CMCT

2024 Proxy Statement

2023 Annual Report

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement
☐ **Confidential, For Use of the Commission Only (as Permitted by Rule 14a-6(e)(2))**
☒ Definitive Proxy Statement
☐ Definitive Additional Materials
☐ Soliciting Material Pursuant to §240.14a-12

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.
☐ Fee paid previously with preliminary materials.
☐ Fee computed on table in exhibit required by item 25(b) per Exchange Act Rules 14a-6(i)(1) and 0-11

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION

5956 SHERRY LANE, SUITE 700
DALLAS, TEXAS 75225

Dear Creative Media & Community Trust Corporation Common Stockholders:

You are cordially invited to attend the 2024 Annual Meeting of Stockholders of Creative Media & Community Trust Corporation, a Maryland corporation (the "Company"), to be held at 11:00 a.m. Pacific Time on August 1, 2024 (and any postponement or adjournment thereof) if you are a common stockholder of record as of the close of business on June 4, 2024. The meeting will be held as a virtual meeting conducted exclusively via live webcast which you must register to attend at http://register.proxypush.com/CMCT. For procedures for attending the virtual meeting, please refer to Question 6 of the proxy statement.

At the annual meeting, the Company's common stockholders will be asked to consider and vote upon each of the seven directors nominated in the proxy statement to serve until the next annual meeting of stockholders of the Company, and until their successors are duly elected and qualify. In addition, the Company will ask common stockholders to consider and vote upon (i) certain amendments to terms of the Company's Series A1 Preferred Stock, par value $0.001 per share, contained in the Company's charter, (ii) the approval, by a non-binding advisory vote, of a resolution on our executive compensation as described in our proxy statement, and (iii) the ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2024.

The recommendation of the Board of Directors of the Company with respect to each of these proposals is set forth in the proxy statement. These foregoing items of business are more fully described in the proxy statement. We urge you to carefully review the proxy statement.

Your vote is very important. If you were a common stockholder of record as of the close of business on June 4, 2024, please authorize a proxy to vote your shares as soon as possible using one of the following methods to ensure that your vote is counted, regardless of whether you expect to attend the virtual annual meeting: (1) complete, sign, date and return the enclosed proxy card in the postage-paid envelope provided or (2) as otherwise described herein. If you hold your shares in "street name" through a bank, broker or other nominee, you will need to follow the instructions provided to you by your bank, broker or other nominee regarding how to instruct your bank, broker or other nominee to vote your shares at the annual meeting or, to the extent permitted, regarding how to vote your shares yourself at the annual meeting. If you are a common stockholder of record and you attend the virtual annual meeting and wish to vote at the annual meeting, you may withdraw your proxy and vote online at the annual meeting.

On behalf of our Board of Directors, I thank you for your continued support.

Sincerely,

David Thompson
Chief Executive Officer

July 5, 2024

This proxy statement is first being sent or given to the common stockholders of the Company on or about July 5, 2024.

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION

5956 SHERRY LANE, SUITE 700
DALLAS, TEXAS 75225

NOTICE OF ANNUAL MEETING
OF STOCKHOLDERS OF CREATIVE MEDIA & COMMUNITY TRUST CORPORATION
TO BE HELD ON AUGUST 1, 2024

Dear Creative Media & Community Trust Corporation Common Stockholder:

You are cordially invited to attend the annual meeting of stockholders (the “Annual Meeting”) of Creative Media & Community Trust Corporation, a Maryland corporation (the “Company”), to be held at 11:00 a.m. Pacific Time on August 1, 2024 (and any postponement or adjournment thereof) if you are a common stockholder of record as of the close of business on June 4, 2024. The Annual Meeting will be held as a virtual meeting conducted exclusively via live webcast which you must registered to attend at http://register.proxypush.com/CMCT. For procedures to attend the virtual meeting, please refer to Question 6 of the proxy statement.

The purpose of the Annual Meeting is to consider and vote on the following proposals:

1. *Proposal 1*: The election of the seven directors nominated in the proxy statement to serve until the next annual meeting of stockholders of the Company, and until their successors are duly elected and qualify;
2. *Proposal 2(a)*: The approval of an amendment to the Company’s charter to implement a fixed monthly dividend period with a record date of the last day of the month for the Company’s Series A1 Preferred Stock, par value $0.001 per share (“Series A1 Preferred Stock”), and to provide that such dividends shall be payable monthly on the 15th day of each month following the dividend period for which the dividend was declared (the “Monthly Dividend Period Amendment”);
3. *Proposal 2(b):* The approval of an amendment to the Company’s charter to cause dividends on shares of Series A1 Preferred Stock issued after the effective date of the proposed amendment to accrue beginning on the first day of the dividend period during which such share is issued (the “Initial Accrual Date Amendment”);
4. *Proposal 2(c)*: The approval of an amendment to the Company’s charter to provide that the date of original issuance (the “Original Issuance Date”) with respect to redemptions of shares of Series A1 Preferred Stock issued on or after the effective date of the proposed amendment shall be deemed to be the earliest date that any shares of Series A1 Preferred Stock were issued to any investor during the calendar quarter in which the shares to be redeemed were issued (the “Original Issuance Date Amendment”);
5. *Proposal 2(d)*: The approval of an amendment to the Company’s charter to set the Original Issuance Date, as defined in Proposal 2(c) above, for shares of Series A1 Preferred Stock issued under the Series A1 Preferred Stock Dividend Reinvestment Plan (such shares so issued, the “Series A1 DRIP Shares”), which plan the Company intends to implement if Proposals 2(a) though 2(d) are approved, as the same Original Issuance Date of the underlying shares of Series A1 Preferred Stock pursuant to which such Series A1 DRIP Shares are directly or indirectly attributable (the “Series A1 DRIP Amendment”);
6. *Proposal 3*: The approval, by a non-binding advisory vote, of an advisory resolution on the Company’s executive compensation as described in the accompanying proxy statement;
7. *Proposal 4*: The ratification of the appointment of Deloitte and Touche LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2024; and
8. The consideration of any other business properly presented at the Annual Meeting and any postponement or adjournment thereof.

The Board of Directors of the Company has fixed the close of business on June 4, 2024 as the record date for determining stockholders entitled to notice of and to vote at the Annual Meeting. The proxy card is enclosed with this notice of Annual Meeting and proxy statement.

Your vote is important to us and our business. I encourage you to complete, date, sign and return the accompanying proxy card whether or not you plan to attend the virtual Annual Meeting. If you plan to attend the virtual Annual Meeting to vote and your shares are in the name of a broker, bank or other nominee, please contact your broker, bank or other nominee for instructions.

Sincerely,

Barry N. Berlin
Chief Financial Officer, Treasurer and Secretary

July 5, 2024

Important Notice Regarding the Availability of Proxy Materials for our Annual Meeting of Stockholders to be Held on August 1, 2024.

Our proxy statement and our Annual Report on Form 10-K for the year ended December 31, 2023 are available on our website at https://shareholders.creativemediacommunity.com/financials/sec-filings

PROXY STATEMENT
FOR
2024 ANNUAL MEETING OF COMMON STOCKHOLDERS

TO BE HELD ON AUGUST 1, 2024

This proxy statement, with the enclosed proxy card, is being furnished to the common stockholders of Creative Media & Community Trust Corporation, a Maryland corporation (together with its subsidiaries, the "Company," "we," "us" or "our"), in connection with the solicitation by the Board of Directors of the Company (the "Board") of proxies to be voted at the 2024 Annual Meeting of Stockholders of the Company (the "Annual Meeting") to be held at 11:00 a.m. Pacific Time on August 1, 2024 (and any postponement or adjournment thereof) exclusively via live webcast.

The Notice of Annual Meeting, this proxy statement, and the accompanying proxy card are being mailed to all common stockholders of record as of the below record date on or about July 8, 2024. The proxy statement and our Annual Report on Form 10-K for the year ended December 31, 2023 are available on our website at https://shareholders.creativemediacommunity.com/financials/sec-filings.

Only common stockholders of record as of the close of business on June 4, 2024 are entitled to notice of and to vote at the Annual Meeting. As of such date, we had 22,786,741 shares of common stock, $0.001 par value per share ("Common Stock"), outstanding. Each holder of record of Common Stock as of the close of business on the record date is entitled to one vote on each matter properly brought before the Annual Meeting for each share of Common Stock held.

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QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

1. Who is entitled to vote?

Only holders of record of the Company's common stock, par value $0.001 per share (the "Common Stock") as of the close of business on June 4, 2024 (the "record date") are entitled to notice of and to vote at the Annual Meeting.

2. What is a proxy?

A proxy is your legal designation of another person to vote the shares you own. That other person is called a proxy. If you designate someone as your proxy in a written document, that document is also called a proxy or a proxy card. We have designated our Chief Executive Officer, David Thompson, and our Chief Financial Officer and Secretary, Barry N. Berlin, as proxies for the Annual Meeting.

3. How many votes are each share of Common Stock entitled to?

Each holder of record of Common Stock on the record date is entitled to one vote on each matter properly brought before the Annual Meeting for each share of Common Stock held.

4. What is the difference between a stockholder of record and a stockholder who holds shares in "street name?"

If your shares are registered in your name, you are a stockholder of record. If your shares are held in the name of your bank, broker or other nominee, your shares are held in "street name" and you are a beneficial owner.

5. How do I attend the Annual Meeting?

Our Annual Meeting will be a completely virtual meeting conducted exclusively via live webcast. The meeting will begin promptly at 11:00 a.m. Pacific Time on August 1, 2024. We encourage you to access the Annual Meeting prior to the start time. Online check-in will begin at 10:45 a.m. Pacific Time, and you should allow ample time for the check-in procedures. If you encounter any difficulties accessing the virtual-only Annual Meeting platform, including any difficulties voting or submitting questions, you may call the technical support number that will be posted in the FAQ guide on the meeting site.

If you hold shares other than through a Tel Aviv Stock Exchange ("TASE") member, to participate in the virtual meeting, visit http://register.proxypush.com/CMCT and enter the control number included on your proxy card or on the instructions that accompanied your proxy materials. Upon completing your registration, you will receive further instructions via email, including your unique links that will allow you access to the meeting and will also permit you to submit questions.

If your shares are held in "street name" in the name of a TASE member, to participate in the virtual meeting, you will need to obtain from your TASE member an executed ownership certificate ("Ishur Ba'alut"), signed by your TASE member with respect to the record date (i.e., the close of business on June 4, 2024), and email the executed form to Goldfarb, Gross, Seligman & Co. ("Goldfarb Gross"), the Company's counsel in Israel, at yuval.eden@goldfarb.com no later than the close of business in Israel on July 30, 2024. Once Goldfarb Gross has received your properly executed certificate, Goldfarb Gross will email you a control number that you can use to register for the meeting at http://register.proxypush.com/CMCT. Upon completing your registration, you will receive further instructions via email, including your unique links that will allow you access to the meeting and will also permit you to submit questions.

6. How can I vote at the Annual Meeting?

You will need the control number included on your proxy card or voting instruction form. Upon completing your registration, you will receive further instructions via email, including your unique links that will allow you access to the meeting and will also permit you to submit questions.

If your shares are held in "street name" in the name of a bank, broker or other nominee (other than through a TASE member), you will need to obtain a legal proxy from your bank, broker or other nominee. Once you have obtained the legal proxy, you must submit a copy of the legal proxy. Please be aware that obtaining a legal proxy may take several days.

If your shares are held in "street name" in the name of a TASE member, you may not vote your shares online at the Annual Meeting and must instead follow the procedures described in response to question 9.

7. What shares are included on the proxy card?

If you are a stockholder of record of Common Stock as of the record date, you will receive one proxy card for all the shares of Common Stock you hold as of the record date in each single account, regardless of whether you hold them in certificate form or in book entry form. If you receive more than one proxy card, it generally means you hold shares of Common Stock registered in more than one account. Please sign and return all of the proxy cards you receive to ensure that your shares are voted.

8. What constitutes a quorum?

The presence, online or represented by proxy, of stockholders entitled to cast a majority of all votes entitled to be cast at the Annual Meeting is necessary to constitute a quorum at the Annual Meeting or any postponement or adjournment thereof. However, if a quorum is not present at the Annual Meeting, the chair of the Annual Meeting may adjourn the Annual Meeting to a date not more than 120 days after the original record date without notice other than an announcement at the Annual Meeting.

9. What different methods can I use to vote?

Depending on how you hold your shares, you may generally choose to authorize a proxy to vote your shares by mail or by attending and voting at the Annual Meeting. The method by which you vote does not affect your right to attend the Annual Meeting.

If your shares are registered directly in your name through our stock transfer agent, Computershare Trust Company, N.A., you may vote your shares:

- By Mail: Complete, sign, date and mail the written proxy card received with this proxy statement.
- By Telephone: You may vote by authorizing a proxy by telephone by calling the telephone number shown on your proxy card.
- Online: You may vote online at the Annual Meeting.

If your shares are held in "street name" in the name of a bank, broker or other nominee (other than a TASE member, which is discussed below), you may vote your shares by following the instructions that your bank, broker or other nominee provides to you, which may allow you to vote online or by mail or telephone. To vote in person at the Annual Meeting, follow the instructions provided in question 6.

If your shares are held in "street name" in the name of a TASE member, you may vote your shares online via the electronic voting system of the Israel Securities Authority (the "ISA") at the web address https://votes.isa.gov.il no later than August 1, 2024 at 5:00 a.m. Pacific Time (or August 1, 2024 at 3:00 p.m. Israel Time). You may receive guidance on the use of the electronic voting system from the TASE member through which you hold your shares.

10. What is the record date and what does it mean?

The record date for the Annual Meeting is the close of business on June 4, 2024. The record date is established by the Board in accordance with our bylaws and the Maryland General Corporation Law. Owners of record of shares of Common Stock at the close of business on the record date are entitled to receive notice of the Annual Meeting and to vote at the Annual Meeting and any postponement or adjournment of the Annual Meeting.

11. What is the deadline for voting my shares if I do not attend the Annual Meeting?

If you are a common stockholder of record and do not attend the Annual Meeting, your proxy must be received at or before 11:59 p.m. Pacific Time on July 31, 2024, in order for your shares to be voted at the Annual Meeting.

If you are a beneficial owner of Common Stock held in "street name" (other than through a TASE member), please comply with the deadlines included in the voting instructions provided by the bank, broker or other nominee that holds your shares.

If you hold shares in "street name" through a TASE member, your votes must be recorded in the electronic voting system of the ISA no later than August 1, 2024 at 5:00 a.m. Pacific Time (or August 1, 2024 at 3:00 p.m. Israel Time).

12. How will voting on other business be conducted?

As to any other business that may properly come before the Annual Meeting, all properly submitted proxies will be voted by the proxyholder named in the proxy card, at his/her discretion. We do not presently know of any other business that may come before the Annual Meeting.

13. What can I do if I change my mind after I return my proxy card?

Returning your proxy card will in no way limit your right to attend and vote online at the Annual Meeting. Stockholders can revoke a proxy by:

- giving written notice of revocation to the Secretary of the Company, which notice must be received by the Company prior to 11:59 p.m. Pacific Time on July 31, 2024;
- delivering a later-dated proxy in accordance with the procedure set forth in question 11; or
- attending the virtual Annual Meeting and voting online as described in question 6 (attending the virtual Annual Meeting alone will not revoke your proxy), unless shares are held in "street name" in the name of a TASE member.

If your shares are held in an account at a bank, broker or other nominee and you desire to change your vote or vote electronically at the meeting, you should contact your bank, broker or other nominee for instructions on how to do so.

14. On what items am I voting?

You are being asked to consider and vote on the following items:

- the election of seven directors nominated by the Board;
- the approval of an amendment to the Company's charter to implement a fixed monthly dividend period with a record date of the last day of the month for the Company's Series A1 Preferred Stock, par value $0.001 per share ("Series A1 Preferred Stock"), and to provide that such dividends shall be payable monthly on the 15th day of each month following the dividend period for which the dividend was declared (the "Monthly Dividend Period Amendment");
- the approval of an amendment to the Company's charter to cause dividends on shares of Series A1 Preferred Stock issued after the effective date of the proposed amendment to accrue beginning on the first day of the dividend period during which such share is issued (the "Initial Accrual Date Amendment");
- the approval of an amendment to the Company's charter to provide that the date of original issuance (the "Original Issuance Date") with respect to redemptions of shares of Series A1 Preferred Stock issued on or after the effective date of the proposed amendment shall be deemed to be the earliest date that any shares of Series A1

Preferred Stock were issued to any investor during the calendar quarter in which the shares to be redeemed were issued (the "Original Issuance Date Amendment");

- the approval of an amendment to the Company's charter to set the Original Issuance Date, as defined above, for shares of Series A1 Preferred Stock issued under the Series A1 Preferred Stock's Dividend Reinvestment Plan (such shares so issued, the "Series A1 DRIP Shares"), which plan the Company intends to implement if Proposals 2(a) through 2(d) are approved, as the same Original Issuance Date of the underlying shares of Series A1 Preferred Stock pursuant to which such Series A1 DRIP Shares are directly or indirectly attributable (the "Series A1 DRIP Amendment");
- the approval, by a non-binding advisory vote, of an advisory resolution on the Company's executive compensation as described in this proxy statement; and
- the ratification of the appointment of Deloitte & Touche LLP ("Deloitte") as our independent registered public accounting firm for the fiscal year ending December 31, 2024.

15. What are my voting choices when voting for director nominees?

In the vote on the election of the seven director nominees, common stockholders of record may:

(1) vote in favor of all nominees;

(2) vote in favor of specific nominees;

(3) withhold their votes with respect to all nominees; or

(4) withhold their votes with respect to specific nominees.

16. What vote is required to approve each proposal?

Proposal No. 1—Election of Directors. To be elected as a director, our bylaws require that a nominee must receive a plurality of all the votes cast in the election of directors at the Annual Meeting at which a quorum is present. There is no cumulative voting in the election of directors.

Proposal No. 2(a)—Monthly Dividend Period Amendment. The affirmative vote of a majority of all of the votes entitled to be cast on Proposal 2(a) at the Annual Meeting at which a quorum is present will be required to approve the Monthly Dividend Period Amendment.

Proposal No. 2(b)— Initial Accrual Date Amendment. The affirmative vote of a majority of all of the votes entitled to be cast on Proposal 2(b) at the Annual Meeting at which a quorum is present will be required to approve the Initial Accrual Date Amendment.

Proposal No. 2(c)— Original Issuance Date Amendment. The affirmative vote of a majority of all of the votes entitled to be cast on Proposal 2(c) at the Annual Meeting at which a quorum is present will be required to approve the Original Issuance Date Amendment.

Proposal No. 2(d)— Series A1 DRIP Amendment. The affirmative vote of a majority of all of the votes entitled to be cast on Proposal 2(d) at the Annual Meeting at which a quorum is present will be required to approve the Series A1 DRIP Amendment.

