in any fair value measurement technique, and changes in the underlying assumptions used, including cap rates, discount rates, liquidity risks, and estimates of future cash flows, could significantly affect the fair value measurement amounts.

Table of Contents

KENNEDY WILSON REAL ESTATE FUND IV, L.P.

Notes to Financial Statements

December 31, 2014 (unaudited), 2013, and 2012

NOTE 4—RELATED PARTY TRANSACTIONS

MANAGEMENT FEE—During the period which commenced on May 13, 2011 and expired on May 13, 2014 (the Investment Period), the Partnership shall pay the General Partner a management fee equal to 1.50% per annum of the invested capital contributed by the nonaffiliated limited partners and 1.00% per annum of the difference between the aggregate capital commitments of the nonaffiliated limited partners and the invested capital contributed by the nonaffiliated limited partners. After the Investment Period expires, the Partnership shall pay the General Partner a management fee equal to 1.50% per annum of the invested capital contributed by the nonaffiliated limited partners. The Partnership incurred \$2,731,850 in management fees for the year ended December 31, 2013. The Partnership's proportionate share of the Aggregator's management fee is \$3,036,444 (unaudited) for the year ended December 31, 2014 and \$2,035,256 for the period from July 16, 2013 (date of equalization) through December 31, 2013.

The management fee shall be reduced, in any calendar quarter, by the nonaffiliated limited partners' percentage of any organizational expenses that the Partnership pays in excess of \$1,000,000. In the event that the amount of fee reduction exceeds the management fee for such quarterly period, such excess shall be carried forward to reduce the management fee payable in following quarterly periods. There have been no reductions for the years ended December 31, 2014 (unaudited) and 2013.

ORGANIZATION EXPENSE—The Partnership shall pay or reimburse the General Partner for up to \$1 million of organizational expenses incurred on behalf of the Partnership. Organization expenses in excess of \$1 million will reduce the management fee paid to the General Partner. The Partnership incurred no organization costs (unaudited) for the year ended December 31, 2014 and \$115,294 for year ended December 31, 2013.

NOTE 5—PARTNERS' CAPITAL

CONTRIBUTIONS—The total committed capital of the Partnership is \$257,368,421 (unaudited) as of December 31, 2014, of which \$226,559,457 (unaudited) or 88.03% (unaudited) has been called, and \$257,368,421 as of December 31, 2013 of which \$179,925,970 or 69.91% had been called.

The General Partner is authorized to call additional capital in its sole discretion when additional capital is required to acquire investments, provide working capital, establish reserves, or pay expenses, costs, losses, or liabilities of the Partnership. However, only nonaffiliated limited partners are required to fund management fees or excess organization costs as described above. No limited partner shall be required to make any additional capital contributions in excess of its capital commitment. Any portion of a limited partner's capital commitment that has not been called by the General Partner within the period ending three years from the effective date of May 13, 2011 may not be drawn to fund new commitments for investments. However, the partners shall remain obligated to make capital contributions throughout the duration of the Partnership in order to fund commitments for new investments in existence at the end of the Investment Period, to pay for management fees and other partnership expenses, to fund requirements of existing investments in an aggregate amount not to exceed 15% of the aggregate commitments, or to pay continuing obligations of the Partnership under any line of credit or permitted indebtedness.

The General Partner may cause the Partnership to return to the partners any portion of a capital contribution that is not invested in an investment or used to pay partnership expenses, that is a contribution for bridge financing that is recouped by the Partnership within twelve months, or is invested in a portion of an investment sold to either an executive fund or related parallel fund. All such returned capital contributions shall be returned to the partners in proportion to the cash contribution made by each partner and shall be treated as not having been called or funded.

DISTRIBUTIONS—Distributions of net cash flow shall initially be made to the partners based on the percentage of their aggregate investment contributions to the aggregate investment contributions made by all partners. The initial amount apportioned to the limited partners shall be distributed to the limited partners and the Special Limited Partner as follows:

(i) First, 100% to limited partners until the limited partners have received cumulative distributions equal to the sum of their aggregate contributions for investments and partnership costs;

(ii) Second, 100% to limited partners until the unpaid preferred return of ten percent (10%), compounded annually, due to the limited partners is reduced to zero,

(iii) Third, 50% to the Special Limited Partner and 50% to the limited partners to the extent necessary so that the aggregate distributions to the Special Limited Partner equal 20% of the cumulative amount of distributions made to limited partners pursuant to (ii) and (iv), and

(iv) Thereafter, 20% to the Special Limited Partner and 80% to the limited partners.

