

KBS REIT II Declares Special Distribution

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The board of KBS Real Estate Investment Trust II Inc., a publicly registered non-traded real estate investment trust, has declared a \$0.45 per share special distribution to stockholders of record as of the close of business on June 17, 2019.

The distribution will be paid on June 21, 2019 and funded primarily from the net proceeds from the recent sale of Pierre Laclede Center and Emerald View at Vista Center, which sold for a combined \$131.5 million.

Pierre Laclede Center is a two-building, Class A office complex totaling 579,800 square feet in Clayton, Missouri near St. Louis. The property was purchased in February 2010 for nearly \$74.3 million and sold for \$92.7 million.

Emerald View at Vista Center, a 139,500 square-foot two-building Class A office property located in West Palm Beach, Florida, was purchased in December 2010 for \$36 million and sold for \$40 million.

To reflect the impact of the payment of the special distribution, the board approved an updated net asset value per share of \$4.50 for the company's common stock, effective June 17, 2019.

The previous NAV per share was \$4.95 as of September 30, 2018, based on the estimated value of the company's assets, less the estimated value of its liabilities, divided by the number of shares outstanding.

The NAV per share does not take into account the costs and fees related to the sale of Pierre Laclède Center and Emerald View at Vista Center. The REIT noted that it has generally incurred disposition costs and fees of between 1.7 percent and 4.4 percent of the gross sales price, less concessions and credits, with the weighted average being approximately 2.4 percent.

If this range was applied to the estimated value of the company's real estate properties, the resulting impact on the NAV per share would be a decrease of \$0.12 to \$0.30 per share. The company expects to update the NAV per share by December 2019.

KBS REIT II previously issued special distributions totaling \$4.50 per share funded from the disposition proceeds of nine real estate properties sold between May 2014 and August 2014, as well as cash on hand resulting primarily from the repayment or sale of five real estate loans receivable during 2013 and 2014. Shares were originally sold for \$10.00 each.

KBS REIT II closed its primary offering in December 2010 after raising approximately \$1.8 billion in investor equity. The company owns six office properties and an office campus consisting of five office buildings.

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