In addition, approval of each of Proposals 2(a) through 2(d) is conditioned on approval of every other of Proposals 2(a) through 2(d). This means that an abstention, broker non-vote or vote "against" any of Proposals 2(a) through 2(d) will have the effect of a vote "against" all of Proposals 2(a) through 2(d).

Proposal No. 3— Approval, By a Non-Binding Vote, of Executive Compensation. The affirmative vote of a majority of the votes cast at the Annual Meeting at which a quorum is present will be required to approve the executive compensation proposal. Even though your vote is advisory and therefore will not be binding on the Company, the Board will review and consider the voting results when making future decisions regarding executive compensation.

Proposal No. 4—Ratification of the Appointment of Deloitte & Touche LLP as our Independent Registered Public Accounting Firm. The affirmative vote of a majority of the votes cast at the Annual Meeting at which a quorum is present will be required for the approval of the ratification of the appointment of Deloitte as our independent registered public accounting firm for the fiscal year ending December 31, 2024.

17. How does the Board recommend that I vote?

The Board recommends a vote:

- FOR each of the seven director nominees;
- FOR the Monthly Dividend Period Amendment;
- FOR the Initial Accrual Date Amendment;
- FOR the Original Issuance Date Amendment;
- FOR the Series A1 DRIP Amendment;
- FOR the non-binding advisory approval of an advisory resolution on the Company's executive compensation as described in this proxy statement; and
- FOR the ratification of the appointment of Deloitte & Touche LLP as the independent registered public accounting firm for the Company for the fiscal year ending December 31, 2024.

18. What if I do not specify a choice for a matter when returning a proxy?

Stockholders should specify their choice for each matter on the enclosed proxy card. If no specific instructions are given, proxies that are signed and returned will be voted (or will have the same effect as):

- FOR the election of all director nominees;
- FOR the Monthly Dividend Period Amendment;
- FOR the Initial Accrual Date Amendment;
- FOR the Original Issuance Date Amendment;
- FOR the Series A1 DRIP Amendment;
- FOR the non-binding advisory approval of an advisory resolution on the Company's executive compensation as described in this proxy statement; and
- FOR the ratification of the appointment of the independent registered public accounting firm.

19. How are broker non-votes counted?

Holders in "street name" (other than through a TASE member)

If on the record date your shares were held in “street name” through a broker, bank or other nominee (other than a TASE member), in the absence of specific instructions from you on how to vote your shares, your broker, bank or other nominee may not be able to vote your shares on certain matters. The shares that cannot be voted by banks, brokers or other nominees if the beneficial holder fails to provide instructions are called broker non-votes. Broker non-votes will have the following effects at the Annual Meeting:

(1) *Proposal No. 1—Election of Directors.* Your broker, bank or other nominee is not entitled to vote your shares if no instructions are received from you. Broker non-votes, if any, will have no effect on the election of directors.

(2) *Proposal No. 2(a)—Monthly Dividend Period Amendment*. Your broker, bank or other nominee is not entitled to vote your shares if no instructions are received from you. Because the affirmative vote of a majority of all of the votes entitled to be cast at the Annual Meeting is required to approve Proposal 2(a), abstentions, broker non-votes and other shares not voted will have the same effect as votes “against” Proposal 2(a).

(3) *Proposal No. 2(b)— Initial Accrual Date Amendment*. Your broker, bank or other nominee is not entitled to vote your shares if no instructions are received from you. Because the affirmative vote of a majority of all of the votes entitled to be cast at the Annual Meeting is required to approve Proposal 2(b), abstentions, broker non-votes and other shares not voted will have the same effect as votes “against” Proposal 2(b).

(4) *Proposal No. 2(c)— Original Issuance Date Amendment*. Your broker, bank or other nominee is not entitled to vote your shares if no instructions are received from you. Because the affirmative vote of a majority of all of the votes entitled to be cast at the Annual Meeting is required to approve Proposal 2(c), abstentions, broker non-votes and other shares not voted will have the same effect as votes “against” Proposal 2(c).

(5) *Proposal No. 2(d)— Series A1 DRIP Amendment*. Your broker, bank or other nominee is not entitled to vote your shares if no instructions are received from you. Because the affirmative vote of a majority of all of the votes entitled to be cast at the Annual Meeting is required to approve Proposal 2(d), abstentions, broker non-votes and other shares not voted will have the same effect as votes “against” Proposal 2(d).

(6) *Proposal No. 3— Approval, By a Non-Binding Advisory Vote, of Executive Compensation*. Your broker, bank or other nominee is not entitled to vote your shares if no instructions are received from you. Broker non-votes, if any, will have no effect on the result of the vote on this proposal.

(7) *Proposal No. 4—Ratification of the Appointment of Deloitte & Touche LLP as our Independent Registered Public Accounting Firm*. Your broker, bank or other nominee is entitled to vote your shares if no instructions are received from you. Broker non-votes, if any, will have no effect on the result of the vote on this proposal.

Broker non-votes will be counted as shares that are present and entitled to vote for the purpose of determining the presence of a quorum.

Holders in “street name” through a TASE member

If on the record date your shares were held in “street name” through a TASE member, your TASE member will not vote your shares (as described above) and you must vote through the electronic voting system of the ISA as described in question 9. If you do not vote your shares through this system, we will treat your shares as not present and not entitled to vote for the purpose of determining the presence of a quorum and your shares will have no effect on the vote of Proposals 1, 3 and 4, but will have the effect of a vote against Proposals 2(a) through 2(d).

20. How are abstentions counted?

If you abstain or instruct your proxy or broker, bank or other nominee to “abstain” or vote “abstain” via the electronic voting system of the ISA on any matter, it will be treated as a vote not cast (which will have no effect on the votes cast on the matters to be conducted at the Annual Meeting, other than with respect to Proposals 2(a) through 2(d), in which case abstentions will have the same effect as a vote against each such proposals). However, abstentions will be counted as shares that are present and entitled to vote for the purpose of determining the presence of a quorum.

21. Can I access the proxy statement and Annual Report on Form 10-K on the Internet?

The proxy statement and our Annual Report on Form 10-K for the year ended December 31, 2023 are available on our website at https://shareholders.creativemediacommunity.com/financials/sec-filings.

22. How are proxies solicited and what is the cost?

We will bear all expenses incurred in connection with the solicitation of proxies. We have not engaged any solicitor to assist with the solicitation of proxies. In accordance with Securities and Exchange Commission ("SEC") rules, we will reimburse brokers, fiduciaries and custodians for their costs in forwarding proxy materials to the beneficial owners of shares.

In addition to soliciting proxies by mail, certain of our directors, officers or employees of affiliates of our operator may solicit proxies by telephone, personal contact, email or other means of communication. They will not receive any additional compensation for these activities.

IMPORTANT: If your shares of Common Stock are held in the name of a brokerage firm, bank, nominee or other institution (other than a TASE member), you should provide instructions to your broker, bank, nominee or other institution on how to vote your shares of Common Stock. Please contact the person responsible for your account and give instructions for a proxy to be exercised for your shares of Common Stock. If you hold your shares through a TASE member, you should vote your shares by following the instructions in question 9.

SECURITY OWNERSHIP OF THE COMPANY'S BOARD OF DIRECTORS AND EXECUTIVE OFFICERS AND CURRENT BENEFICIAL OWNERS

Directors and Executive Officers

The following table sets forth information regarding the beneficial ownership of our Common Stock, Series A Preferred Stock, $0.001 par value per share ("Series A Preferred Stock") and Series A1 Preferred Stock as of June 3, 2024 by (1) each named executive officer, (2) each current director and (3) all executive officers and directors as a group. In each case, the percent of class owned reflects the number of shares of Common Stock outstanding as of June 3, 2024. As of the date of this Proxy Statement, no named executive officer or director of the Company owned any Series D Preferred Stock, $0.001 per value per share ("Series D Preferred Stock").

	Common Stock		Series A Preferred Stock		Series A1 Preferred Stock	
Name of Beneficial Owner	**No. of Shares**	**Percent of Class**	**No. of Shares**	**Percent of Class**	**No. of Shares**	**Percent of Class**
David Thompson	25,000	*	—	—	—	—
Barry N. Berlin	27,901	*	—	—	—	—
Richard Ressler	10,152,921 (1)(2)	44.56 %	568,681	8.31 %	200,000	1.79 %
Avraham Shemesh	10,075,713 (1)(3)	44.22 %	568,681	8.31 %	200,000	1.79 %
Shaul Kuba	10,075,713 (1)(3)	44.22 %	568,681	8.31 %	200,000	1.79 %
Douglas Bech	55,672	*	—	—	—	—
Marcie Edwards	26,051	*	—	—	—	—
John Hope Bryant	12,222	*	—	—	—	—
Elaine Wong	19,968	*	—	—	—	—
Directors and Executive Officers as a group (9 persons)	10,410,575	45.69 %	568,681	8.31 %	200,000	1.79 %

* Less than 1%.

(1) CIM Group, LLC is the indirect sole equity member of each of CIM Urban Sponsor, LLC, CIM CMCT MLP, LLC, CIM Capital Real Property Management, LLC. and CIM Capital IC Management, LLC. CIM Capital IC Management, LLC is the investment adviser of CIM Real Assets & Credit Fund. Because of their positions with CIM Group, LLC, Shaul Kuba, Richard Ressler and Avraham Shemesh, the founders of CIM Group, may be deemed to beneficially own the 9,168,916 shares of Common Stock and 568,681 shares of Series A Preferred Stock owned directly by CIM CMCT MLP, LLC, the 473,033 shares of Common Stock owned directly by CIM Urban Sponsor, LLC, the 388,344 shares of Common Stock directly owned by CIM Real Assets & Credit Fund and the 200,000 shares of Series A1 Preferred Stock owned directly by CIM Capital Real Property Management, LLC. Messrs. Ressler, Shemesh and Kuba have shared voting and investment power over all of these shares. Each of Messrs. Ressler, Shemesh and Kuba disclaims beneficial ownership of all of these shares except to the extent of his pecuniary interest therein.

(2) Mr. Ressler has sole voting and investment power over 122,628 shares of Common Stock held by a subsidiary of a trust formed by Mr. Ressler for the benefit of his family members.

(3) Each of Messrs. Shemesh and Kuba have shared voting and investment power over 45,420 shares of Common Stock held by each of their respective family trusts, with respect to which they were grantors.

Beneficial Owners of More than 5% of our Common Stock

The following table sets forth certain information regarding the beneficial ownership of our Common Stock, Series A Preferred Stock and Series A1 Preferred Stock based on filings with the SEC as of June 3, 2024 by each person known by us to

beneficially own more than 5% of our Common Stock. In each case, the percent of class owned reflects the number of shares of Common Stock outstanding as of June 3, 2024.

Name and Address of Beneficial Owner	**Common Stock**		**Series A Preferred Stock**		**Series A1 Preferred Stock**	
	No. of Shares	**Percent of Class**	**No. of Shares**	**Percent of Class**	**No. of Shares**	**Percent of Class**
Richard Ressler[1]	10,152,921 [2]	44.56 %	568,681	8.31 %	200,000	1.79 %
Avraham Shemesh[1]	10,075,713 [3]	44.22 %	568,681	8.31 %	200,000	1.79 %
Shaul Kuba[1]	10,075,713 [3]	44.22 %	568,681	8.31 %	200,000	1.79 %
CIM CMCT MLP, LLC[1]	9,168,916	40.24 %	568,681	8.31 %	200,000	1.79 %

(1) The business address of Messrs. Ressler, Shemesh and Kuba, for the purposes hereof, and the address of CIM CMCT MLP, LLC, is c/o CIM Group, LLC, 4700 Wilshire Boulevard, Los Angeles, California 90010. CIM Group , LLC is the indirect sole equity member of each of CIM Urban Sponsor, LLC, CIM CMCT MLP, LLC, CIM Capital Real Property Management, LLC and CIM Capital IC Management, LLC. CIM Capital IC Management, LLC is the investment adviser of CIM Real Assets & Credit Fund. Because of their positions with CIM Group, LLC, Shaul Kuba, Richard Ressler and Avraham Shemesh, the founders of CIM Group, may be deemed to beneficially own the 9,168,916 shares of Common Stock and 568,681 shares of Series A Preferred Stock owned directly by CIM CMCT MLP, LLC, the 473,033 shares of Common Stock owned directly by CIM Urban Sponsor, LLC, the 388,344 shares of Common Stock directly owned by CIM Real Assets & Credit Fund and the 200,000 shares of Series A1 Preferred Stock owned directly by CIM Capital Real Property Management, LLC. Messrs. Ressler, Shemesh and Kuba have shared voting and investment power over all of these shares. Each of Messrs. Ressler, Shemesh and Kuba disclaims beneficial ownership of all of these shares except to the extent of his pecuniary interest therein.

(2) Mr. Ressler has sole voting and investment power over 122,628 shares of Common Stock held by a subsidiary of a trust formed by Mr. Ressler for the benefit of his family members.

(3) Each of Messrs. Shemesh and Kuba have shared voting and investment power over 45,420 shares of Common Stock held by each of their respective family trusts, with respect to which they were grantors.

PROPOSAL 1:

ELECTION OF DIRECTORS

The Board presently consists of seven directors.

At the Annual Meeting, you will be asked to consider and vote upon the election of seven directors. The seven current directors will be up for election at the Annual Meeting. For your review and consideration, a biography of each nominee for director is contained in this proxy statement under the section titled "Corporate Governance, Director Nominees." The term of office of each person elected to be a director of the Company will be until the annual meeting of the stockholders in 2025 and until such person's successor is duly elected and qualifies. If any unforeseen event prevents one or more of the nominees from serving as a director, your votes will be cast for the election of any substitute or substitutes nominated by the Board. In no event, however, can the proxies be voted for a greater number of persons than the number of nominees named. Unless otherwise instructed, the proxies will vote for the election of the nominees listed below to serve as directors of the Company.

Vote Required

Directors are elected by a plurality of the affirmative votes cast by those holders present and entitled to vote at the Annual Meeting at which a quorum is present. There is no cumulative voting in the election of directors.

The Board recommends a vote "FOR" the election of each of the directors nominated.

INTRODUCTORY NOTE – PROPOSALS 2(A) THROUGH 2(D)

Background and Rationale

In Proposals 2(a) through 2(d) (the "Series A1 Charter Amendment Proposals"), as described in more detail below, we are proposing to amend the existing terms of our Series A1 Preferred Stock (the "Series A1 Terms") set forth in the Company's charter. We are seeking stockholder approval for the Series A1 Charter Amendment Proposals in order to (i) allow us to reduce the number of Committee on Uniform Securities Identification Procedures ("CUSIP") numbers that we must obtain in connection with our continuous offering of our Series A1 Preferred Stock from six to one per quarter (assuming there are two issuances per month) and (ii) facilitate the establishment of a dividend reinvestment plan (the "DRIP") for the Series A1 Preferred Stock by providing for the treatment of shares of Series A1 Preferred Stock acquired pursuant to the DRIP (such shares so acquired, the "Series A1 DRIP Shares") with respect to redemptions.

Based on discussions we have had with custodians and private wealth platforms, we believe that reducing the amount of CUSIP numbers issued per quarter from six to one should increase the number of custodians and private wealth platforms that will onboard our Series A1 Preferred Stock. The Company expects that this will increase the amount of capital that the Company can raise in our continuous offering of Series A1 Preferred Stock, which increase we believe will be beneficial to the Company.

We believe that facilitating the establishment of a DRIP for our Series A1 Preferred Stock should be beneficial to those holders of Series A1 Preferred Stock that desire to reinvest dividends on Series A1 Preferred Stock as the DRIP will make reinvestment much easier. The establishment and terms of any DRIP will be determined by the Board in its discretion, and the approval of the Series A1 Charter Amendment Proposals will not require the Company to establish or maintain a DRIP for the Series A Preferred Stock.

The Series A1 Charter Amendment Proposals should have no adverse effect on current holders of Series A1 Preferred Stock and our Common Stock. As of June 4, 2024, there are 11,183,289 shares of Series A1 Preferred Stock issued and outstanding that would be modified by the Series A1 Charter Amendment Proposals. The Series A1 Terms are contained in our charter. Under Maryland law and our charter, any amendment to our charter must be approved by a majority of the outstanding shares of our Common Stock. Accordingly, we ask holders of our Common Stock to approve the Series A1 Charter Amendment Proposals.

The Current Series A1 Terms

Under our current charter, the Series A1 Terms provide that (i) the dividend period for the Series A1 Preferred Stock is each calendar quarter and such dividends shall be payable quarterly on the 15th day of the month following the quarter for which the dividend was declared or, in the Board's sole discretion, more frequently than quarterly; (ii) dividends on each share of Series A1 Preferred Stock are cumulative and accrue from the first date on which such share of Series A1 Preferred Stock is originally issued; (iii) the redemption price for redemptions at the option of the holder is determined by reference to the date on which the corresponding share of Series A1 Preferred Stock was originally issued and (iv) the Company has the right to redeem shares of Series A Preferred Stock, at its option, from and after the date that is twenty-four months following the date on which such share of Series A1 Preferred Stock was originally issued. At present, the Series A1 Terms do not provide for the treatment of Series A1 DRIP Shares with respect to redemptions (since, at present, the Company does not have a DRIP for the Series A1 Preferred Stock).

The Company has been conducting a continuous offering of its Series A1 Preferred Stock offering with issuances twice per month. Since the initial dividend amount and redemption provisions are currently determined by reference to the original date of issuance of such shares, the Company is required under the Series A1 Terms to obtain unique CUSIP numbers to separately identify the shares issued in each closing. A CUSIP number is a unique nine-character alphanumeric code assigned to financial instruments, including stocks, to facilitate their identification and tracking. When dividends are declared on preferred stock, the specific CUSIP number associated with that stock ensures that payments are allocated to the correct stockholders of record. Similarly, when shares of preferred stock are called for redemption, CUSIP numbers enable an efficient and error-free process by helping to identify the specific issues being redeemed, ensuring the correct amounts are paid to the right investors and maintaining accurate records. Shares of stock with the same CUSIP number are fungible, and issuers cannot

differentiate between shares with the same CUSIP number, which means that all shares with the same CUSIP must have identical rights with respect to dividends and redemptions.

The Series A1 Charter Amendment Proposals

For the reasons stated under "—Background and Rationale," our Board unanimously approved and deemed advisable the amendments described in the Series A1 Charter Amendment Proposals and as set forth in the Articles of Amendment (the "Proposed Articles of Amendment"), subject to approval by the holders of our Common Stock. For all issuances of Series A1 Preferred Stock after the effective date of the Proposed Articles of Amendment, the Series A1 Charter Amendment Proposals will allow the Company to use one CUSIP number for all shares of Series A1 Preferred Stock issued in a calendar quarter by providing that initial dividends accrue on all shares from the beginning of a monthly dividend period and that all shares issued in a calendar quarter have the same redemption rights. The Series A1 Charter Amendment Proposals also provide that, with respect to redemptions, the Series A1 DRIP Shares will be treated as having the same original issuance date as the underlying shares of Series A1 Preferred Stock pursuant to which such Series A1 DRIP Shares are directly or indirectly attributable.

