

BUSINESS CONTINUITY PLAN

In accordance with FINRA Rule 4370, each FINRA member firm must create and maintain a written business continuity plan, identifying procedures relating to an emergency or significant business disruption. Such procedures must be reasonably designed to enable the member to meet existing obligations to customers. In addition, such procedures must address the member's existing relationships with other broker-dealers and counterparties. The business continuity plan must be made available promptly upon request to FINRA staff.

Each member must update its plan in the event of any material change to the member's operations, structure, business, or location. Each member must also conduct an annual review of its business continuity plan to determine whether any modifications are necessary in light of changes to the member's operations, structure, business, or location.

The elements that comprise a business continuity plan are flexible and may be tailored to the size and needs of a member. Each plan, however, must at a minimum, address:

- Data back-up and recovery (hard copy and electronic).
- All mission critical systems.
- Financial and operational assessments.
- Alternate communications between customers and the members.
- Alternate communications between the members and its employees.
- Alternate physical location of employees.
- Critical business constituent, bank, and counterparty impact.
- Regulatory reporting.
- Communications with regulators; and
- How the member will assure customers' have prompt access to their funds and securities, in the event the member determines that it is unable to continue its business.

If a member relies on another entity for any one of the above-listed categories or any mission critical system, the member's business continuity plan must address this relationship.

Disclosure Requirement

Each member must disclose to its customers how its business continuity plan addresses the possibility of a future significant business disruption and how the member plans to respond to events of varying scope. At a minimum, such disclosure must be made in writing to customers at account opening, posted on the member's website (if the member maintains a website), and mailed to customers upon request.

KBS is a limited broker-dealer whose scope is limited to the service, and support of closed KBS REIT offerings. The Firm does not have customers or accounts. Should the Firm become a retail broker-dealer, it will incorporate policies that would ensure that customers receive the appropriate disclosures regarding the Firm's business continuity plan. The Firm's business continuity plan is maintained on the KBS-CMG website.

Emergency Contact Information

Each member shall report to FINRA, via such electronic or other means as FINRA may specify prescribed emergency contact information for the member. The emergency contact information for the member includes designation of two associated persons as emergency contact persons. At least one emergency contact person shall be a member of senior management and a registered principal of the member. If a member designates a second emergency contact person who is not a registered principal, such person shall be a member of senior management who has knowledge of the member's business operations. A member with only one associated person shall designate as a second emergency contact person an individual, either registered with another firm or nonregistered, who has knowledge of the member's business operations (e.g., the member's attorney, accountant, or clearing firm contact).

Annual Review

Members must designate a member of senior management to approve the plan and will be responsible for conducting the required annual review. Michael Zapata, a registered principal, and the CEO for KBS, is responsible for the review and approval of the business continuity plan. An annual review of its business continuity plan shall determine whether any modifications are necessary in light of changes to the Firm's operations, structure, business and/or location.

Electronic Reporting Requirement

Each member must promptly update its emergency contact information, via such electronic or other means as FINRA may specify, in the event of any material change. With respect to the designated emergency contact persons, each member must identify, review, and, if necessary, update such designations in the manner prescribed by FINRA Rule 4517.

A. Emergency Contact Persons

The Firm's two emergency contact persons are: Michael Zapata (949) 717-6281, e-mail: mzapata@kbs-cmg.com and Matthew Crary (949) 717-6282, e-mail: mcrary@kbs-cmg.com. These names will be updated in the event of a change, and the Executive Representative will review them annually.

B. Firm Policy

The Firm is a limited purpose broker-dealer whose scope is limited to wholesale activity. The Firm does not have customers or accounts. The Firm's policy is to respond to a Significant Business Disruption (SBD) by safeguarding employees' lives and Firm property, protecting Firm's books and records, making a financial and operational assessment, and quickly recovering and resuming operations.

C. Significant Business Disruptions (SBDs)

The Firm's business continuity plan anticipates two kinds of SBDs, internal and external. Internal SBDs, such as a fire in the building, typically affect only the Firm's ability to communicate and do business. External SBDs, such as a terrorist attack, a city flood, or wide-scale regional disruption from an EMP attack, can prevent the operation of the securities markets or Firm functionality. The Firm's response to an external SBD may rely more on other third-party organizations and systems.

D. Approval and Execution Authority

Michael Zapata, CEO of KBS and a registered principal, is responsible for approving and executing the Plan. Michael Zapata, Chief Operating Officer, and Chief Compliance Officer, along with Matthew Crary, Vice President of Investor Relations, are responsible for conducting the required annual review.