Notwithstanding the above, the General Partner shall have authority to make distributions to the Special Limited Partner in an amount equal to the tax liability on its carried interest. Such distributions shall be treated as advances of distributions to the Special Limited Partner and shall reduce future distributions due to the Special Limited Partner.

Table of Contents

KENNEDY WILSON REAL ESTATE FUND IV, L.P.

Notes to Financial Statements

December 31, 2014 (unaudited), 2013, and 2012

ALLOCATION OF PARTNERSHIP INCOME AND LOSSES—The allocation of Partnership income and loss will generally follow the allocation of distributions.

NOTE 6—COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Partnership issues contingent loan and completion guarantees to secure financing agreements and/or to obtain preferred terms related to its investments. These guarantees may include obligations under mortgage loans and may cover payments of principal and/or interest. These guarantees generally have fixed termination dates

and become liabilities of the Partnership in the event the borrower is unable to meet the obligations specified in the guarantee agreement. As of December 31, 2014 (unaudited), the Partnership has not entered into any of these guarantees.

During the year ended December 31, 2014 (unaudited), the Partnership provided financial support to its investee companies of \$42,750,758 (unaudited), which was made in the form of invested capital to provide for growth financing, to support acquisitions or for ongoing operations of investee companies.

For the period ended December 31, 2014 (unaudited), the Partnership did not have any unfunded obligations to investee companies.

NOTE 7—FINANCIAL HIGHLIGHTS

The Internal Rate of Return (IRR) of the limited partners of the Partnership, net of all fees and profit allocations to the Special Limited Partner, is 11.55% (unaudited) and 11.14% at December 31, 2014 and 2013, respectively.

The IRR was computed based on the actual dates of the cash inflows (capital contributions), outflows (cash distributions), and the ending net assets at the end of the period (residual value) of the limited partners' capital accounts as of December 31, 2014 (unaudited) and 2013, respectively.

	2014 (unaudited)	2013	
Ratio to average limited partners' capital:			
Net investment income (loss)	2.94	% (0.63)%
Total expenses	2.26	% 4.21	%
Incentive allocation	2.71	% 0.38	%
Total expenses and incentive allocation	4.97	% 4.59	%

The net investment income and total expense ratios (including incentive allocation) are calculated for the limited partners taken as a whole. The computation of such ratios, based on the amount of net investment income, expenses, and incentive allocation assessed to an individual investor, may vary from these ratios based on the timing of capital transactions. The above ratios are computed based upon the weighted average limited partners' capital of the Partnership as measured at the end of each monthly accounting period for the years ended December 31, 2014 (unaudited) and 2013.

NOTE 8—SUBSEQUENT EVENTS

Management has evaluated all subsequent events occurring after the date of the statement of financial condition through March 27, 2015, the date of the financial statements were available to be issued, to determine whether any subsequent events necessitated adjustment or disclosure in the financial statements. No such events were identified that necessitated adjustment or disclosure.

Independent Auditors' Report

The Partners

One Baxter Way, LP:

We have audited the accompanying financial statements of One Baxter Way, LP, which comprise the balance sheet as of December 31, 2013, and the related statements of operations, changes in partners' capital, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of One Baxter Way, LP as of December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

The accompanying balance sheet of One Baxter Way, LP as of December 31, 2014, and the related statements of operations, changes in partners' capital, and cash flows for the years ended December 31, 2014 and 2012 were not audited by us, and accordingly, we do not express an opinion on them.

/s/ KPMG LLP

Dallas, Texas

March 31, 2014

ONE BAXTER WAY, LP
(A Delaware Limited Partnership)