The Series A1 Charter Amendment Proposals will not affect any share of Series A1 Preferred Stock issued prior to the effective time of the Proposed Articles of Amendment other than with respect to the change to mandate a monthly dividend period (previously, dividends were required to be paid quarterly unless the Board decided otherwise in its discretion) and providing for the treatment of redemption of Series A1 DRIP Shares.

A complete copy of the Proposed Articles of Amendment is attached hereto as Appendix A-I and has been marked in Appendix A-II to show changes from the current Series A1 Terms. The following descriptions of the Series A1 Charter Amendment Proposals (Proposals 2(a) through 2(d)) collectively summarize the amendments our Board has approved and deemed advisable in the Proposed Articles of Amendment, which is qualified in its entirety by reference to the full text of the Proposed Articles of Amendment, which is attached hereto as Appendix A-I and incorporated herein by reference. Our Board has determined that the proposed amendments set forth in the Proposed Articles of Amendment are advisable and, therefore, recommends that stockholders vote "FOR" each of Proposals 2(a) through 2(d).

Following stockholder approval of the Series A1 Charter Amendment Proposals, the amendments to the Series A1 Terms would become effective upon acceptance for record of the Proposed Articles of Amendment by the State Department of Assessments and Taxation of Maryland (the "SDAT"), or such later effective time as is specified in the Proposed Articles of Amendment as permitted under Maryland law. The exact timing of the amendments will be determined by the Company based on its evaluation as to when such action will be the most advantageous to us and our stockholders.

The Board reserves the right, notwithstanding stockholder approval and without further action by the stockholders, to elect not to proceed with any of the amendments described in the Series A1 Charter Amendment Proposals if, at any time prior to effectiveness of the Proposed Articles of Amendment, the Board, in its sole discretion, determines that it is no longer in the best interests of the Company and its stockholders to proceed with any of the amendments described therein. **By voting in favor of the Series A1 Charter Amendment Proposals, you are expressly also authorizing the Board to delay or abandon the Proposed Articles of Amendment, in whole or in part**.

Approval of each of Proposals 2(a) through 2(d) is conditioned on approval of every other of Proposals 2(a) through 2(d). This means for the Proposed Articles of Amendment to be approved and implemented, our stockholders must vote "FOR" each of Proposals 2(a) through 2(d).

Current Terms of Series A1 Preferred Stock Material to the Series A1 Charter Amendment Proposals.

The following summary of the current terms of the Series A1 Preferred Stock that are material to the Series A1 Charter Amendment Proposals is qualified in its entirety by reference to the Series A1 Terms, which is attached as Exhibit 3.1 to our Current Report on Form 8-K filed with the SEC on June 16, 2022 (https://shareholders.creativemediacommunity.com/static-files/0439b22c-a354-4635-93ad-ca7f87eb6879), and the Proposed Articles of Amendment, which is attached hereto as Appendix A-I, both of which are incorporated herein by reference. Capitalized terms used in this summary but not defined in this proxy statement have the meanings set forth in the Series A1 Terms. Under the Company's current charter (and prior to the

effectiveness of the Series A1 Charter Amendment Proposals), the material terms of the Series A1 Preferred Stock that will be affected by the Series A1 Charter Amendment Proposal are set forth below:

Dividends. Dividends on each share of Series A1 Preferred Stock accrue and are cumulative from the date of issuance of such share. The dividends on each share of Series A1 Preferred Stock are cumulative from (and including) the first date on which such share of Series A1 Preferred Stock is issued and are payable (i) quarterly on the 15th day of the month following the quarter for which the dividend was declared or, if not a Business Day, the next succeeding Business Day or (ii) as the Board may decide in its sole discretion from time to time, which may be more frequently than quarterly, with such dividends to be payable on such dates as determined by the Board.

Unless full cumulative Series A1 Dividends for all past dividend periods have been or are contemporaneously declared and paid or declared and a sum sufficient for the payment thereof is set apart for payment, we will not:

- declare and pay or declare and set apart for payment dividends and we will not declare and make any other distribution of cash or other property (other than dividends or other distributions paid in shares of stock ranking junior to the Series A1 Preferred Stock as to the dividend rights or rights upon our liquidation, winding-up or dissolution, or options, warrants or rights to purchase such shares), directly or indirectly, on or with respect to any shares of Common Stock, Series A Preferred Stock, Series D Preferred Stock or any other class or series of our stock ranking junior to or on parity with the Series A1 Preferred Stock as to dividend rights or rights on our liquidation, winding-up or dissolution for any period; or
- except by conversion into or exchange for shares of stock ranking junior to the Series A1 Preferred Stock as to dividend rights or rights upon our liquidation, winding-up or dissolution, or options, warrants or rights to purchase such shares, redeem, purchase or otherwise acquire (other than a redemption, purchase or other acquisition of Common Stock made for purposes of an employee incentive or benefit plan) for any consideration, or pay or make available any monies for a sinking fund for the redemption of, directly or indirectly, any Common Stock, Series A Preferred Stock, Series D Preferred Stock or any class or any other class or series of our stock ranking junior to or on parity with the Series A1 Preferred Stock as to dividend rights or rights on our liquidation, winding-up or dissolution.

To the extent necessary to preserve our status as a real estate investment trust, the foregoing sentence, however, will not prohibit the Company from (i) declaring or paying or setting apart for payment any dividend or other distribution on any class or series of our stock ranking junior to or on parity with the Series A1 Preferred Stock as to dividend rights or rights on our liquidation, winding-up or dissolution for any period or (ii) redeeming, purchasing or otherwise acquiring any class or series of our stock ranking junior to or on parity with the Series A1 Preferred Stock.

Redemption at the Option of Holders. Holders of our shares of Series A1 Preferred Stock have the right to require the Company to redeem such shares at a redemption price equal to a percentage of the Series A1 Stated Value set forth below plus any accrued and unpaid dividends:

- 91%, for all such redemptions effective prior to the first anniversary of the date of original issuance of such shares;
- 92%, for all such redemptions effective on or after the first anniversary, but prior to the second anniversary, of the date of original issuance of such shares;
- 93%, for all such redemptions effective on or after the second anniversary, but prior to the third anniversary, of the date of original issuance of such shares;
- 94%, for all such redemptions effective on or after the third anniversary, but prior to the fourth anniversary, of the date of original issuance of such shares;
- 95%, for all such redemptions effective on or after the fourth anniversary, but prior to the fifth anniversary, of the date of original issuance of such shares; and
- 100%, for all such redemptions effective on or after the fifth anniversary of the date of original issuance of such shares.

The Company's obligation to redeem any shares of Series A1 Preferred Stock is limited to the extent that (i) the Company does not have sufficient funds available to fund any such redemption, in which case the Company will be required to redeem with shares of Common Stock, or (ii) the Company is restricted by applicable law, the Company's charter or contractual obligations from making such redemption.

Redemption by the Company. The Series A1 Preferred Stock is not redeemable at the option of the Company prior to the date that is 24 months following the date of original issuance of any given shares of Series A1 Preferred Stock. From and after the date that is 24 months following the date of original issuance of any given shares of Series A1 Preferred Stock, the Company may, at its option, redeem such shares, in whole or from time to time, in part, at a redemption price equal to 100% of the Series A1 Stated Value per share, plus all accumulated, accrued and unpaid dividends, if any, to and including the date fixed for redemption. If full cumulative dividends on all outstanding shares of Series A1 Preferred Stock have not been declared and paid or declared and set apart for payment for all past dividend periods, no shares of the Series A1 Preferred Stock may be redeemed at the option of the Company, unless all outstanding shares of the Series A1 Preferred Stock are simultaneously redeemed, and neither the Company nor any of its affiliates may purchase or otherwise acquire shares of the Series A1 Preferred Stock otherwise than pursuant to a purchase or exchange offer made on the same terms to all holders of the Series A1 Preferred Stock. If fewer than all the outstanding shares of Series A1 Preferred Stock are to be redeemed at the option of the Company, we will select those shares to be redeemed pro rata or in such manner as the Board may determine.

PROPOSAL 2(a):

APPROVAL OF THE MONTHLY DIVIDEND PERIOD AMENDMENT

As described above under "Introductory Note – Proposals 2(a) through 2(d)," the current Series A1 Terms provide for a quarterly dividend period (previously, dividends were required to be paid quarterly unless the Board decided otherwise in its discretion). In this Proposal 2(a), we are proposing to implement a fixed monthly dividend period with a record date of the last day of the month and to provide that such dividends shall be payable monthly on the 15th day of each month following the dividend period for which the dividend was declared (the "Monthly Dividend Period Amendment").

The Monthly Dividend Period Amendment will amend the Series A1 Terms by (i) revising the definition of "Dividend Period" contained in Section 2 to provide for a dividend period that commences on the first day of each month of each year and ends on and includes the day proceeding the first day of the next succeeding Dividend Period and (ii) revising the second paragraph of existing subsection (a) of Section 4 to provide that dividends shall be payable monthly, and the record date shall be the last business day of each month.

The Monthly Dividend Period Amendment will provide for a monthly dividend period for all shares of Series A1 Preferred Stock, including such shares issued prior to the effectiveness of the Proposed Articles of Amendment.

As more fully described above under "Introductory Note – Proposals 2(a) through 2(d)," the purpose of the Monthly Dividend Period Amendment is to reduce the number of CUSIP numbers that the Company is required to obtain to administer the Series A1 Preferred Stock, which the Company expects will increase the amount of capital that the Company can raise in its continuous offering of Series A1 Preferred Stock.

The summary above is qualified in its entirety by the complete text of Proposed Articles of Amendment, which is attached hereto as Appendix A-I and incorporated herein by reference. The text of the Proposed Articles of Amendment has been marked in Appendix A-II to reflect all the proposed amendments from the current Series A1 Terms.

Vote Required

Under our charter, the affirmative vote of a majority of all of the votes entitled to be cast on this Proposal 2(a) is required to approve the proposal. For purposes of the vote on this Proposal 2(a), abstentions and broker non-votes will be considered present for the purpose of determining the presence of a quorum. However, if you do not instruct your broker how to vote on this proposal, your shares will be treated as broker non-votes. **Abstentions, broker non-votes and other shares not voted will have the same effect as votes "against" this Proposal 2(a)**.

In addition, approval of each of Proposals 2(a) through 2(d), including this proposal, is conditioned on approval of every other of Proposals 2(a) through 2(d). **This means that an abstention, broker non-vote or vote "against" this Proposal 2(a) will have the effect of a vote "against" all of the Series A1 Charter Amendment Proposals**.

Holders of the Series A1 Preferred Stock do not have any voting rights and are not entitled to vote on the Monthly Dividend Period Amendment.

Following stockholder approval of this Proposal 2(a), the Monthly Dividend Period Amendment would become effective upon acceptance for record of the Proposed Articles of Amendment by the SDAT, or such later effective time as is specified in the Proposed Articles of Amendment as permitted under Maryland law. The exact timing of the Monthly Dividend Period Amendment will be determined by the Company based on its evaluation as to when such action will be the most advantageous to us and our stockholders. The Board reserves the right, notwithstanding stockholder approval and without further action by the stockholders, to elect not to proceed with the Monthly Dividend Period Amendment and **by voting in favor of the Monthly Dividend Period Amendment, you are expressly also authorizing the Board to delay or abandon the Monthly Dividend Period Amendment**.

The Board recommends a vote "FOR" the approval of Proposal 2(a).

PROPOSAL 2(b):

APPROVAL OF THE INITIAL DIVIDEND ACCRUAL DATE AMENDMENT

As described above under "Introductory Note – Proposals 2(a) through 2(d)," the current Series A1 Terms provide dividends on each share of Series A1 Preferred Stock shall be cumulative from (and including) the date on which such share of Series A1 Preferred Stock is issued. In this Proposal 2(b), we are proposing to amend the Series A1 terms to cause dividends on shares issued after the effective date of the Proposed Articles of Amendment to accrue beginning on the first day of the dividend period during which such share is issued (the "Initial Accrual Date Amendment"). The Initial Accrual Date Amendment will not affect shares of Series A1 Preferred Stock issued prior to the time the Proposed Articles of Amendment become effective and its impact is limited to the accrual of dividends in the initial dividend period during which a share of Series A1 Preferred Stock is issued.

Pursuant to this Proposal 2(b), the Proposed Articles of Amendment will amend the Series A1 Terms by adding new definitions of "Initial Accrual Date" and "Amendment Effective Time" to Section 2. Initial Accrual Date shall be defined (i) for shares issued on or after the Amendment Effective Time as the first day of the dividend period during which such share of Series A1 Preferred Stock is originally issued and (ii) for Series A1 Preferred Stock issued prior the Amendment Effective Time as the first date on which such share of Series A1 Preferred Stock was originally issued. Amendment Effective Time will be defined as the effective time of the Proposed Articles of Amendment, which will be the date and time that the Proposed Articles of Amendment are accepted for record by the SDAT, or such later effective time as is specified in such Proposed Articles of Amendment as permitted under Maryland law. Proposal 2(b) will also amend the first sentence of the second paragraph of subsection (a) of Section 4 of the Series A1 Terms to provide that dividends shall begin to accrue on the Initial Accrual Date.

If the Proposed Articles of Amendment are approved and become effective, the initial dividend on shares of Series A1 Preferred Stock issued on or after the Amendment Effective Time will start to accrue on the first day of each month in which such shares were issued.

As more fully described above under "Introductory Note – Proposals 2(a) through 2(d)," the purpose of the Initial Accrual Date Amendment is to reduce the number of CUSIP numbers that the Company is required to obtain to administer the Series A1 Preferred Stock, which the Company expects will increase the amount of capital that the Company can raise in its continuous offering of Series A1 Preferred Stock.

The summary above is qualified in its entirety by the complete text of Proposed Articles of Amendment, which is attached hereto as Appendix A-I and incorporated herein by reference. The text of the Proposed Articles of Amendment has been marked in Appendix A-II to reflect all the proposed amendments from the current Series A1 Terms.

Vote Required

Under our charter, the affirmative vote of a majority of all of the votes entitled to be cast on this Proposal 2(b) is required to approve the proposal. For purposes of the vote on this Proposal 2(b), abstentions and broker non-votes will be considered present for the purpose of determining the presence of a quorum. However, if you do not instruct your broker how to vote on this proposal, your shares will be treated as broker non-votes. **Abstentions, broker non-votes and other shares not voted will have the same effect as votes "against" this Proposal 2(b)**.

In addition, approval of each of Proposals 2(a) through 2(d), including this proposal, is conditioned on approval of every other of Proposals 2(a) through 2(d). **This means that an abstention, broker non-vote or vote "against" this Proposal 2(b) will have the effect of a vote "against" all of the Series A1 Charter Amendment Proposals**.

Holders of the Series A1 Preferred Stock do not have any voting rights and are not entitled to vote on the Initial Accrual Date Amendment.

Following stockholder approval of this Proposal 2(b), the Initial Dividend Accrual Date Amendment would become effective upon acceptance for record of the Proposed Articles of Amendment by the SDAT, or such later effective time as is specified in the Proposed Articles of Amendment as permitted under Maryland law. The exact timing of the Initial Dividend

Accrual Date Amendment will be determined by the Company based on its evaluation as to when such action will be the most advantageous to us and our stockholders. The Board reserves the right, notwithstanding stockholder approval and without further action by the stockholders, to elect not to proceed with the Initial Accrual Date Amendment and by voting in favor of the Initial Accrual Date Amendment, you are expressly also authorizing the Board to delay or abandon the Initial Accrual Date Amendment.

The Board recommends a vote "FOR" the approval of Proposal 2(b).

PROPOSAL 2(c):

APPROVAL OF THE ORIGINAL ISSUANCE DATE AMENDMENT

As described above under "Introductory Note – Proposals 2(a) through 2(d)," the current Series A1 Terms provide (i) the redemption price for redemptions at the option of the holder is determined by reference to the date on which such which such share of Series A1 Preferred Stock was originally issued (the "date of original issuance") and (ii) the Company has the right to redeem Series A Preferred Stock, at its option, from and after the date that is twenty-four months following the date of original issuance. In this Proposal 2(c), we are proposing to amend the Series A1 terms by providing that the date of original issuance with respect to redemptions of shares of Series A1 Preferred Stock issued on or after the Amendment Effective Time shall be deemed to be the earliest date that any shares of Series A1 Preferred Stock were issued to any investor during the calendar quarter in which the shares to be redeemed were issued (the "Original Issuance Date Amendment"). The Original Issuance Date Amendment will not affect shares of Series A1 Preferred Stock issued prior to the time the Proposed Articles of Amendment becomes effective and its impact is limited to the redemption context.

Pursuant to this Proposal 2(c), the Proposed Articles of Amendment will amend the Series A1 Terms by adding a new definition of "Original Issuance Date" to Section 2. Original Issuance Date shall be defined (i) for shares issued on or after the Amendment Effective Time as the earliest date that any shares of Series A1 Preferred Stock were issued to any investor during the calendar quarter in which the shares to be redeemed were issued and (ii) for Series A1 Preferred Stock issued prior the Amendment Effective Time as the first date on which such share of Series A1 Preferred Stock was originally issued. Additionally, the phrase "date of original issuance" will be replaced with the newly defined term "Original Issuance Date" in each instance it is used in subsections (a) and (b) of Section 6 and subsections (a)(i) and (a)(ii) of Section 7.

As more fully described above under "Introductory Note – Proposals 2(a) through 2(d)," the purpose of the Original Issuance Date Amendment is to reduce the number of CUSIP numbers that the Company is required to obtain to administer the Series A1 Preferred Stock, which the Company expects will increase the amount of capital that the Company can raise in its continuous offering of Series A1 Preferred Stock.

The summary above is qualified in its entirety by the complete text of Proposed Articles of Amendment, which is attached hereto as Appendix A-I and incorporated herein by reference. The text of the Proposed Articles of Amendment has been marked in Appendix A-II to reflect all the proposed amendments from the current Series A1 Terms.

Vote Required

Under our charter, the affirmative vote of a majority of all of the votes entitled to be cast on this Proposal 2(c) is required to approve the proposal. For purposes of the vote on this Proposal 2(c), abstentions and broker non-votes will be considered present for the purpose of determining the presence of a quorum. However, if you do not instruct your broker how to vote on this proposal, your shares will be treated as broker non-votes. **Abstentions, broker non-votes and other shares not voted will have the same effect as votes "against" this Proposal 2(c)**.

In addition, approval of each of Proposals 2(a) through 2(d), including this proposal, is conditioned on approval of every other of Proposals 2(a) through 2(d). **This means that an abstention, broker non-vote or vote "against" this Proposal 2(c) will have the effect of a vote "against" all of the Series A1 Charter Amendment Proposals**.

