



Real Estate  
Investment  
Trust I

**FOR IMMEDIATE RELEASE**

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## **KBS REIT I Eliminates Internalization Compensation**

### ***Fourth KBS non-traded REIT eliminates internalization fee to its advisor***

NEWPORT BEACH, Calif. (Nov. 1, 2012) – The board of directors of [KBS Real Estate Investment Trust](#) (KBS REIT I), a Newport Beach, Calif.-based public, non-traded real estate investment trust with approximately \$3.1 billion in total assets (as of June 30, 2012), is pleased to announce that it will not pay any internalization fees or compensation to its advisor, KBS Capital Advisors LLC, or any of its affiliates, should KBS REIT I enter into an internalization transaction. The decision was made at the recommendation of KBS Capital Advisors and approved by the board of directors of KBS REIT I as being in the best interest of KBS REIT I and its shareholders.

Traditionally, in the event a non-traded REIT lists its shares on a public stock exchange, all management, acquisition and other functions previously performed by the REIT's external advisor are absorbed by the REIT, making it "self-managed." Such internalization potentially could result in compensation, typically fees or shares of the REIT's stock, paid to the advisor in exchange for the advisor's personnel, infrastructure and other assets. The elimination of this compensation can be a substantial cost savings for the REIT, and can potentially enhance investment returns to the REIT and its shareholders.

"We've elected to eliminate the internalization fee for four of the KBS REITs," said Charles Schreiber, chief executive officer of KBS REIT I. "By design, KBS REIT I's prospectus does not list a specific exit strategy which gives the board of directors and our advisor the flexibility to select the most attractive liquidation option without having to take internalization fees into account, thereby potentially generating a better return for our shareholders. In addition, the fee elimination better positions KBS REIT I to capitalize on changing markets and any opportunities for liquidation, whether in the form of individual asset sales, disposition of entire portfolios or listing on a public stock exchange."

(more)

**About KBS**

KBS Capital Advisors is an affiliate of KBS Realty Advisors, which is a private equity real estate company and SEC-registered investment advisor founded by Peter Bren and Charles Schreiber, Jr. Since 1992, KBS Realty Advisors and its affiliated companies have completed transactional activity of approximately \$25 billion via 14 separate accounts, six commingled funds, five sovereign wealth funds and five non-traded REITs. For information, visit [www.kbscapital.com](http://www.kbscapital.com).

*This release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including the selection and potential success of KBS REIT I's liquidity events and potential returns to its shareholders. These statements are subject to known and unknown risks, uncertainties and other factors which may cause KBS REIT I's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.*