Balance Sheets

	December 31, 2014 (Unaudited)	2013
Assets		
Real estate		
Land	\$22,208,240	\$22,208,240
Buildings and improvements	98,009,103	97,699,135
Total	120,217,343	119,907,375
Accumulated depreciation	(17,327,011)	(14,919,927)
Total real estate, net	102,890,332	104,987,448
Cash	1,499,107	1,054,810
Escrows and deposits	2,238,505	1,044,234
Deferred leasing costs, net of accumulated amortization of \$4,306,582 (Unaudited) at December 31, 2014 and \$3,682,410 at December 31, 2013	2,015,884	1,955,503
Deferred financing fees, net of accumulated amortization of \$1,923,832 (Unaudited) at December 31, 2014 and \$1,793,548 at December 31, 2013	358,728	485,148
Deferred rent	4,294,589	5,754,666
Accounts receivable	13,880	13,988
Prepaid expenses	105,963	112,854
Other assets	274,555	55,856
Total assets	\$113,691,543	\$115,464,507
Liabilities and partners' capital		
Liabilities		
Mortgage loan payable	\$63,300,000	\$63,500,000
Prepaid rent	1,060,197	862,781
Tenant deposits	216,896	72,937
Accounts payable and accrued expenses	414,396	430,879
Total liabilities	64,991,489	64,866,597
Partners' capital		
Partners' capital	48,700,054	50,597,910
Total liabilities and partners' capital	\$113,691,543	\$115,464,507
See accompanying notes to the financial statements.		

ONE BAXTER WAY, LP
(A Delaware Limited Partnership)
Statements of Operations

	Year ended December 31,		2012
	2014	2013	(Unaudited)
	(Unaudited)		(Unaudited)
Revenue			
Rental income	\$10,066,231	\$10,288,456	\$9,776,071
Operating expense recoveries	375,146	360,582	532,107
Other	19,709	58,358	17,834
Total revenue	10,461,086	10,707,396	10,326,012
Expenses			
Property taxes	918,107	849,186	813,559
Utilities	1,215,603	1,219,760	1,038,492
Repairs and maintenance	1,105,363	1,174,558	1,105,575
Salaries and wages	942,269	855,486	862,621
General and administrative	71,402	83,687	113,680
Insurance	259,874	247,619	211,495
Depreciation	2,407,084	2,462,944	2,395,742
Amortization	754,456	1,205,666	1,608,230
Interest expense	1,386,384	1,409,149	1,619,890
Total expenses	9,060,542	9,508,055	9,769,284
Net income	\$1,400,544	\$1,199,341	\$556,728
See accompanying notes to the financial statements.			

ONE BAXTER WAY, LP
 (A Delaware Limited Partnership)
 Statements of Changes in Partners' Capital

Partners' Capital Balance at December 31, 2011 (unaudited)	\$57,785,979
Distributions (unaudited)	(4,574,138)
Net loss (unaudited)	556,728
Partners' Capital Balance at December 31, 2012 (unaudited)	53,768,569
Distributions	(4,370,000)
Net income	1,199,341
Partners' Capital Balance at December 31, 2013	50,597,910
Contributions (unaudited)	751,600
Distributions (unaudited)	(4,050,000)
Net income (unaudited)	1,400,544
Partners' Capital Balance at December 31, 2014 (unaudited)	\$48,700,054
See accompanying notes to the financial statements.	

ONE BAXTER WAY, LP
(A Delaware Limited Partnership)
Statements of Cash Flows

	Year ended December 31,		
	2014	2013	2012
	(Unaudited)		(Unaudited)
Cash flows from operating activities:			
Net income	\$ 1,400,544	\$ 1,199,341	\$ 556,728
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	2,407,084	2,462,944	2,395,742
Amortization of deferred leasing costs	624,172	788,692	661,741
Amortization of deferred financing fees	130,284	133,964	461,335
Amortization of in place lease values	—	283,010	485,154
Change in assets and liabilities:			
Deferred rent	1,460,077	981,817	318,286
Accounts receivables	108	26,443	143,087
Prepaid expenses and other assets	(211,808	) (57,485	) (4,850
Prepaid rent	197,416	48,094	89,595
Tenant deposits	143,959	—	72,937
Accounts payable and accrued expenses	(16,483	) (358,043	) (102,228
Net cash provided by operating activities	6,135,353	5,508,777	5,077,527
Cash flows from investing activities:			
Additions to real estate	(309,968	) (437,869	) (1,989,511
Deferred leasing costs	(684,553	) (3,538	) (342,215
Change in escrows and deposits	(1,194,271	) (1,193,481	) (298,246
Draws on escrows and deposits	—	447,493	1,500,000
Net cash used in investing activities	(2,188,792	) (1,187,395	) (1,129,972
Cash flows from financing activities:			
Principal payments on borrowings	(200,000	) —	(62,452,501
Originations of new loans	—	—	63,500,000
Contributions from partners	751,600	—	—
Distributions to partners	(4,050,000	) (4,370,000	) (4,574,138
Payments made for financing fees	(3,864	) (1,205	) (640,288
Net cash used in financing activities	(3,502,264		