Holders of the Series A1 Preferred Stock do not have any voting rights and are not entitled to vote on the Original Issuance Date Amendment.

Following stockholder approval of this Proposal 2(c), the Original Issuance Date Amendment would become effective upon acceptance for record of the Proposed Articles of Amendment by the SDAT, or such later effective time as is specified in the Proposed Articles of Amendment as permitted under Maryland law. The exact timing of the Original Issuance Date Amendment will be determined by the Company based on its evaluation as to when such action will be the most advantageous to us and our stockholders. The Board reserves the right, notwithstanding stockholder approval and without further action by the stockholders, to elect not to proceed with the Original Issuance Date Amendment and **by voting in favor of the Original**

Issuance Date Amendment, you are expressly also authorizing the Board to delay or abandon the Original Issuance Date Amendment.

The Board recommends a vote "FOR" the approval of Proposal 2(c).

PROPOSAL 2(d):

APPROVAL OF THE SERIES A1 DRIP AMENDMENT

As described above under "Introductory Note – Proposals 2(a) through 2(d)," the current Series A1 Terms do not specify the treatment of the Series A1 DRIP Shares with respect to redemptions (as there is currently no DRIP for the Series A1 Preferred Stock). In this Proposal 2(d), we are proposing to amend the Series A1 terms to set the Original Issuance Date, as defined in Proposal 2(c) above, for the Series A1 DRIP Shares as the same Original Issuance Date of the underlying shares of Series A1 Preferred Stock pursuant to which such Series A1 DRIP Shares are directly or indirectly attributable (the "Series A1 DRIP Amendment"). The Series A1 DRIP Amendment will equally affect shares of Series A1 Preferred Stock issued prior to, and following, the time the Proposed Articles of Amendment becomes effective.

Pursuant to this Proposal 2(d), the Proposed Articles of Amendment will amend the Series A1 Terms by adding language to (i) existing subsection (b) of Section 6 to provide that for the purposes of redemptions at the option of the Company, the Original Issuance Date of such Series A1 DRIP Shares shall be deemed to be the same as the Original Issuance Date of the underlying shares of Series A1 Preferred Stock pursuant to which such Series A1 DRIP Shares are directly or indirectly attributable (such shares, the "Underlying Series A1 Shares"), and such Series A1 DRIP Shares shall be subject to optional redemption by the Company on the same date and terms as the Underlying Series A1 Shares and (ii) existing subsections (a)(i) and (a)(ii) of Section 7 to provide that for the purposes of redemptions the option of the holder, the Original Issuance Date of such Series A1 DRIP Shares shall be deemed to be the same as the Original Issuance Date of Underlying Series A1 Shares, and such Series A1 DRIP Shares shall have the same redemption price to which such Underlying Series A1 Shares would be subject if submitted for redemption.

As more fully described above under "Introductory Note – Proposals 2(a) through 2(d)," the purpose of the Series A1 DRIP Amendment is to provide for the treatment of redemption of the Series A1 DRIP Shares, i.e., the Series A1 DRIP Shares will be treated the same as the Underlying Series A1 Shares.

The summary above is qualified in its entirety by the complete text of Proposed Articles of Amendment, which is attached hereto as Appendix A-I and incorporated herein by reference. The text of the Proposed Articles of Amendment has been marked in Appendix A-II to reflect all the proposed amendments from the current Series A1 Terms.

Vote Required.

Under our charter, the affirmative vote of a majority of all of the votes entitled to be cast on this Proposal 2(d) is required to approve the proposal. For purposes of the vote on this Proposal 2(d), abstentions and broker non-votes will be considered present for the purpose of determining the presence of a quorum. However, if you do not instruct your broker how to vote on this proposal, your shares will be treated as broker non-votes. **Abstentions, broker non-votes and other shares not voted will have the same effect as votes "against" this Proposal 2(d).**

In addition, approval of each of Proposals 2(a) through 2(d), including this proposal, is conditioned on approval of every other of Proposals 2(a) through 2(d). **This means that an abstention, broker non-vote or vote "against" this Proposal 2(d) will have the effect of a vote "against" all of the Series A1 Charter Amendment Proposals**.

Holders of the Series A1 Preferred Stock do not have any voting rights and are not entitled to vote on the Series A1 DRIP Amendment.

Following stockholder approval of this Proposal 2(d), the Series A1 DRIP Amendment would become effective upon acceptance for record of the Proposed Articles of Amendment by the SDAT, or such later effective time as is specified in the Proposed Articles of Amendment as permitted under Maryland law. The exact timing of the Series A1 DRIP Amendment will be determined by the Company based on its evaluation as to when such action will be the most advantageous to us and our stockholders. The Board reserves the right, notwithstanding stockholder approval and without further action by the stockholders, to elect not to proceed with the Series A1 DRIP Amendment and **by voting in favor of the Series A1 DRIP Amendment, you are expressly also authorizing the Board to delay or abandon the Series A1 DRIP Amendment**.

The Board recommends a vote "FOR" the approval of Proposal 2(d).

PROPOSAL 3:

ADVISORY VOTE ON EXECUTIVE COMPENSATION

As required by Section 14A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we are seeking advisory stockholder approval of the compensation of our named executive officers as further described below under "Executive Compensation." The stockholder vote is an advisory vote only and is not binding on the Company or the Board. Although the vote is non-binding, the Board values the opinion of our stockholders and will consider the outcome of the vote when making future compensation decisions for our named executive officers. Unless the Board modifies its policy on the frequency of future advisory votes on executive compensation, the next such vote will occur at the 2025 annual meeting of stockholders.

Our executive compensation system is designed to promote the Company's financial and operational success by (i) attracting, motivating and assisting in the retention of highly qualified and talented executives, including our named executive officers, who will enable us to perform better than our competitors and drive long-term stockholder value; and (ii) reinforcing desired financial business results to our executives, including our named executive officers, and motivating them to make decisions that produce such results. We believe that our executive compensation system appropriately links pay to both the Company's and the executive's performance and is well aligned with the long-term interests of our stockholders. The Board does not allocate a fixed percentage to any specific component of compensation, but works with management to design an overall compensation structure that best serves its goals and appropriately motivates our executive officers to provide outstanding service to the Company. We believe that our executive compensation objectives have resulted in executive compensation decisions that have appropriately incentivized (without undue risk) the achievement of financial goals that have benefited our Company and our stockholders and are expected to drive long-term stockholder value over time.

As described in detail in the "Compensation Discussion and Analysis" section below, the Company is externally operated by the Operator (as defined in "Related Person Transactions—Transactions with Related Persons—Asset Management and Other Fees to Related Parties"), an affiliate of CIM Group, L.P., pursuant to an Investment Management Agreement (the "Investment Management Agreement") between the Operator and CIM Urban Partners L.P. ("CIM Urban"), a principal subsidiary of the Company. In addition, CIM Service Provider, LLC (the "Administrator"), a subsidiary of CIM Group, LLC, provides certain administrative services to the Company and its subsidiaries pursuant to a Master Services Agreement (the "Master Services Agreement"). David Thompson, the Company's Chief Executive Officer, and Nathan D. DeBacker, the Company's former Chief Financial Officer, are employed by an affiliate of the Operator and the Administrator and their compensation is determined by, and paid to them directly by, such affiliate. The Company did not pay Mr. Thompson or Mr. DeBacker any compensation in 2023 and 2022. Therefore, their compensation is not discussed in the "Compensation Discussion and Analysis" section below.

We are asking stockholders to vote on the following advisory resolution:

Resolved, that the stockholders approve, on a non-binding advisory basis, the compensation of Barry N. Berlin, the Company's only named executive officer being compensated by the Company, as disclosed pursuant to the SEC's compensation disclosure rules, including the Compensation Discussion and Analysis, compensation tables and narrative discussion contained in the proxy statement.

Vote Required

The affirmative vote of a majority of the votes cast at the Annual Meeting at which a quorum is present is required to approve the proposal.

The Board recommends a vote "FOR" the approval of the advisory resolution on the Company's executive compensation for the year ended December 31, 2023, as disclosed in this proxy statement.

PROPOSAL 4:

RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee, comprised of independent members of the Board (the "Audit Committee"), has appointed Deloitte as our independent registered public accounting firm with respect to our operations for the fiscal year ending December 31, 2024. Representatives of Deloitte are expected to be present at the Annual Meeting and will have the opportunity to make a statement if they desire to do so and will answer appropriate questions. Stockholder ratification of the appointment of Deloitte as our independent registered public accounting firm is not required by our bylaws or otherwise. However, the Board is submitting the appointment of Deloitte to the common stockholders for ratification as a matter of good corporate governance. If the common stockholders fail to ratify the appointment, the Audit Committee may reconsider whether to retain Deloitte. Even if the appointment is ratified, the Audit Committee may in its discretion select a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company.

We are asking that you ratify the appointment of Deloitte, although your ratification is not required.

Vote Required

The affirmative vote of a majority of the votes cast at the Annual Meeting at which a quorum is present is required to approve the ratification of the appointment of Deloitte as our independent registered public accounting firm.

The Board recommends a vote "FOR" the ratification of the appointment of Deloitte as our independent registered public accounting firm for the fiscal year ending December 31, 2024.

CORPORATE GOVERNANCE

Company Leadership Structure; Board Role in Risk Oversight

Leadership Structure. The Board does not have a formal policy regarding the leadership structure of the Company and whether the roles of chairman and chief executive officer should be separated, but instead believes that these matters should be determined based on a number of different factors and circumstances, including the Company's position, history, size, culture, stockholder base, board size and board composition and that, as a result, the appropriate structure may change from time to time as circumstances warrant. Currently, the roles of Chairman of the Board and Chief Executive Officer of the Company are separated. Our Chairman of the Board is Mr. Ressler and our Chief Executive Officer is Mr. Thompson.

Risk Oversight. The Company is exposed to a variety of risks. The entire Board regularly assesses major risks facing the Company and reviews options for their mitigation. The Board may appoint a committee to address a specific risk or to oversee the Company's response to a specific risk. In particular, the Audit Committee of the Board oversees the Company's policies with respect to risk assessment and risk oversight and oversees risk with respect to financial reporting matters. The Board also relies on management to bring significant matters to its attention.

The Board believes that the Company's current leadership structure, including the independent Audit Committee oversight function and the open access of the Board to the Company's executive officers and senior management as the Board determines is appropriate, supports the oversight role of the Board in the Company's risk management.

Statement on Corporate Governance

Governance Principles. The Board has adopted a set of Governance Principles that provides a framework for the governance of the Company. The Company's Governance Principles may be found on the Company's website at https://shareholders.creativemediacommunity.com/corporate-overview/corporate-governance in the section entitled "Governance Documents."

Contacting the Board. The Board welcomes your questions and comments. If you would like to communicate directly with the Board, or if you have a concern related to the Company's business ethics or conduct, financial statements, accounting practices or internal controls, then you may submit your correspondence to the Secretary of the Company, at 5956 Sherry Lane, Suite 700, Dallas, Texas 75225, or you may call the Ethics Hotline at 1-800-292-4496. All communications will be forwarded to the Audit Committee, which in turn may forward certain communications to the entire Board in its discretion.

Code of Ethics. The Board has adopted a Code of Business Conduct and Ethics that applies to all directors, officers and employees of the Company, the Operator (as defined below) and the Administrator (as defined below), including the Company's principal executive officer and principal financial and accounting officer (the "Code of Ethics").

If the Board amends any provisions of the Code of Ethics that applies to the Company's principal executive officer or any other executive officer of the Company or grants a waiver in favor of any such persons, the Company intends to satisfy its disclosure requirements by disclosing the amendment or waiver in a Current Report on Form 8-K filed with the SEC within four business days following such amendment or waiver.

The Company's Code of Business Conduct and Ethics may be found on the Company's website at https://shareholders.creativemediacommunity.com/corporate-overview/corporate-governance in the section entitled "Governance Documents."

Meetings of the Board

The Board held a total of six meetings during the year ended December 31, 2023. Each director attended at least 75 percent of the aggregate number of Board meetings and the meetings of committees on which he or she served during 2023.

Directors are encouraged to attend the annual meeting of stockholders of the Company. All members of our Board virtually attended our 2023 annual meeting of stockholders.

Independent Director Meetings

The independent directors have at least one regularly scheduled meeting or executive session per year without the presence of other directors and management. Any independent director can request that an additional executive session be scheduled.

Committees of the Board

The Board has the following standing committees: an audit committee, a compensation committee and a nominating and corporate governance committee.

Audit Committee. The Company has a standing Audit Committee that oversees the accounting and financial reporting processes as well as legal, compliance and risk management matters. The Audit Committee consists of Ms. Wong, who serves as chairwoman, Mr. Bryant and Ms. Edwards. The Audit Committee is comprised entirely of directors who meet the independence and financial literacy requirements of Nasdaq and applicable SEC rules. See "—Independence of Directors." In addition, the Board has determined that Ms. Wong qualifies as an "audit committee financial expert" as defined in SEC rules.

The Audit Committee's responsibilities include providing assistance to the Board in fulfilling its responsibilities with respect to oversight of the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications, performance and independence and the performance of the Company's internal audit function, if any. In accordance with its Audit Committee Charter, the Audit Committee is directly responsible for the appointment and oversight of the independent registered public accounting firm, who reports directly to the Committee, approval of the engagement fee of the independent registered public accounting firm and pre-approval of the audit services and any permitted non audit services they may provide to the Company. In addition, the Audit Committee reviews the scope of audits as well as the annual audit plan and evaluates matters relating to the audit and internal controls of the Company. Further, the Audit Committee supervises the Company's compliance with the cybersecurity rule promulgated by the SEC. The Audit Committee holds separate executive sessions, outside the presence of executive management, with the Company's independent registered public accounting firm.

During 2023, the Audit Committee held five meetings.

The charter for the Audit Committee may be found on the Company's website at https://shareholders.creativemediacommunity.com/corporate-overview/corporate-governance in the section entitled "Committee Charters."

Compensation Committee. Our Compensation Committee consists of two of our independent directors: Mr. Bech, who serves as chair, and Ms. Wong. Our Board has adopted a charter for the Compensation Committee that sets forth its specific functions, powers, duties and responsibilities. Among other things, the Compensation Committee charter calls upon the Compensation Committee to:

- In consultation with senior management, establish the Company's general compensation philosophy and oversee the development, implementation and administration of compensation plans, policies and programs, if any;
- Oversee compliance of all compensation-related disclosure requirements, including producing an annual Compensation Committee Report for inclusion in the Company's proxy statement in accordance with applicable SEC rules and regulations; and
- Review and make recommendations to the Board regarding any changes in compensation for directors.

During 2023, the Compensation Committee held two meetings.

The charter for the Compensation Committee may be found on the Company's website at https://shareholders.creativemediacommunity.com/corporate-overview/corporate-governance in the section entitled "Committee Charters."

Nominating and Corporate Governance Committee. Our Nominating and Corporate Governance Committee is comprised of two of our independent directors: Mr. Bech, who serves as chair, and Ms. Edwards. The Nominating and Corporate Governance Committee was formed to establish and implement our corporate governance practices and to nominate individuals for election to the Board. Our Nominating and Corporate Governance Committee operates pursuant to a written charter adopted by our Board. Among other things, the committee charter calls upon the Nominating and Corporate Governance Committee to: (i) periodically review the size and composition of the Board and recommend to the Board such modifications to its size and/or composition as are determined by the Nominating and Corporate Governance Committee to be necessary or desirable; (ii) recommend to the Board the director nominees for the next annual meeting of stockholders; and (iii) develop and recommend to the Board a set of corporate governance principles applicable to the Company.

During 2023, the Nominating and Corporate Governance Committee held two meetings.

The charter for the Nominating and Corporate Governance Committee may be found on the Company's website at https://shareholders.creativemediacommunity.com/corporate-overview/corporate-governance in the section entitled "Committee Charters."

Director Nomination Procedures

Director Qualifications. The Nominating and Corporate Governance Committee believes that each member of the Board must possess high personal and professional ethics, integrity and values, and be committed to representing the long term interests of the stockholders, as well as an inquisitive mind, an objective perspective, practical wisdom and mature judgment. In addition, directors must be willing to devote sufficient time to carry out their duties and responsibilities effectively. The Nominating and Corporate Governance Committee is committed to diversity on the Board, values diversity and believes the Board should reflect an appropriate diversity of viewpoints, background, experience, ethnicity, gender, culture and other demographics.

Identifying and Evaluating Nominees. The Nominating and Corporate Governance Committee may consider those factors it deems appropriate in evaluating director candidates as outlined above. The skills and personality of each director should fit with those of the other directors in building a Board that is effective, collegial and responsive to the needs of the Company. The Nominating and Corporate Governance Committee may consider candidates for the Board from any reasonable source, including current board members, stockholders, professional search firms or other persons. The Nominating and Corporate Governance Committee does not evaluate candidates differently based on who has made the recommendation. The Nominating and Corporate Governance Committee may hire and pay a fee to consultants or search firms to assist in the process of identifying and evaluating candidates; however, no such consultant or search firm was engaged in the year ended December 31, 2023.

Stockholder Nominees. The Nominating and Corporate Governance Committee will consider properly submitted stockholder nominees for election to the Board and will apply the same evaluation criteria in considering such nominees as it would to persons nominated under any other circumstances. Any stockholder nominations proposed for consideration by the Nominating and Corporate Governance Committee should include the nominee's name and sufficient biographical information to demonstrate that the nominee meets the qualification requirements for board service as set forth under "—Director Qualifications." The nominee's written consent to the nomination should also be included with the nomination submission, which should be sent in accordance with the provisions of our bylaws and addressed to: Mr. Barry N. Berlin, Secretary of the Company, 5956 Sherry Lane, Suite 700, Dallas, Texas 75225.

Additional information regarding submitting stockholder proposals is set forth in our bylaws. Stockholders may request a copy of our bylaws from the Company's Secretary, Mr. Barry N. Berlin, Secretary of the Company, Creative Media & Community Trust Corporation, 5956 Sherry Lane, Suite 700, Dallas, Texas 75225.

Director Nominees

Set forth below are the names of the persons nominated as directors, their ages, their offices in the Company, if any, their principal occupations or employment for at least the past five years, the length of their tenure as directors of the Company and the names of other public companies in which such persons hold or have held directorships during the past five years.