E. Plan Location and Access

The Firm will maintain copies of its business continuity plan and proof of its annual reviews, and changes made to it for inspection. The Firm's business continuity plan is available to the public and is located on the kbs-cmg.com website.

F. Business Description

As a limited purpose broker-dealer, the Firm provides support, and service to closed KBS REIT offerings. The Firm does not have customers. The Firm does not perform any type of clearing function for itself or others and does not utilize the services of a clearing firm. The Firm does not receive or hold customer funds or securities.

G. Office Locations

The Firm is located at 800 Newport Center Drive, Suite 600, Newport Beach, CA 92660, its main telephone number is (949) 717-6200. The employees may travel to that office by means of walking, driving, or public transportation. The Firm does not engage in any securities order taking and entry.

H. Alternative Physical Location(s) of Employees

In the event of an SBD, the Firm's employees will work from their residence. Employees have company issued laptops and have access to work files via VPN. The transfer agent (SS&C) will manage all REIT stockholder inquiries.

Customers' Access to Funds and Securities

KBS does not maintain custody of customers' funds or securities. Securities and funds are maintained with the customer's retail broker-dealer, their clearing firm, or directly with the transfer agent. In the event of an internal or external SBD, if telephone service is available, the associated person will take incoming telephone calls. If Internet access is available, the Firm will post current status on its website.

If SIPC determines that the Firm, if affected by an SBD, is unable to meet its obligations, or if its liabilities exceed its assets in violation of Securities Exchange Act Rule 15c3-1, the SIPC may seek to appoint a trustee to disburse its assets. Should this situation arise, the Firm will assist SIPC and the trustee by providing its books and records, as required by SIPC regulation.

I. Data Back-Up and Recovery (Hard Copy and Electronic)

The Firm maintains its primary hard copy books and records and its electronic records at the office location listed above. The Firm maintains its back-up of books and records electronically. The electronic storage of this information is backed up daily with a copy maintained offsite. The IT Director, Chris Kiernik, (949) 417-6529, e-mail: ckiernik@kbs.com is responsible for electronic storage and back-up.

All mission critical systems other than e-mail and telephone systems are outsourced to Latisys who has appropriate back-up, continuity plans and redundancies in place. E-mail is backed up daily and maintained offsite. Telephone services are managed internally and would be subject to availability provided by the telephone company. Except for calls made to the transfer agent, which are recorded, there are no requirements for the Firm to record calls.

In the event of an internal or external SBD that causes the loss of paper records, recovery will be extrapolated from back-up imaged copies. If its primary site is inoperable, the Firm will continue operations from its back-up site or an alternate location. For the loss of electronic records, the Firm will either recover the storage media or electronically recover data from its back-up site, or, if its primary site is inoperable, continue operations from its back-up site or an alternate location.

J. Financial and Operational Assessments

Operational Risk

In the event of an SBD, the Firm will immediately identify what means will permit it to communicate with its vendors, employees, critical business constituents, critical banks, critical counterparties, and regulators. Although the effects of an SBD will determine the means of alternative communication, the communications options employed will include the Firm's website, telephone voicemail, and secure e-mail. Data will be pulled from data centers that are strategically located for backup data center hosting.

Financial and Credit Risk

In the event of an SBD, the Firm will determine the value and liquidity of its investments and other assets to evaluate its ability to continue to fund operations and remain in capital compliance. If it is determined that it is unable to meet its obligations or continue to fund operations, it will request additional financing from its banks or other credit sources to fulfill its obligations. If the Firm cannot remedy a capital deficiency, it will file appropriate notices with its regulators and immediately take appropriate steps to address all its fiduciary obligations.

K. Mission Critical Systems

The Firm's "mission critical systems" are those that ensure prompt and accurate communications with regulators, affiliated companies, outside broker-dealers, and partners of the Firm. More specifically, these systems include hardware and software elements, telephone, and electronic communication equipment. The Firm has primary responsibility for establishing and maintaining these business relationships and managing the mission critical functions.

Recovery-time objectives provide concrete goals to plan for and test against. They are not, however, fixed deadlines that can be met in every emergency situation, and various external factors surrounding a disruption, such as time of day, scope of disruption, and status of critical infrastructure—particularly telecommunications—can affect actual recovery times.

Recovery refers to the ability to complete all of activities after a wide-scale disruption; resumption refers to reduced capacity.