Name	Age	Position
Douglas Bech	78	Director (independent)
John Hope Bryant	58	Director (independent)
Marcie Edwards	67	Director (independent)
Shaul Kuba	61	Director
Richard Ressler	65	Director and Chairman of the Board
Avraham Shemesh	62	Director
Elaine Wong	45	Director (independent)

Douglas Bech has served as a director of the Company since March 2014, and since 1997 as founder and Chief Executive Officer of Raintree Resorts International, a private enterprise engaged in vacation ownership and resort operations in Mexico, the United States and Canada. Prior to founding Raintree, Mr. Bech practiced securities and corporate finance law from 1970 to 1997. Mr. Bech also served as a director of J2 Global, Inc. from November 2000 to October 2021 and from August 1988 through November 2000, he served as a director of eFax.com, a company J2 Global, Inc. acquired in November 2000. In October 2021 Mr. Bech was appointed non-executive chairman of the board of directors of Consensus Cloud Solutions, Inc., a company which was spun off to the J2 (now renamed Ziff-Davis) shareholders. Mr. Bech also served as presiding independent director of HollyFrontier Corporation from July 2011 until May 2021, when Mr. Bech retired from its board of directors. Mr. Bech had previously served as a director of Frontier Oil Corporation from 1993 until its merger with Holly Corporation in July 2011. Mr. Bech also served, from 2014 until February 1, 2016, as an independent trust manager of Moody National REIT II, Inc., a registered, non-traded real estate investment trust that acquires limited service hotels in the United States. Mr. Bech's previous work as a securities and corporate finance lawyer, as a director of other diverse public companies, and his experience as a chief executive officer of a multi-national enterprise provides expertise on corporate governance, legal matters and finance, as well as a general business management perspective to the Board.

John Hope Bryant has served as a director of the Company since November 2022. Mr. Bryant is chairman and chief executive officer of Bryant Group Ventures and The Promise Homes Company ("TPHC"), the largest for-profit minority controlled owner of institutional-quality, single-family residential rental homes in the U.S. Bryant founded TPHC as a start-up idea in the summer of 2017, and, by the summer of 2021, it had become the largest minority controlled single family home rental company in the nation. Further, Mr. Bryant has served as a director of Nextdoor Holdings, Inc. since November 2021 and currently serves on its Nominating, Corporate Governance, and Corporate Responsibility Committee. Mr. Bryant is also the Founder, Chairman, and Chief Executive Officer of Operation HOPE, Inc., the largest not-for-profit and best-in-class provider of financial literacy, financial inclusion, and economic empowerment tools and services in the United States for youth and adults. He has served as an advisor to three sitting U.S. presidents from both political parties. Mr. Bryant is a founding member of the Clinton Global Initiative and a member of the World Economic Forum's "The Forum of Young Global Leaders." In addition, he hosts a national podcast series on iHeart and is a regular guest on CNBC's Squawk Box, a columnist for Bloomberg Opinion and a contributor to Huffington Post and Black Enterprise. Mr. Bryant was selected to serve as a director because of his experience as an entrepreneur and a real estate investor, his leadership skill and his deep connections to the community, all of which are expected to bring valuable insight to the Board.

Marcie Edwards has served as a director of the Company since her appointment by our Board on February 11, 2021. Ms. Edwards served as the General Manager of the Los Angeles Department of Water and Power (LADWP) from 2014 to 2017. In that capacity, she managed a city agency with an annual budget of more than $6 billion and approximately 10,000 employees. As part of her role at LADWP, she served as a member of the board of the Water and Power Employees' Retirement Plan, overseeing more than $12 billion in investments. Prior to her tenure at LADWP, Ms. Edwards was the City Manager of the City of Anaheim from 2013 to 2014, overseeing an annual budget of more than $1 billion with approximately 3,000 employees, including a fire department, a police department, and a public utility company. From 2000 to 2012, Ms. Edwards was the Utility General Manager of Anaheim Public Utilities and, prior to 2000, Ms. Edwards spent almost 25 years with LADWP in a variety of positions. From 2019 to 2021, she was Chair to the California Wildfire Safety Advisory Board as a gubernational appointee. Since 2019, Ms. Edwards has been a board member of S&C Electric Company in Chicago (and a member of the Audit Committee since 2021). In 2019, Ms. Edwards was invited to serve on the Southern California Gas Company's Advisory Safety Council. Ms. Edwards has a Master in Public Administration degree from the University of LaVerne. Ms. Edwards' extensive experience in public administration provides the Board with a strong resource on a variety of important strategic matters.

Shaul Kuba has served as a director of the Company since March 2014 and Chief Investment Officer of the Company since March 2023. Mr. Kuba is a Co-Founder, Principal and President of CIM's Real Asset Services division with more than 30 years of active real estate, infrastructure and lending experience. Since co-founding CIM Group, L.P. in 1994, Mr. Kuba has been an integral part of building CIM Group, L.P.'s platforms. As a Principal and Head of CIM Group, L.P.'s Development Group, he is actively involved in the development, redevelopment and repositioning of CIM Group, L.P.'s real estate assets. Additionally, Mr. Kuba is instrumental in sourcing new opportunities and establishing and maintaining relationships with national and regional retailers, hospitality brands and restaurateurs. He serves on CIM Group, L.P.'s Investment, Allocation and Real Asset Management Committees and provides guidance on the diverse opportunities across CIM's platforms. He also serves as an officer of various affiliates of CIM. Prior to CIM Group, L.P., Mr. Kuba was involved in a number of successful entrepreneurial real estate activities including co-founding Dekel Development, a developer of commercial and multifamily properties in Los Angeles. Mr. Kuba was selected to serve as a director because of his significant experience with the real estate development and sourcing new transactions as a result of his experience with CIM Group, including as Co-Founder thereof, as well as his leadership roles at CIM Group, all of which are expected to bring valuable insight to the Board of Directors.

Richard Ressler has served as director and chairman of the Company since March 2014. Mr. Ressler is the founder and President of Orchard Capital Corporation ("Orchard Capital"), a firm through which Mr. Ressler oversees companies in which Orchard Capital or its affiliates invest. Through his affiliation with Orchard Capital, Mr. Ressler serves in various senior capacities with, among others, CIM Group, L.P. (together with its controlled affiliates, "CIM"), a community-focused real estate and infrastructure owner, operator, lender and developer, Orchard First Source Asset Management, LLC (together with its controlled affiliates, "OFSAM"), which provides personnel staffing to OFS Capital Management, LLC, a registered investment adviser focusing primarily on investments in middle market and broadly syndicated US loans, debt and equity positions in collateralized loan obligations and other structured credit investments, OFS CLO Management, LLC, a registered investment adviser focusing primarily on investments in broadly syndicated US loans, and OCV Management, LLC ("OCV"), an investor, owner and operator of technology companies. Mr. Ressler also serves as a board member for various public and private companies in which Orchard Capital or its affiliates invest. Mr. Ressler served as non-executive chairman of the board of Ziff Davis, Inc. (NASDAQ: ZD), formerly known as j2Global, Inc., from 1997 until May 2022. In addition, he has also served as the Chief Executive Officer and President and as a director of CIM Real Estate Finance Trust, Inc. ("CMFT"), a non-listed REIT operated by an affiliate of CIM that invests in net lease core real estate assets as well as real estate loans and other

credit investments, since February 2018, and has served as Chairman of its board of directors since August 2018. Mr. Ressler has served as the chairman of the investment risk management committee of CMFT since April 2022 and served as a member of the nominating and corporate governance committee from August 2018 to March 2022. Mr. Ressler served as the Chief Executive Officer, President and a director of CIM Income NAV, Inc. ("CIM Income NAV") from February 2018 to December 2021 and as Chairman of the board of directors of CIM Income NAV from August 2018 to December 2021 until CIM Income NAV's merger with and into CMFT in December 2021. Mr. Ressler served as the Chief Executive Officer and President and as a director of Cole Office & Industrial REIT (CCIT III), Inc. ("CCIT III") from February 2018 and as chairman of its board of directors from August 2018 until CCIT III's merger with and into CMFT in December 2020. Mr. Ressler also served as a director of Cole Office & Industrial REIT (CCIT II), Inc. ("CCIT II") from January 2019 until CCIT II's merger with Griffin Realty Trust, Inc. ("GRT") in March 2021 and as a director of Cole Credit Property Trust V, Inc. ("CCPT V") from January 2019 to October 2019.

Mr. Ressler co-founded CIM Group, L.P. in 1994 and serves as the Executive Chairman of CIM and as an officer of various affiliates of CIM, including our manager. He chairs CIM's Executive, Investment, Allocation and Real Asset Management Committees. Mr. Ressler co-founded the predecessor of OFSAM in 2001 and chairs its executive committee. Mr. Ressler co-founded OCV in 2016 and chairs its executive committee. Prior to founding Orchard Capital, from 1988 until 1994, Mr. Ressler served as Vice Chairman of Brooke Group Limited, the predecessor of Vector Group, Ltd. (NYSE: VGR) and served in various executive capacities at VGR and its subsidiaries. Prior to VGR, Mr. Ressler was with Drexel Burnham Lambert, Inc., where he focused on merger and acquisition transactions and the financing needs of middle-market companies. Mr. Ressler began his career in 1983 with Cravath, Swaine and Moore LLP, working on public offerings, private placements, and merger and acquisition transactions. Mr. Ressler holds a B.A. from Brown University, and J.D. and M.B.A. degrees from Columbia University. Mr. Ressler was selected to serve as a director because of his extensive real estate, business management and finance experience and expertise, in addition to his leadership roles at several public companies, all of which are expected to bring valuable insight to the Board of Directors.

Avraham Shemesh has served as a director of the Company since March 2014. Mr. Shemesh is a Co-Founder, Principal and President of CIM's Real Asset Management division with more than 30 years of active real estate, infrastructure and lending experience. Since co-founding CIM Group, L.P. in 1994, Mr. Shemesh has been instrumental in building CIM Group, L.P.'s real estate, infrastructure and debt platforms. He serves on CIM Group, L.P.'s Investment, Allocation, Real Assets Management and Valuation Committees as well as the ICCS, providing guidance on the diverse opportunities available across CIM's various platforms. Mr. Shemesh is responsible for CIM's long-time relationships with strategic institutions and oversees teams essential to acquisitions, portfolio management and internal and external communication. He serves as an officer of various affiliates of CIM. In addition, Mr. Shemesh served as a director of CMFT from March 2019 until February 2024. He served as a director of CIM Income NAV from January 2019 to December 2021 when CIM Income NAV merged with CMFT. He also served as the Chief Executive Officer and President and as a director of CCIT II from February 2018, and as Chairman of the board of directors of CCIT II from August 2018 until CCIT II's merger with GRT in March 2021. Until the mergers of such entities with and into CMFT in December 2020, he served as the Chief Executive Officer and as a director of CCPT V beginning in March 2018, as Chairman of the board of directors of CCPT V beginning in August 2018, and as a director of CCIT III beginning in January 2019. Prior to CIM Group, L.P., Mr. Shemesh was involved in a number of successful entrepreneurial real estate activities, including co-founding Dekel Development, a developer of a wide variety of commercial and multifamily properties in Los Angeles. Mr. Shemesh was selected to serve as a director because of his significant experience with the real estate acquisition process and strategic planning as a result of his experience with CIM Group, including as Co-Founder thereof, as well as his leadership roles at CIM and CMFT, all of which are expected to bring valuable insight to the Board of Directors.

Elaine Wong has served as a director of the Company since May 2022. Ms. Wong was a Principal at CIM Group, L.P. and served as its Head of Marketing & Communications from May 2018 until her retirement from CIM at the end of June 2021. Ms. Wong was a member of CIM's Investment Committee from February 2015 to June 2021. From February 2015 to April 2018, Ms. Wong served as CIM's Global Head of Partner & Co-Investor Relations. She served at CIM from February 2012 to January 2015 as 1st Vice President, Global Head of Fundraising and Investor Relations, from February 2010 to January 2012 as Vice President, Fundraising & Investor Relations, and from April 2007 to January 2010 as Associate, Investor Relations. She was also a director of CMFT from October 2019 to December 2021, a director of CIM Income NAV from October 2019 until its merger with CMFT in December 2021, a director of CCPT V from October 2019 until its merger with CMFT in December 2020 and a director of CCIT II from October 2019 until its merger with GRT in March 2021. Prior to joining CIM, Ms. Wong served from May 2005 to March 2007 as an Associate at Perry Capital, LLC, and from July 2001 to April 2005 as an Analyst, and then Associate in the Equities Division, Financial and Strategic Management, of Goldman Sachs & Co. Ms. Wong received a Bachelor of Science degree in Accounting and Finance from New York University, Leonard N. Stern School of Business. Ms. Wong was selected to serve as a director because of her financial background and experience and expertise in investor relations, marketing and communications strategy, and fundraising, all of which are expected to bring valuable insight to the Board.

Board Diversity Matrix

Board Diversity Matrix (As of June 4, 2024)		
Total Number of Directors	7	
Part I: Gender Identity		
	Female	**Male**
Directors	2	5
Part II: Demographic Background		
White	1	4
Asian (other than South Asian)	1	
African American		1

Director Compensation

The Company uses a combination of cash and share based compensation to attract and retain qualified candidates to serve on the Board. In setting compensation for the Company's independent directors of the Board, the Compensation Committee considers, among other things, the substantial time commitment on the part of the directors in fulfilling their duties as well as the skill level it requires of directors. In addition, all directors of the Board are reimbursed by the Company for their expenses related to attending meetings of the Board and its committees.

The cash component of each independent director's compensation is set forth according to the following schedule:

Annual board retainer	$	55,000
Annual audit committee chair retainer	$	20,000

The annual board retainer and the annual audit committee chair retainer are payable quarterly in advance. No separate retainer is paid for an independent director's serving as chair of the Compensation Committee or the Nominating and Corporate Governance Committee.

On an annual basis, each director is expected to receive restricted shares of Common Stock valued at $55,000 on the date of grant (based on the closing price of our Common Stock on the date of the grant). These shares vest on the anniversary of the grant if the grantee continues to serve as a director of the Company at such time.

The compensation arrangement for each independent director in 2024 is expected to be substantially the same as the annualized compensation arrangement for the independent directors in 2023, which is set forth in the table below:

Director Compensation in 2023

The following table sets forth certain information with respect to our director compensation during the fiscal year ended December 31, 2023:

Name	Fees Earned or Paid in Cash	Share Awards [1]	Total
Douglas Bech	$ 55,000	$ 54,999	$ 109,999
John Hope Bryant	$ 55,000	$ 54,999	$ 109,999
Marcie Edwards	$ 55,000	$ 54,999	$ 109,999
Elaine Wong	$ 75,000	$ 54,999	$ 129,999

(1) Represents the grant date fair value of the restricted shares or share options, as the case may be, for purposes of ASC Topic 718, Compensation—Stock Compensation. Each of Mr. Bech, Mr. Bryant, Ms. Edwards and Ms. Wong received a grant of 12,222 restricted shares of Common Stock on August 2, 2023. The grant date fair value of the restricted shares is based on the per share closing price of our Common Stock on August 2, 2023, which was $4.50. As of December 31, 2023, each of Mr. Bech, Mr. Bryant, Ms. Edwards and Ms. Wong held 12,222 unvested restricted shares of Common Stock.

Messrs. Kuba, Ressler and Shemesh did not receive any compensation (other than the reimbursement of expenses related to attending meetings of the Board and its committees) for their service as directors in the year ended December 31, 2023.

Executive Officers

Set forth below are the names of the persons who are our executive officers as of the date hereof, their ages and their positions with the Company. Each executive officer will serve until his successor is duly appointed, or until his earlier death, resignation or removal from office.

Name	Age	Position
David Thompson	60	Chief Executive Officer
Barry N. Berlin	63	Chief Financial Officer and Secretary; Executive Vice President and Treasurer

David Thompson has been Chief Executive Officer of the Company since March 2019. Mr. Thompson served as the Chief Financial Officer of the Company from March 2014 to March 2019. Mr. Thompson is also a Principal, Chief Financial Officer of CIM Group, L.P. and serves on CIM Group, L.P.'s Investment, Valuation Committee and the ICCS. He joined CIM Group, L.P. in 2009. In addition, Mr. Thompson has served as the Chief Executive Officer and Trustee of CIM Real Assets & Credit Fund, a closed-ended interval fund that seeks to invest in a mix of institutional-quality real estate and credit assets, since February 2019. Prior to joining CIM Group, L.P. in 2009, Mr. Thompson spent 15 years with Hilton Hotels Corporation, most recently as Senior Vice President and Controller, where he was responsible for worldwide financial reporting, financial planning and analysis, internal control and technical accounting compliance. Mr. Thompson's experience includes billions of dollars of real estate acquisitions and dispositions in the office, retail, multifamily, hotel, gaming and timeshare sectors, as well as significant capital markets experience. Mr. Thompson began his career as a C.P.A. in the Los Angeles office of Arthur Andersen & Co. Mr. Thompson received a B.S. degree in Accounting from the University of Southern California.

Barry N. Berlin has been Chief Financial Officer and Secretary of the Company since August 2022. Mr. Berlin has been the Executive Vice President and Treasurer of the Company since October 2008 and was Chief Financial Officer of the

Company’s predecessor from June 1993 to March 2014. He has been Chief Financial Officer of the Company’s wholly-owned subsidiary lending business since 1992 and has been the Chief Executive Officer and Chairman of the Board of Directors of that business since 2020. In addition, Mr. Berlin has served in various finance and accounting roles within CIM Group and its affiliates since 2017 and is currently a Managing Director of CIM Group, Chief Financial Officer of CIM Real Assets & Credit Fund, a closed-ended interval fund advised by an affiliate of CIM Group that is registered as an investment company under the Investment Company Act of 1940, as amended, Chief Financial Officer of CIM Capital, LLC, the Company’s operator and an investment adviser registered with the Securities and Exchange Commission. Mr. Berlin earned a Bachelor of Science degree in Accounting from the University of Florida and is a certified public accountant. Mr. Berlin began his career in public accounting.

AUDIT COMMITTEE REPORT

The information contained in this Report of the Audit Committee shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (the "Exchange Act"), whether made before or after the date hereof and irrespective of any general incorporation language in any such filing (except to the extent that we specifically incorporate this information by reference) and shall not otherwise be deemed "soliciting material" or "filed" with the SEC or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Exchange Act (except to the extent that we specifically incorporate this information by reference).

The Audit Committee (the "Audit Committee") of the Board of Directors (the "Board") of Creative Media & Community Trust Corporation, a Maryland corporation (the "Company"), operates under a written charter adopted by the Board. The Audit Committee reviews and assesses the adequacy of its charter on an annual basis. The Audit Committee charter is available on the corporate governance section of the Company's website at https://shareholders.creativemediacommunity.com/corporate-overview/corporate-governance in the section entitled "Committee Charters."

During 2023, the Audit Committee, either through separate private sessions or during its regularly scheduled meetings with the independent registered public accounting firm and the director of internal audit, had candid discussions regarding financial management, legal, accounting, auditing and internal control issues.

The Audit Committee has been provided with updates on management's process to assess the adequacy of the Company's system of internal control over financial reporting, the framework used to make the assessment and management's conclusions on the effectiveness of the Company's internal control over financial reporting. The updates include discussions with the independent registered public accounting firm about the Company's internal control assessment process and the independent registered public accounting firm's evaluation of the Company's system of internal control over financial reporting.

The Audit Committee reviewed with executive management and the director of internal audit the Company's policies and procedures with respect to risk assessment and risk management.

The Audit Committee recommended to the Board the engagement of Deloitte & Touche LLP as the independent registered public accounting firm for the year ended December 31, 2023, and reviewed (with senior members of the Company's financial management team and the independent registered public accounting firm) the overall audit scope and plans, the results of internal and external audit examinations, evaluations by management and the independent registered public accounting firm of the Company's internal controls over financial reporting and the quality of the Company's financial reporting. The Audit Committee has the sole authority to appoint the independent registered public accounting firm.

The Audit Committee has reviewed and discussed the audited financial statements included in the Company's Annual Report on Form 10-K with management including a discussion of the accounting principles, the reasonableness of significant accounting judgments and estimates, and the clarity of disclosures in the financial statements.

The Audit Committee also discussed with the independent registered public accounting firm, who is engaged to audit and report on the consolidated financial statements of the Company and subsidiaries and the effectiveness of the Company's internal control over financial reporting, those matters required to be discussed by the auditors with the Audit Committee by the applicable requirements of the Public Company Accounting Oversight Board (the "PCAOB") and the SEC. The Audit Committee has received the written disclosures and the letter from the independent accountant required by the applicable requirements of the PCAOB regarding the independent accountant's communications with the Audit Committee concerning independence, and has discussed with the independent accountant the independent accountant's independence for 2023.

In performing all of these functions, the Audit Committee acts in an oversight capacity. The Audit Committee reviews the Company's quarterly and annual reports on Form 10-Q and Form 10-K prior to filing with the SEC. In its oversight role, the Audit Committee relies on the work and assurances of the Company's management, which has the primary responsibility for establishing and maintaining adequate internal control over financial reporting and for preparing the financial statements, and other reports.

In reliance on these reviews and discussions, and the reports of the independent registered public accounting firm, the Audit Committee has recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, for filing with the SEC.

This report is submitted by the following members of the Audit Committee:

Elaine Wong, Chair
John Hope Bryant
Marcie Edwards

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Background

This Compensation Discussion and Analysis relates to compensation paid to the Company's named executive officers during fiscal year 2023.

2023 Named Executive Officers

The following individuals were our named executive officers during 2023:

Name	Position
David Thompson	Chief Executive Officer
Barry N. Berlin	Chief Financial Officer and Secretary; Executive Vice President and Treasurer

The Company is externally operated by the Operator, an affiliate of CIM Group, L.P. In addition, the Administrator, a subsidiary of CIM Group, provides certain administrative services to the Company and its subsidiaries. Mr. Berlin was appointed Chief Financial Officer and Secretary of the Company on August 10, 2022. Mr. Thompson, Chief Executive Officer is employed by an affiliate of the Operator and the Administrator and his compensation is determined by, and paid to them directly by, such affiliate. The Company did not pay Mr. Thompson any compensation in 2023 and 2022. Therefore, the compensation of Mr. Thompson is not discussed in this Compensation Discussion and Analysis.

While Mr. Berlin has an employment agreement with the Company as described below under "—Potential Payments Upon Termination or Change in Control," Mr. Berlin has been jointly employed by the Company and an affiliate of the Operator and the Administrator. Mr. Berlin became the Chief Financial Officer and Secretary of the Company in August 2022. In addition, during 2022, Mr. Berlin was the Executive Vice President and Treasurer of the Company, Chief Financial Officer of the Company's wholly-owned subsidiary lending business and Chief Executive Officer and Chairman of the Board of Directors of that business. In each of 2023 and 2022, Mr. Berlin's compensation was paid by an affiliate of the Operator and the Administrator. Such affiliate was then reimbursed by the Company. In each of 2023 and 2022, the amount of the reimbursement was based on Mr. Berlin's time spent working on matters pertaining to the lending business of the Company; in 2022, the amount of the reimbursement was also based on Mr. Berlin's role as Executive Vice President and Treasurer of the Company from January 1, 2022 to August 10, 2022 (when Mr. Berlin assumed the additional role of Chief Financial Officer and Secretary). In each of 2023 and 2022, such affiliate did not seek reimbursement from the Company for the time that Mr. Berlin spent in his role as Chief Financial Officer of the Company.

Role of Management and the Board in the Compensation Setting Process

Management of the Company and the Board had no role in setting the compensation of Mr. Berlin.

Stockholder Advisory Vote

Because stockholders expressed support for the Company's executive compensation programs in 2023 by approving such programs, on an advisory basis, and because Mr. Berlin's terms of employment are governed by the terms of his existing employment agreement, the Compensation Committee did not make any changes to the Company's executive compensation programs in 2023.

Compensation Policies and Practices in Relation to Risk Management

As of December 31, 2023, the Company had five employees. Accordingly, the Compensation Committee does not believe that the Company's compensation policies and practices are reasonably likely to have a material adverse effect on the Company.

Use of Independent Compensation Consultant

The Compensation Committee did not engage the services of an independent compensation consultant in 2023.

Determining 2023 Executive Compensation

As described above, Mr. Thompson is employed and paid by an affiliate of the Operator and the Administrator and did not receive any compensation from the Company. Therefore, his 2023 and 2022 compensation is not discussed herein. In each of 2023 and 2022, as described above under "—2023 Name Executive Officers," Mr. Berlin's compensation that was attributable to the time that he spent in his role as Chief Financial Officer of the Company was not borne by the Company but by an affiliate of the Operator and the Administrator. Accordingly, the Board did not play a role in determining Mr. Berlin's compensation.

2023 Base Salary and Annual Cash Incentive

Mr. Berlin's compensation that was attributable to the time that he spent in his role as Chief Financial Officer of the Company was not borne by the Company but by an affiliate of the Operator and the Administrator as described above under "—2023 Name Executive Officers." Accordingly, the Board did not play a role in determining Mr. Berlin's compensation.

Severance and Change in Control Agreements

Mr. Berlin's employment agreement with the Company provided for a severance payment as specified therein.

Tax Considerations

Internal Revenue Code Section 162(m) generally limits the deductibility of compensation paid to certain executive officers in excess of $1,000,000 in any one year. The Compensation Committee was aware of the impact of Internal Revenue Code Section 162(m), but our named executive officers did not receive compensation from the Company in excess of the $1,000,000 limit. The Compensation Committee will continue to consider the tax consequences when determining named executive officer compensation. As in the past, the Board, upon the recommendation of the Compensation Committee, reserves the right to make compensation payments that are nondeductible.

Hedging and Pledging Restrictions

The Company believes it is inappropriate for any director, officer or employee of the Company to enter into speculative transactions in the Company's equity securities. The Company's Trading Policy prohibits all such persons, and members of their households or immediate family (spouse and minor children), from engaging in all speculative financial transactions involving securities of the Company, including buying and selling put and call options or engaging in short selling, and hedging transactions with respect to securities of the Company, including purchasing financial instruments or entering into transactions (such as prepaid variable forward contracts, equity swaps, collars and exchange funds) designed to hedge or offset any decrease in the market value of equity securities of the Company. Holding and exercising options or other securities granted under any equity incentive plan of the Company are not prohibited by the Company's Trading Policy.

Additionally, the Company's Trading Policy permits pledging of securities of the Company only with the approval of an attorney designated by the Company.

Compensation Committee Interlocks and Insider Participation

Our Compensation Committee is comprised of two of our independent directors. Neither of them (1) has at any time served as an officer or employee of the Company or (2) has or had any relationship requiring disclosure pursuant to the SEC's rules regarding related party transactions (i.e., Item 404(a) of Regulation S-K). None of our executive officers has served as a director or member of the Compensation Committee of any entity that has one or more of its executive officers serving as a member of our Board or Compensation Committee.

Compensation Committee Report

The Compensation Committee has furnished the following report. The information contained in this "Compensation Committee Report" is not to be deemed "soliciting material" or "filed" with the SEC, nor is such information to be incorporated by reference into any future filings under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that we specifically incorporate it by reference into such filings.

The Compensation Committee has reviewed and discussed the above Compensation Discussion and Analysis with management. Based on such review and discussions, the Compensation Committee recommended to our Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

COMPENSATION COMMITTEE
Douglas Bech, Chair
Elaine Wong

Summary Compensation Table

The table below sets forth information concerning compensation of each of our named executive officers for the years ended December 31, 2023 and, 2022, respectively. As described in the Compensation Discussion and Analysis, Mr. Thompson is employed by an affiliate of the Operator and the Administrator and his compensation is determined by, and paid to them directly by, such affiliate. The Company did not pay Mr. Thompson any compensation in 2023 or 2022.

Mr. Berlin has been jointly employed by the Company and an affiliate of the Operator and the Administrator. Mr. Berlin has an employment agreement with the Company, which agreement is described below under "—Potential Payments Upon Termination or Change in Control." Mr. Berlin became the Chief Financial Officer and Secretary of the Company in August 2022. Prior to that, Mr. Berlin has been the Executive Vice President and Treasurer of the Company since October 2008, Chief Financial Officer of the Company's wholly-owned subsidiary lending business since 1992 and Chief Executive Officer and Chairman of the Board of Directors of that business since 2020. In each of 2023 and 2022, Mr. Berlin's compensation was paid by an affiliate of the Operator and the Administrator. Such affiliate was then reimbursed by the Company based on Mr. Berlin's time spent working on matters pertaining to the lending business of the Company; during 2022, such reimbursement also included Mr. Berlin's role as Executive Vice President and Treasurer of the Company from January 1, 2022 to August 10, 2022 (when Mr. Berlin assumed the additional role of Chief Financial Officer and Secretary). The amount of such reimbursement is provided in the table below. In each of 2023 and 2022, such affiliate did not seek reimbursement from the Company for the time that Mr. Berlin spent in his role as Chief Financial Officer of the Company.

Name and Principal Position	Year	Salary	Bonus [2]	Stock Awards	All Other Compensation[3]	Total
David Thompson	2023	$ —	$ —	$ —	$ —	$ —
Chief Executive Officer	2022	$ —	$ —	$ —	$ —	$ —
Barry N. Berlin	2023	$ 87,500	$ 50,000	$ —	$ 3,833	$ 141,333
Chief Financial Officer and Secretary; Executive Vice President and Treasurer[1], [3]	2022	$ 91,876	$ 58,770	$ —	$ 3,507	$ 154,153

(1) Mr. Berlin was appointed Chief Financial Officer and Secretary of the Company on August 10, 2022. Please see the disclosure under the first paragraph of "—Summary Compensation Table" regarding the information provided with respect to Mr. Berlin's position.
(2) The bonus disclosure for 2022 has been updated to reflect $2,989 of reimbursement to CMCT relating to an amount paid to Mr. Berlin in 2023 as a discretionary allocation of incentive consideration relating to 2022, which was inadvertently omitted.
(3) See table below for a breakdown of all other compensation.

All other compensation paid to the Company's named executive officers in the table above consisted of the following:

Name	Year	Unused Vacation Pay	Tax Qualified 401(k) Plan	Automobile Allowance	Other	Total
Barry N. Berlin	2023	$ —	$ 1,688	$ 1,650	$ 495	$ 3,833

Grants of Plan Based Awards

There were no grants of equity awards to our named executive officers during 2023.

Outstanding Equity Awards at Fiscal Year End

There were no outstanding equity awards as of December 31, 2023.

Option Exercises and Stock Vested in 2023

There were no equity awards that were exercised or vested with respect to our named executive officers during the fiscal year ended December 31, 2023.

Potential Payments Upon Termination or Change in Control

Mr. Berlin is party to an executive employment agreement (an "Executive Employment Agreement") with the Company, which became effective upon the consummation of a merger between the Company's predecessor and a fund managed by an affiliate of the Operator and the Administrator on March 11, 2014. Under the Executive Employment Agreement, Mr. Berlin is entitled to a minimum annual salary of $350,000 (provided that, as discussed above under "—Summary Compensation Table," Mr. Berlin's compensation was paid by an affiliate of the Operator and the Administrator). The Executive Employment Agreement also entitles Mr. Berlin to health insurance coverage for himself, his wife and his dependent children, and a monthly automobile allowance of $550.

If Mr. Berlin is unable to perform his services due to illness or total incapacity (to be determined based on standards similar to those utilized by the U.S. Social Security Administration), the Executive Employment Agreement entitles Mr. Berlin to receive his full salary for up to one year of such incapacity, reduced by any amounts paid by any Company-provided insurance. If Mr. Berlin's total incapacity continues beyond one year and he is not thereafter able to devote full time to his employment with the Company, then his employment and his Executive Employment Agreement will terminate.

If Mr. Berlin dies during his employment with the Company before reaching the age of seventy, his estate will be entitled to a payment of two times his annual salary plus unused vacation pay. The Company-paid amount of such death benefits will be made over the course of twelve months, and will be offset by any amounts paid under any group life insurance issued by the Company.

In the event that Mr. Berlin's employment is terminated by the Company for Cause (as defined below), or if Mr. Berlin resigns his employment with the Company, he will be entitled to receive only his base salary then in effect through the date of termination, and all benefits accrued through the date of termination. If the Company terminates Mr. Berlin's employment without Cause, Mr. Berlin will be entitled to receive a severance payment in an amount equal to his annual base salary then in effect, to be paid out in a lump sum on the 60th day following his termination date, conditioned upon the execution of a general release of claims.

For purposes of the Executive Employment Agreement, “Cause” means (1) the intentional, unapproved material misuse of corporate funds, (2) professional incompetence or (3) acts or omissions constituting gross negligence or willful misconduct of executive’s obligations or otherwise relating to the business of the Company.

Assuming all vacation days are taken and all reasonable business expenses have been reimbursed, based on the Company’s best estimate, assuming the applicable scenario occurred on December 31, 2023, the Company would have owed Mr. Berlin $700,000 (representing two times his annual base salary) if he died or $350,000 (representing his annual base salary) if he became disabled or if the Company terminated his employment without Cause.

Pay Versus Performance Table

In accordance with the rules adopted by the SEC, pursuant to the Dodd-Frank Act, the following table and related disclosure provide information about (i) the “total compensation” of our principal executive officer (the “PEO”) and our other named executive officers (the “Other NEOs”) as presented in “—Summary Compensation Table” above (the “SCT Amounts”), (ii) the “compensation actually paid” to our PEO and our Other NEOs, as calculated pursuant to the SEC’s pay-versus-performance rules (the “CAP Amounts”) and (iii) certain financial performance measures.

Year	Summary Compensation Table Total for PEO[(1)]	Compensation Actually Paid to PEO [(1)]	Summary Compensation Table Total for Other NEOs [(2)]	Average Compensation Actually Paid to Other NEOs [(3)]	Value of Initial Fixed $100 Investment Based on Total Stockholder Return [(4)]	Net (Loss) Income (in thousands)
2023	$ —	$ —	$ 141,333	$ 141,333	$ 30	$ (51,456)
2022	$ —	$ —	$ 154,153	$ 154,153	$ 37	$ 5,945
2021	$ —	$ —	$ —	$ —	$ 53	$ (851)

(1) Our PEO for each of 2023, 2022 and 2021 was Mr. Thompson, our current Chief Executive Office. As discussed under “—Summary Compensation Table” above, Mr. Thompson is employed by an affiliate of the Operator and the Administrator and his compensation is determined by, and paid to them directly by, such affiliate. The Company did not pay Mr. Thompson any compensation in any of the foregoing years.

(2) Our other NEO for 2023 is Mr. Berlin and our other NEO for 2022 are Mr. Berlin, our current Chief Financial Officer and Secretary, and Mr. Nathan DeBacker, our prior Chief Financial Officer and Secretary. Our other NEO for 2021 was Mr. Nathan DeBacker. Mr. DeBacker was employed by an affiliate of the Operator through August 10, 2022 and the Administrator and his compensation was determined by, and paid to them directly by, such affiliate. The Company did not pay Mr. DeBacker any compensation in 2022 and 2021. In each of 2023 and 2022, Mr. Berlin’s compensation was paid by an affiliate of the Operator and the Administrator. Such affiliate was then reimbursed by the Company based on Mr. Berlin’s time spent working on matters pertaining to the lending business of the Company; during 2022, such reimbursement also included Mr. Berlin’s role as Executive Vice President and Treasurer of the Company from January 1, 2022 to August 10, 2022 (when Mr. Berlin assumed the additional role of Chief Financial Officer and Secretary). The amount of such reimbursement is provided in the table above, consistent with the amount reported in the Summary Compensation Table for the applicable year.

(3) The SCT Amount and the CAP Amounts are the same because Mr. Berlin did not receive any equity awards or pension benefits as part of his compensation and therefore the adjustments provided by the applicable rules adopted by the SEC do not apply to Mr. Berlin’s compensation.

(4) Pursuant to applicable SEC disclosure rules, assumes $100 was invested on December 31, 2020.

Description of Relationship Between CAP Amounts and cumulative Total Stockholder Return and Net Income

Mr. Berlin became Chief Financial Officer and Secretary of the Company in August 2022. Prior to that Mr. Berlin was not a "named executive officer" of the Company. Upon Mr. Berlin becoming Chief Financial Officer and Secretary of the Company, his compensation was no longer charged to the Company for any services that he performed as Chief Financial Officer and Secretary of the Company. Further, the Company relies on CIM Group for its accounting and finance functions. As a result, the Company believes that any comparison between CAP Amounts and total stockholder return or net income is not meaningful.

RELATED PERSON TRANSACTIONS

Transactions with Related Persons

Asset Management and Other Fees to Related Parties

CIM Urban and CIM Capital, LLC, an affiliate of CIM Group ("CIM Capital") are parties to an Investment Management Agreement pursuant to which CIM Urban engaged CIM Capital to provide certain services to CIM Urban. CIM Capital has assigned its duties under the Investment Management Agreement to its four wholly-owned subsidiaries: CIM Capital Securities Management, LLC, a securities manager, CIM Capital RE Debt Management, LLC, a debt manager, CIM Capital Controlled Company Management, LLC, a controlled company manager, and CIM Capital Real Property Management, LLC, a real property manager. The "Operator" refers to CIM Capital and its four wholly-owned subsidiaries. The Company and its subsidiaries are parties to a Master Services Agreement with the Administrator pursuant to which the Administrator provides or arranges for other service providers to provide management and administration services to the Company and its subsidiaries.