Our Firm's Mission Critical Systems

1. Order Taking

The Firm does not have customers or accounts. If the Firm's business model were to change, the following procedures would be followed. During an SBD, either internal or external, the Firm will continue to take orders by phone and mail. In addition, as communications permit, the Firm will inform its customers when communications become available and what alternatives are available to send purchase and sell orders. Customers will be informed of alternatives by e-mail, telephone, website messaging, or other means as appropriate.

2. Order Entry

In the event of an internal SBD, the Firm will enter and send records to its backup site by the fastest alternative means available. In the event of an external SBD, it will maintain the order in electronic or paper format and deliver the order to the backup site by the fastest means available when operations are resumed.

3. Other Services Currently Provided to Customers

In the event of an internal or external SBD, the Firm will continue to assist partners in providing the appropriate support, as the situation allows.

Mission Critical Systems Provided by Our Clearing Firm

KBS does not use a clearing firm in the course of its business.

Alternate Communications between the Firm and Customers, Employees and Regulators

1. Customers

KBS has no customers. However, the Firm communicates with broker-dealers using telephone, e-mail, website, fax, U.S. mail, and in-person visits. In the event of an SBD, the Firm will assess which means of communications are available and use the means closest in speed and form used in the past to communicate with the other party. For example, if the Firm communicated with a party by e-mail but the Firm's internet is not available, the Firm's employees will call on the telephone and follow up with paper copy in the U.S. mail should a written document be needed.

2. Employees

The Firm communicates with its employees using the telephone, e-mail, and in person. In the event of an SBD, the Firm will assess which means of communication is still available and use the means closest in speed and form that have been used in the past to communicate with its employees. The Firm will also employ a call tree so that senior management can reach all employees quickly during an SBD. The call tree includes all staff personal and office phone numbers and would be initiated by Michael Zapata.

3. Regulators

The Firm is a current member of FINRA and communicates with its regulators using the telephone, e-mail, fax, U.S. mail, and in person. In the event of an SBD, the Firm will assess which means of communications are available and use the means closest in speed and form that have been used in the past to communicate with the regulators.

L. Critical Business Constituents and Counterparties

Business Constituents

The Firm's critical business constituents are responsible for providing certain services to the Firm. The Firm will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or services, when required.

Counterparties

The Firm has critical counterparties, such as other broker-dealers. In the case of an SBD, the Firm will reach out to its regular business counterparties to determine status and how the Firm can assist. If regular business cannot be completed, the Firm will work with or contact those counterparties directly to make alternative arrangements to complete those transactions.

M. Regulators and Regulatory Reporting

The Firm is subject to regulation by the FINRA, SEC, and various state securities regulators. The Firm files reports with its regulators through either U.S. mail or electronically using fax, e-mail, or the internet. In the event of an SBD, the Firm will check with the SEC, FINRA, and other regulators to determine which means of filing are available to the Firm and use the

means closest in speed and form to previous filing methods. In the event that it cannot contact its regulators, the Firm will continue to file required reports using the communication means available. Below is the contact information for the local FINRA and SEC office, as well as for the North American Securities Administrators Association (NASAA):

FINRA (Los Angeles)
300 South Grand Ave, 16th Floor
Los Angeles, CA 90071
213-229-2300
www.finra.org

SEC (Los Angeles)
444 South Flower Street, Suite 900
Los Angeles, CA 90071
323-065-3998
www.sec.org

NASAA
750 First Street NE, Suite 1140
Washington, DC 20002
202-737-0900
www.nasaa.org

N. Vendors

The Firm utilizes vendors to support certain functions of the Firm's business. These vendors can be critical to the continued operations of the Firm, should there be an SBD. In the event of an SBD, the Firm will reach out to its vendors to determine their operations status and how best to proceed under the SBD. Below is the contact information for the vendors utilized by the Firm:

SS&C (Transfer Agent for the REITs)
Dani Weber, Client Relations Manager
330 W. 9th
Kansas City, MO 64105
469-977-1672
<https://www.ssctech.com>

Global Relay Archive (E-mail Review)
Warren Hopwood, Account Executive
220 Cambia Street, 2nd Floor.
Vancouver, BC V6B 2M9866-484-6630
www.globalrelay.com

Concur (Expense Tracking System)
Bill Scharnikow, Reporting Consultant
601 108th Ave NE, Suite 1000
Bellevue, WA 98004
800-401-8412
www.concur.com

O. Business Continuity Plan Disclosure

The KBS Business Continuity Plan is disclosed and maintained on the Firm's public website www.kbs-cmg.com.