On January 5, 2022, the Company and certain of its subsidiaries entered into a Fee Waiver (the "Fee Waiver") with the Operator and the Administrator with respect to fees that are payable to them under the Investment Management Agreement and the Master Services Agreement, respectively. The Fee Waiver is effective retroactively to January 1, 2022 (the "Effective Date"). Pursuant to the Fee Waiver, the Administrator agrees to voluntarily waive any fees in excess of those set forth in the Fee Waiver, to the extent it would otherwise have been entitled to such additional compensation under the Master Service Agreement, and the Operator agrees to voluntarily waive any fees in excess of those set forth in the Fee Waiver, to the extent it would otherwise have been entitled to such additional compensation under the Investment Management Agreement. Following the end of each quarter, the Administrator will deliver to the Company (i) a calculation of the cumulative fees earned by the Operator and the Administrator under the methodology prescribed by the Fee Waiver from the Effective Date through the end of such quarter and (ii) a calculation of the cumulative fees that would have been earned by the Operator and the Administrator during such period under the Master Services Agreement and the Investment Management Agreement without giving effect to the Fee Waiver. If, in respect of any quarter, the aggregate fees that are payable under the methodology prescribed by the Fee Waiver exceed the aggregate fees that would have been payable under the Master Services Agreement and the Investment Management Agreement, without giving effect to the Fee Waiver, such quarter will be deemed an "Excess Quarter." For any quarter following an Excess Quarter, the Company (upon the direction of the independent members of the Board) may, at its option and upon written notice to the Administrator, elect to calculate all fees due to the Administrator and the Operator in accordance with the Master Services Agreement and the Investment Management Agreement, without giving effect to the Fee Waiver, from and after such Excess Quarter. Any such election by the Company will be irrevocable, and all fees due to the Administrator and the Operator from and after such election will be calculated in accordance with the Master Services Agreement and the Investment Management Agreement, without giving effect to the Fee Waiver.

The fees payable to the Operator and the Administrator are determined as follows under the Fee Waiver.

1. Base Fee: A base asset management fee (the "Base Fee") is payable quarterly in arrears to the Operator in an amount equal to an annual rate of 1% (or 0.25% per quarter) of the average of the "Net Asset Value Attributable to Common Stockholders" as of the first and last day of the applicable quarter. Net Asset Value Attributable to Common stockholders is defined as (a) the sum of the Company's (1) investments in real estate at fair value, (2) cash, (3) loans receivable at fair value and (4) the book value of the other assets of the Company, excluding deferred costs and net of other liabilities at book value, less (b) the Company's (i) debt at face value, (ii) outstanding preferred stock at stated value, and (iii) non-controlling interests at book value; provided, that, non-controlling interests in any UPREIT operating partnership relating to the Company shall not be excluded. It is likely that the Company will seek to pay some or part of the Base Fee due to the Operator in 2022 in shares of Series A Preferred Stock.

2. Incentive Fee: A revised incentive fee (the "Revised Incentive Fee") is payable quarterly in arrears to the Administrator with respect to the quarterly core funds from operations in excess of a quarterly threshold equal to 1.75% (i.e., 7.00% on an annualized basis) of the Company's "Adjusted Common Equity" (as defined below) for such quarter ("Excess Core FFO") as follows: (i) no Incentive Fee in any quarter in which the Excess Core FFO is $0; (ii) 100% of any Excess Core FFO up to an amount equal to the product of (x) the average of the Adjusted Common

Equity as of the first and last day of the applicable quarter and (y) 0.4375%; and (iii) 20% of any Excess Core FFO thereafter. Revised Incentive Fees payable for any partial quarter will be appropriately prorated.

"Adjusted Common Equity" means Common Equity plus Excluded Depreciation and Amortization. "Common Equity" means Total Stockholders' Equity minus Excluded Equity. "Total Stockholders' Equity" means the amount reflected as total stockholders' equity in accordance with GAAP on the consolidated balance sheet of the Company and its subsidiaries as of the last day of a given quarter. "Excluded Equity" means the sum of all preferred securities of the Company and its subsidiaries classified as permanent equity in accordance with GAAP on the consolidated balance sheet of the Company and its subsidiaries as of the last day of a given quarter. "Excluded Depreciation and Amortization" means, for a given quarter, the amount of all accumulated depreciation and amortization of (i) the Company and its subsidiaries and (ii) to the extent allocable to the Company and its subsidiaries, the unconsolidated affiliates, in each case as of the last day of such quarter that corresponds to the periodic depreciation and amortization expense calculated in each case in accordance with GAAP that is a permitted add back to net income calculated in accordance with GAAP when calculating funds from operations.

3. Capital Gains Fee: A capital gains fee (the "Capital Gains Fee") is payable quarterly in arrears to the Administrator in an amount equal to (i) 15% of the cumulative aggregate realized capital gains minus the cumulative aggregate realized capital losses (in each case since the Effective Date), minus (ii) the aggregate capital gains fees paid since the Effective Date. Realized capital gains and realized capital losses are calculated by subtracting from the sales price of a property: (a) any costs incurred to sell such property, and (b) the current gross value of the property (meaning the property's original acquisition price plus any subsequent, non-reimbursed capital improvements thereon paid for by the Company).

For the three months ended March 31, 2024 and the year ended December 31, 2023, the Operator earned asset management fees of $394,000 and $2.6 million, respectively. The Company issued to the Operator 110,285 shares of Series A1 Preferred Stock in lieu of cash payment for the asset management fees incurred during the nine months ended September 30, 2022.

Affiliates of CIM Group (collectively, the "CIM Management Entities") provide property management, leasing, and development services to CIM Urban. The CIM Management Entities earned property management fees, which are included in rental and other property operating expenses, totaling $583,000 and $2.1 million for the three months ended March 31, 2024 and for the year ended December 31, 2023, respectively. The Company also reimbursed the CIM Management Entities $1,730,000 and $5.8 million for the three months ended March 31, 2024 and for the year ended December 31, 2023, respectively, for onsite management costs incurred on behalf of the Company, which are included in rental and other property operating expenses. The CIM Management Entities earned leasing commissions of $55,000 and $101,000 for the three months ended March 31, 2024 and for the year ended December 31, 2023, respectively, which were capitalized to deferred charges. For the three months ended March 31, 2024 and for the year ended December 31, 2023, the CIM Management Entities earned construction management fees of $52,000 and $308,000, respectively, and were reimbursed $422,000 and $1.3 million, respectively, for development management reimbursements. The construction management fees and development management reimbursements were capitalized to investments in real estate.

Pursuant to the Master Services Agreement, we appointed an affiliate of CIM Group as the administrator of Urban Partners GP, LLC. Under the Master Services Agreement, for fiscal quarters prior to April 1, 2020, the Company paid a base service fee (the "Base Service Fee") to the Administrator initially set at $1,000,000 per year (subject to an annual escalation by a specified inflation factor beginning on January 1, 2015), payable quarterly in arrears. For the year ended December 31, 2020, we issued to the Administrator 11,273 shares of Series A Preferred Stock in lieu of cash as payment of the Base Service Fee in respect of the first fiscal quarter. On May 11, 2020, the Master Services Agreement was amended to replace the Base Service Fee with an incentive fee pursuant to which the Administrator was entitled to receive, on a quarterly basis, 15.00% of the Company's quarterly core funds from operations in excess of a quarterly threshold equal to 1.75% (i.e., 7.00% on an annualized basis) of the Company's average adjusted common stockholders' equity (i.e., common stockholders' equity plus accumulated

depreciation and amortization) for such quarter. The amendment was effective as of April 1, 2020 and was further modified by the Fee Waiver described above. No such incentive fee was paid by the Company.

In addition, pursuant to the terms of the Master Services Agreement, the Administrator may receive compensation and/or reimbursement for performing certain services for the Company and its subsidiaries that are not covered by the Base Service Fee or the incentive fee arrangement in place between May 11, 2020 and January 5, 2022, as the case may be. For the three months ended March 31, 2024 and for the year ended December 31, 2023, such services performed by the Administrator and its affiliates included accounting, tax, reporting, internal audit, legal, compliance, risk management, IT, human resources, corporate communications, operational and on-going support in connection with the Company's offering of Preferred Stock. The Company will also reimburse the Administrator for the Company's share of broken deal expenses that are incurred by the Administrator and its affiliates (i.e., fees and expenses relating to investments that could have been made by the Company but that the Company did not make and/or transactions that could have been executed by the Company but the Company did not consummate, including fees and expenses associated with performing due diligence review and negotiating the terms of such investments or transactions). The Administrator's compensation is based on the salaries and benefits of the employees of the Administrator and/or its affiliates who performed these services (allocated based on the percentage of time spent on the affairs of the Company and its subsidiaries). For the three months ended March 31, 2024 and the year ended December 31, 2023, we expensed $605,000 and $2.3 million, respectively, for such services, which are included in expense reimbursements to related parties—corporate.

The Company is a party to a Staffing and Reimbursement Agreement with CIM SBA Staffing, LLC, an affiliate of CIM Group, and our subsidiary, PMC Commercial Lending, LLC. The agreement provides that CIM SBA will provide personnel and resources to the Company and the Company will reimburse CIM SBA Staffing, LLC for the costs and expenses of providing such personnel and resources. For the three months ended March 31, 2024 and the year ended December 31, 2023, the Company incurred expenses related to services subject to reimbursement by the Company under the agreement of $563,000 and $2.6 million, respectively, for each such year, in each case included as expense reimbursements to related parties – lending segment.

CCO Capital, LLC ("CCO Capital") became the exclusive dealer manager for the Company's public offering of the Series A Preferred Stock and Series A Preferred Warrants effective as of May 31, 2019. CCO Capital is a registered broker dealer and is under common control with the Operator and the Administrator. The Company's offering of the Series A Preferred Warrants ended at the end of January 2020. On January 28, 2020, the Company entered into the Second Amended and Restated Dealer Manager Agreement, pursuant to which CCO Capital acted as the exclusive dealer manager for the Company's public offering of its Series A Preferred Stock and Series D Preferred Stock. The Second Amended and Restated Dealer Manager Agreement was subsequently amended by the Company and CCO Capital to address changes to, among other things, selling commissions and dealer manager fees.

On June 16, 2022, the Company entered into the Third Amended and Restated Dealer Manager Agreement, pursuant to which CCO Capital acted as the exclusive dealer manager for the Company's public offering of its Series A1 Preferred Stock. Thereunder, the Company agreed to compensate CCO Capital, as the dealer manager for the offering, as follows: (1) a dealer manager fee of up to 3.00% of the selling price of each share of Series A1 Preferred Stock sold and (2) selling commissions of up to 7.00% of the selling price of each share of Series A1 Preferred Stock sold. The Company was informed that CCO Capital generally reallowed 100% of the selling commissions on sales of Series A1 Preferred Stock and generally reallowed substantially all of the dealer manager fee on sales of Series A1 Preferred Stock to participating broker-dealers. In addition, pursuant to the Third Amended and Restated Dealer Manager Agreement, CCO Capital will no longer solicit or make any offers for the sale of shares of Series A Preferred Stock or Series D Preferred Stock.

On November 23, 2022, the Company entered into a Fourth Amended and Restated Dealer Manager Agreement, pursuant to which CCO Capital continued to serve as the exclusive dealer manager for the Company's public offering of its Series A1 Preferred Stock. The terms of the Fourth Amended and Restated Dealer Manager Agreement are consistent with the terms of the Third Amended and Restated Dealer Manager Agreement and only reflected certain technical changes in light of the Company's then new shelf registration statement on Form S-3, which was declared effective by the SEC on November 22, 2022. Thereunder, the Company agreed to compensate CCO Capital, as the dealer manager for the offering, as follows: (1) a

dealer manager fee of up to 3.00% of the selling price of the Series A1 Preferred Stock sold and (2) selling commissions of up to 7.00% of the selling price of the Series A1 Preferred Stock sold. The Company was informed that CCO Capital generally reallowed 100% of the selling commissions on sales of Series A1 Preferred Stock and generally reallowed substantially all of the dealer manager fee on sales of Series A1 Preferred Stock to participating broker-dealers.

On June 20, 2024, the Company entered into a Firth Amended and Restated Dealer Manager Agreement, pursuant to which CCO Capital has been acting as the exclusive dealer manager for the Company's public offering of its Series A1 Preferred Stock. Thereunder, the Company agreed to compensate CCO Capital, as the dealer manager for the offering, as follows: (1) a dealer manager fee of 2.00% of the selling price of the Series A1 Preferred Stock sold and (2) selling commissions of up to 7.00% of the selling price of the Series A1 Preferred Stock sold. The Company was informed that CCO Capital is expected to generally reallow 100% of the selling commissions on sales of Series A1 Preferred Stock and generally reallow substantially all of the dealer manager fee on sales of Series A1 Preferred Stock to participating broker-dealers.

In connection with the offering of the Series A Units, Series A Preferred Stock, Series A1 Preferred Stock and Series D Preferred Stock, as of March 31, 2024 and December 31, 2023, $230,000 and $2.5 million, respectively, was included in deferred costs as reimbursable expenses incurred pursuant to the Master Services Agreement and the then applicable dealer manager agreement with CCO Capital, of which $89,000 and $61,000, respectively, was included in due to related parties. CCO Capital incurred non-issuance specific costs of $210,00 and $623,000 for the three months ended March 31, 2024 and the year ended December 31, 2023, respectively.

At March 31, 2024 and December 31, 2023, upfront dealer manager and trailing dealer manager fees of $246,000 and $283,000, respectively, were included in due to related parties. CCO Capital earned upfront dealer manager and trailing dealer manager fees of $267,000 and $1.4 million for the three months ended March 31, 2024 and for the year ended December 31, 2023, respectively.

Investments with Affiliates of CIM Group

In February 2022, the Company invested with a CIM-managed separate account (the "1910 Sunset JV Partner") in a joint venture (the "1910 Sunset JV") which purchased an office property in Los Angeles, California for a gross purchase price of approximately $51.0 million, of which the Company initially contributed approximately $22.4 million and the 1910 Sunset JV Partner initially contributed the remaining balance. The 1910 Sunset JV has begun construction to develop a multifamily apartment building with 36 multifamily units at 1915 Park Avenue in Los Angeles, California, which development is expected to be completed by the third quarter of 2025 and expected to cost approximately $19.3 million (the Company's share of which will be $8.5 million). The 1910 Sunset JV plans to finance the project through a combination of cash from operations at its office property, additional equity contributions from existing investors, and proceeds from a mortgage loan from a third-party lender (which is in-place but currently has no outstanding borrowings and is subject to additional equity contribution requirements which have not yet been met). As of March 31, 2024, total costs of $2.3 million had been incurred in connection with the 1915 Park Project.

In February 2023, the Company a CIM-managed interval fund (the "1902 Park JV Partner") invested in a joint venture (the "1902 Park JV") which purchased a multifamily property in the Echo Park neighborhood of Los Angeles, California for a gross purchase price of $19.1 million. The Company owns 50% of the 1902 Park JV. In connection with the closing in February 2023, the 1902 Park JV obtained financing of $9.6 million through the 1902 Park Mortgage Loan. The Company and the 1902 Park JV Partner both initially contributed $6.6 million to the 1902 Park JV.

In October 2023, the Company and a co-investor affiliate of CIM Group (the "1015 N Mansfield JV Partner") acquired from an unrelated third party a 100% fee-simple interest in a plot of land located in the Sycamore media district of Los Angeles, California for a gross purchase price of $18.0 million (excluding transaction costs (the "1015 N Mansfield JV")). The property has a site area of approximately 44,141 square feet and contains a parking garage that has been leased to a third-party tenant. The site is being evaluated for different creative office development options. The Company owns 28.8% of the 1015 N Mansfield JV. As of March 31, 2024, this property was in pre-development phase, and the Company has not finalized the formal development plan for the property.

During the year ended December 31, 2023, the Company acquired an interest in four assets from entities indirectly wholly owned by a fund that is managed by affiliates of CIM Group for $282.9 million, excluding transactions costs.

Other

On May 15, 2019, an affiliate of CIM Group entered into an approximately 11-year lease for approximately 32,000 rentable square feet with respect to a property owned by the Company ("4750 Wilshire"). The lease was amended on August 7, 2019 to reduce the rentable square feet to approximately 30,000 rentable square feet. In February 2023, the Company sold an 80% interest in 4750 Wilshire and now holds its retained 20% interest in the property through an Unconsolidated Joint Venture (the "4750 Wilshire JV"). Prior to the sale, for the three months ended March 31, 2023, the Company recorded rental and other property income related to this tenant of $194,000, and for the year ended December 31, 2022, recorded rental and other property income from the tenant of $1.5 million. For the three months ended March 31, 2024 and the year ended December 31, 2023, the Company's share of the income from the tenant earned by the 4750 Wilshire JV was $80,000 and $170,000, respectively. The 4750 Wilshire JV is in the process of converting two of the three floors of an office building in Los Angeles, California from office-use into 68 for-lease multifamily units, with the first floor of the building continuing to function as 30,335 square feet of office space. The total cost of the 4750 Wilshire Project is expected to be approximately $31.0 million (our share of which will be $6.2 million), which will be financed by a combination of equity contributions from the Company and co-investors as well as a mortgage loan from a third-party lender.

Review, Approval and Ratification of Transactions with Related Persons

The Board has adopted a written related person transaction policy. Under the policy, a "Related Person Transaction" includes certain transactions, arrangements or relationships (or any series of similar transactions, arrangements or relationships) in which the Company (including any of its subsidiaries) was, is or will be a participant, and in which a related person had, has or will have a direct or indirect material interest.

A "Related Person" is:

Any person who was in any of the following categories during the applicable period:

- a director or nominee for director;
- any executive officer; or
- any immediate family member of a director or executive officer, or of any nominee for director, which means any child, stepchild, parent, stepparent, spouse, sibling, mother in law, father in law, son in law, daughter in law, brother in law, or sister in law of the director, executive officer, or nominee for director and any person (other than a tenant or employee) sharing the household of such security holder.

Any person who was in any of the following categories when a transaction in which such person had a direct or indirect material interest occurred or existed:

- any person who is known to the Company to be the beneficial owner of more than 5% of our shares; and
- any immediate family member of any such security holder, which means any child, stepchild, parent, stepparent, spouse, sibling, mother in law, father in law, son in law, daughter in law, brother in law, or sister in law of such security holder and any person (other than a tenant or employee) sharing the household of such security holder.

A person who has a position or relationship within a firm, corporation or other entity that engages in a transaction with the Company will not be deemed to have an "indirect material interest" within the meaning of "Related Person Transaction" when:

The interest arises only:

- from such person's position as a director of another corporation or organization that is a party to the transaction; or
- from the direct or indirect ownership by such person and all other persons specified in the definition of "Related Person" in the aggregate of less than 10% equity interest in another person (other than a partnership) which is a party to the transaction; or
- from both such position and ownership; or
- from such person's position as a limited partner in a partnership in which the person and all other persons specified in the definition of "Related Person" have an interest of less than 10%, and the person is not a general partner of and does not hold another position in the partnership.

Each of the Company's executive officers is encouraged to help identify any potential Related Person Transaction.

If a new Related Person Transaction is identified, it will initially be brought to the attention of the Chief Financial Officer, who will then prepare a recommendation to the Board and/or a committee thereof regarding whether the proposed transaction is reasonable and fair to the Company.

A committee comprised solely of independent directors, who are also independent of the Related Person Transaction in question, will determine whether to approve a Related Person Transaction. In general, the committee will only approve or ratify a Related Person Transaction if it determines, among other things, that the Related Person Transaction is reasonable and fair to the Company.

Independence of Directors

Under the corporate governance standards of Nasdaq, a majority of the members of the Board must be independent. In making independence determinations, the Board observes all criteria for independence established by the SEC and Nasdaq. As part of such review, the Board considers transactions and relationships between each director or any member of his or her immediate family and the Company, including (if applicable) those reported under "Related Person Transactions." The purpose of such review is to determine whether any such relationships or transactions are inconsistent with a determination that a director is independent. Based on the foregoing, the Board has determined that each of Messrs. Bech and Bryant and Ms. Edwards and Ms. Wong are independent directors.

INDEPENDENT PUBLIC ACCOUNTING FIRM

Deloitte was appointed to serve as our independent registered public accounting firm for the fiscal year ended December 31, 2023. Although ratification of the appointment of Deloitte by our stockholders is not required, the Board is submitting the selection of Deloitte to our stockholders for ratification as a matter of good corporate governance. If the selection is not ratified, the Audit Committee will consider whether it is appropriate to select another independent registered public accounting firm.

We expect representatives of Deloitte to be at the virtual Annual Meeting, and they will have an opportunity to make a statement if they so desire and are expected to be available to respond to appropriate questions by stockholders.

Principal Accounting Firm Fees

Aggregate fees for services rendered to the Company for the years ended December 31, 2023 and 2022 by the Company's principal accounting firm for such years, Deloitte, were as follows:

	Year Ended December 31,	
Type of Service	**2023**	**2022**
Audit fees [1]	$ 749,625	$ 751,625
Audit-related fees	—	—
Tax fees [2]	92,964	179,941
All other fees	—	—
Total	$ 842,589	$ 931,566

(1) Audit fees consisted of professional services performed in connection with (i) the audit of the Company's annual financial statements and internal control over financial reporting, (ii) the statutory audits of the financial statements of two subsidiaries of the Company in 2023 and 2022, (iii) the review of financial statements included in its Quarterly Reports on Form 10-Q, (iv) procedures related to consents and assistance with and review of documents filed with the SEC, (v) other services related to (and necessary for) the audit of the Company's financial statements and (vi) agreed-upon-procedures in 2023 in connection with a securitization completed by the lending division of the Company in 2023.

(2) Represents the aggregate fees billed by Deloitte for 2023 and 2022 for professional services rendered to for tax compliance, tax advice and tax planning.

Pre-Approval Policies

The Audit Committee's charter requires review and pre-approval by the Audit Committee of all audit and permissible non-audit services provided by our outside auditors. The Audit Committee pre-approved all audit services provided by our outside auditors during fiscal years 2023 and 2022 and the fees paid for such services. The Audit Committee may, in its discretion, delegate to one or more of its members the authority to pre-approve any audit or non-audit services to be performed by the independent auditors, provided that any such approvals are presented to the Committee at its next scheduled meeting.

OTHER MATTERS

Management does not intend to present any business at the Annual Meeting not mentioned in this proxy statement, and at the time of preparation of this proxy statement knows of no other business to be presented. If any other matters are properly brought before the Annual Meeting, the appointed proxies will vote all proxies on such matters in their discretion.

STOCKHOLDER PROPOSALS FOR THE 2025 ANNUAL MEETING

The deadline for submission of stockholder proposals in our proxy statement and form of proxy for the annual meeting of stockholders of the Company to be held in 2025 (the "2025 Annual Meeting"), calculated in accordance with Rule 14a-8 under the Exchange Act ("Rule 14a-8"), is March 7, 2025. Any such proposal must also comply with the other requirements of Rule 14a-8.

Under our current bylaws, a stockholder is only eligible to submit a stockholder proposal, including a proposal for the nomination of one or more directors, outside the processes of Rule 14a-8 if the stockholder is (1) a stockholder of record both at the time of giving notice and at the time of the 2025 Annual Meeting, (2) is entitled to vote at the 2025 Annual Meeting, and (3) satisfies the requirements in our current bylaws with respect to such proposal. Our current bylaws require that such stockholder provide timely notice of the proposal or nomination, including all of the information required by our current bylaws, to the Company, addressed to Secretary of the Company, 5956 Sherry Lane, Suite 700, Dallas, Texas 75225. To be timely under our current bylaws, we generally must receive advance notice of the proposal no earlier than February 5, 2025 and no later than 5:00 p.m. Eastern Time on March 7, 2025. However, in the event that the 2025 Annual Meeting is held before July 2, 2025 or after August 31, 2025, advance notice will be timely if received by the Company no earlier than 150 days prior to the date of the 2025 Annual Meeting and not later than 5:00 p.m. Eastern Time on the later of (a) 120 days prior to the date of the 2025 Annual Meeting and (b) the tenth day following the day on which we first made a public announcement of the date of the 2025 Annual Meeting. In addition to satisfying the deadlines in the advance notice provisions of the Company's bylaws, a stockholder who intends to solicit proxies in support of nominees submitted under these advance notice provisions must also comply with the additional requirements of Exchange Act Rule 14a-19, including providing the notice required under Exchange Act Rule 14a-19(b) no later than June 2, 2025.

AVAILABILITY OF DOCUMENTS

We have provided, without charge, to each person being solicited by this proxy statement, a copy of this proxy statement and the Annual Report on Form 10-K for the year ended December 31, 2023, including the consolidated financial statements contained therein (excluding exhibits thereto). Upon the written request by any person being solicited by this proxy statement, we will provide upon the payment of a reasonable fee as we may specify to cover our expenses copies of the exhibits to the Annual Report on Form 10-K. All requests should be directed to the Company's Stockholder Relations Department by writing to 5956 Sherry Lane, Suite 700, Dallas, Texas 75225 or emailing shareholders@creativemediacommunity.com.

REDUCE DUPLICATE MAILINGS

The SEC has adopted rules that permit companies and intermediaries (for example, brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. A number of brokers with account holders who are stockholders of the Company "household" the Company's proxy materials in this manner. If you are an affected stockholder and no longer wish to participate in householding, or if you are receiving multiple copies of the proxy statement or the Notice and wish to receive only one, please notify your broker, if your shares are held in a brokerage account, or our transfer agent, Computershare Trust Company, N.A. at 150 Royall Street, Suite 101, Canton, MA 02021 or (781) 575-2000 if you are the record holder of your shares.

Additionally, we will deliver promptly to any affected stockholder an additional copy of the proxy statement, annual report and/or Notice of Internet Availability of Proxy Materials, as applicable, upon a written or oral request made to the Stockholder Relations Department of the Company at 5956 Sherry Lane, Suite 700, Dallas, Texas 75225 or (972) 349-3200.

WHERE YOU CAN FIND MORE INFORMATION

If you have questions about the proposals to be presented at the Annual Meeting, you should contact the Company by telephone or in writing:

Creative Media & Community Trust Corporation
5956 Sherry Lane, Suite 700
Dallas, Texas 75225
Attention: Stockholder Relations
(972) 349-3200

APPENDIX A-I: PROPOSED ARTICLES OF AMENDMENT

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ARTICLES OF AMENDMENT

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION

Creative Media & Community Trust Corporation, a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland (the "SDAT") that:

FIRST: The charter of the Corporation (the "Charter") is hereby amended by these Articles of Amendment, which amend the terms of the Series A1 Preferred Stock, $0.001 par value per share, of the Corporation (the "Series A1 Preferred Stock"), with any necessary or appropriate renumbering or relettering of the sections or subsections thereof.

SECOND: The Charter is hereby amended by adding the following new subsections (a), (g) and (i) of Section 2 of the terms of the Series A1 Preferred Stock:

(a) "Amendment Effective Time" shall mean a.m./p.m., Eastern Time on .

(g) "Initial Accrual Date" shall mean (i) with respect to any share of Series A1 Preferred Stock issued on or after the Amendment Effective Time, the first day of the Dividend Period during which such share of Series A1 Preferred Stock is originally issued; and (ii) with respect to any share of the Series A1 Preferred Stock issued prior the Amendment Effective Time, the first date on which such share of Series A1 Preferred Stock was originally issued.

(i) "Original Issuance Date" shall mean with respect to any share of Series A1 Preferred Stock issued (i) on or after the Amendment Effective Time, the earliest date that any shares of Series A1 Preferred Stock were issued to any investor during the calendar quarter in which such share to be redeemed was originally issued and (ii) prior to the Amendment Effective Time, the first date on which such share of Series A1 Preferred Stock was originally issued.

THIRD: The Charter is hereby amended by deleting existing subsection (d) of Section 2 of the terms of the Series A1 Preferred Stock in its entirety and inserting in lieu thereof a new subsection (e) of Section 2 to read as follows:

(e) "Dividend Period" shall mean each respective period commencing on, and including, the first day of each month of each year and ending on, and including, the day preceding the first day of the next succeeding Dividend Period.

FOURTH: The Charter is hereby amended by deleting the second paragraph of existing subsection (a) of Section 4 of the terms of the Series A1 Preferred Stock in its entirety and inserting in lieu thereof a new paragraph to read as follows:

The dividends on each share of Series A1 Preferred Stock shall be cumulative from (and including) the Initial Accrual Date and shall be payable monthly on the 15th day of each month following the Dividend Period for which the dividend was declared or, if not a Business Day, the next succeeding Business Day (each such date, a "Dividend Payment Date"). Any dividend payable on the Series A1 Preferred Stock for any Dividend Period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends shall be payable in arrears to holders of record as they appear in the

stock records of the Corporation at the close of business on the last Business Day of each month immediately preceding the applicable Dividend Payment Date (each such date, a "Dividend Record Date").

FIFTH: The Charter is hereby amended by deleting existing subsection (a) of Section 6 of the terms of the Series A1 Preferred Stock in its entirety and inserting in lieu thereof a new subsection (a) of Section 6 to read as follows:

(a) The Series A1 Preferred Stock is not redeemable at the option of the Corporation prior to the date that is 24 months following the Original Issuance Date of any given share of Series A1 Preferred Stock.

SIXTH: The Charter is hereby amended by deleting existing subsection (b) of Section 6 of the terms of the Series A1 Preferred Stock in its entirety and inserting in lieu thereof a new subsection (b) of Section 6 to read as follows:

(b) From and after the date that is 24 months following the Original Issuance Date of any given share of Series A1 Preferred Stock, subject to Section 9, the Corporation may, at its option, redeem such share, in whole or from time to time, in part, at a redemption price equal to 100% of the Series A1 Stated Value per share, plus all accumulated, accrued and unpaid dividends, if any, to and including the date fixed for redemption (the "Corporation Redemption Date") payable in cash or equal value through the issuance of Common Stock. For purposes of this Section 6, in the event that the Corporation exercises its redemption right and the shares of Series A1 Preferred Stock to be redeemed (such shares, the "Series A1 DRIP Shares") were acquired by the holder thereof pursuant to the dividend reinvestment plan of the Corporation (the "Series A1 DRIP"), the Original Issuance Date of such Series A1 DRIP Shares shall be deemed to be the same as the Original Issuance Date of the underlying shares of Series A1 Preferred Stock pursuant to which such Series A1 DRIP Shares are directly or indirectly attributable (such shares, the "Underlying Series A1 Shares"), and such Series A1 DRIP Shares shall be subject to optional redemption by the Corporation hereunder on the same date and terms as the Underlying Series A1 Shares.

SEVENTH: The Charter is hereby amended by deleting existing subsection (a)(i) of Section 7 of the terms of the Series A1 Preferred Stock in its entirety and inserting in lieu thereof a new subsection (a)(i) of Section 7 to read as follows:

(i) On and after the Original Issuance Date of any given share of Series A1 Preferred Stock (A) until but excluding the first anniversary of the Original Issuance Date of such share of Series A1 Preferred Stock the holder will have the right to require the Corporation to redeem such share of Series A1 Preferred Stock at a redemption price equal to 91% of the Series A1 Stated Value, plus all accumulated, accrued and unpaid dividends, if any, to the Holder Redemption Date (as defined below), (B) effective on or after the first anniversary of the Original Issuance Date of such share to but excluding the second anniversary of the Original Issuance Date of such share, the holder will have the right to require the Corporation to redeem such share of Series A1 Preferred Stock at a redemption price equal to 92% of the Series A1 Stated Value, plus all accumulated, accrued and unpaid dividends, if any, to the Holder Redemption Date, (C) effective on or after the second anniversary of the Original Issuance Date of such share to but excluding the third anniversary of the Original Issuance Date of such share, the holder will have the right to require the Corporation to redeem such share of Series A1 Preferred Stock at a redemption price equal to 93% of the Series A1 Stated Value, plus all accumulated, accrued and unpaid dividends, if any, to the Holder Redemption Date, (D) effective on or after the third anniversary of the Original Issuance Date of such share to but excluding the fourth anniversary of the Original Issuance Date

of such share, the holder will have the right to require the Corporation to redeem such share of Series A1 Preferred Stock at a redemption price equal to 94% of the Series A1 Stated Value, plus all accumulated, accrued and unpaid dividends, if any, to the Holder Redemption Date, (E) effective on or after the fourth anniversary of the Original Issuance Date of such share to but excluding the fifth anniversary of the Original Issuance Date of such share, the holder will have the right to require the Corporation to redeem such share of Series A1 Preferred Stock at a redemption price equal to 95% of the Series A1 Stated Value, plus all accumulated, accrued and unpaid dividends, if any, to the Holder Redemption Date. For purposes of this Section 7, where the shares of Series A1 Preferred Stock to be redeemed are Series A1 DRIP Shares, the Original Issuance Date of such Series A1 DRIP Shares shall be deemed to be the same as the Underlying Series A1 Shares, and such Series A1 DRIP Shares shall be subject to the same redemption price to which such Underlying Series A1 Shares would be subject if submitted for redemption.

EIGHTH: The Charter is hereby amended by deleting existing subsection (a)(ii) of Section 7 of the terms of the Series A1 Preferred Stock in its entirety and inserting in lieu thereof a new subsection (a)(ii) of Section 7 to read as follows:

(ii) From and after the fifth anniversary from the Original Issuance Date of any given share of Series A1 Preferred Stock, the holder will have the right to require the Corporation to redeem such shares at a redemption price equal to 100% of the Series A1 Stated Value, plus all accumulated, accrued and unpaid dividends, if any, to the Holder Redemption Date. For purposes of this Section 7, where the shares of Series A1 Preferred Stock to be redeemed are Series A1 DRIP Shares, the Original Issuance Date of such Series A1 DRIP Shares shall be deemed to be the same as the Underlying Series A1 Shares, and such Series A1 DRIP Shares shall be subject to the same redemption price to which such Underlying Series A1 Shares would be subject if submitted for redemption.

NINTH: There has been no increase in the authorized shares of stock of the Corporation effected by the amendments to the Charter as set forth above.

TENTH: These Articles of Amendment have been duly advised by the Board of Directors of the Corporation and approved by the stockholders entitled to vote on the amendment contained herein in the manner and by the vote required by law and the Charter.

ELEVENTH: The undersigned acknowledges these Articles of Amendment to be the corporate act of the Corporation and as to all matters or facts required to be verified under oath, the undersigned acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

TWELFTH: These Articles of Amendment shall become effective upon their acceptance for record by the SDAT.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be signed in its name on its behalf by its and attested to it by its on this day of , .

ATTEST	**CREATIVE MEDIA & COMMUNITY TRUST CORPORATION**
By:______________________________	By:______________________________
Name:	Name:
Title:	Title:

APPENDIX A-II: CONFORMED ARTICLES SUPPLEMENTARY—SERIES A1 PREFERRED STOCK

APPENDIX A-II: CONFORMED ARTICLES SUPPLEMENTARY-- SERIES A1 PREFERRED STOCK

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION

Conformed Articles Supplementary Series A1 Preferred Stock

Creative Media & Community Trust Corporation, a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: Under a power contained in Article VI of the charter of the Corporation (the "Charter") and Section 2-105 of the Maryland General Corporation Law, the Board of Directors of the Corporation (the "Board of Directors") by duly adopted resolutions classified and designated 23,000,000 shares of authorized but unissued preferred stock, $0.001 par value per share, of the Corporation and reclassified and designated 5,000,000 shares of authorized but unissued Series D Preferred Stock, $0.001 par value per share, of the Corporation, each as shares of Series A1 Preferred Stock, with the following preferences, rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms and conditions of redemption, which, upon any restatement of the Charter, shall become part of Article VI of the Charter, with any necessary or appropriate renumbering or relettering of the sections or subsections hereof.

Series A1 Preferred Stock

1. Designation and Number. A series of Preferred Stock, designated the "Series A1 Preferred Stock" (the "Series A1 Preferred Stock"), is hereby established. The par value of the Series A1 Preferred Stock is $0.001 per share. The number of shares of the Series A1 Preferred Stock shall be 28,000,000.

2. Definitions. In addition to the capitalized terms elsewhere defined herein, the following terms, when used herein, shall have the meanings indicated:

    (a) "Amendment Effective Time" shall mean [●] a.m./p.m. Eastern Time on [●], 2024.

    (b) ~~(a)~~ "Business Day" shall mean any day, other than Saturday, Sunday, or a day on which banking institutions in the State of New York are authorized or obligated by law to close, or a day which is or is declared a national or a New York state holiday.

    (c) ~~(b)~~ "Charter" shall mean the charter of the Corporation.

    (d) ~~(c)~~ "Dividend Determination Date" shall mean, for any given calendar quarter, the first Business Day of the month immediately preceding such calendar quarter.

    (e) ~~(d)~~ "Dividend Period" ~~means each calendar quarter~~shall mean each respective period commencing on, and including, the first day of each month of each year and ending on, and including, the day preceding the first day of the next succeeding Dividend Period.

    (f) ~~(e)~~ "H.15 Daily Update" shall mean the Selected Interest Rates (Daily)-H.15 release of the Board of Governors of the Federal Reserve System, available at www.federalreserve.gov/releases/h15/update, or any successor site or publication.

    (g) "Initial Accrual Date" shall mean with respect to any share of Series A1 Preferred Stock issued (i) on or after the Amendment Effective Time, the first day of the Dividend Period during which such share of Series A1 Preferred Stock is originally issued and (ii) prior the Amendment Effective Time, the first date on which such share of Series A1 Preferred Stock was originally issued.

(h) ~~(f)~~ "NASDAQ" shall mean the Nasdaq Global Market.

(i) "Original Issuance Date" shall mean with respect to any share of Series A1 Preferred Stock issued (i) on or after the Amendment Effective Time, the earliest date that any shares of Series A1 Preferred Stock were issued to any investor during the calendar quarter in which such share to be redeemed was originally issued and (ii) prior to the Amendment Effective Time, the first date on which such share of Series A1 Preferred Stock was originally issued.

(j) ~~(g)~~ "Person" shall mean an individual, corporation, association, partnership, limited liability company, joint venture, trust, unincorporated organization, government or political subdivision thereof or governmental agency or other entity.

(k) ~~(h)~~ "quarter" and "calendar quarter" shall mean a period of three calendar months ending on March 31, June 30, September 30, or December 31.

(l) ~~(i)~~ "Series A Preferred Stock" shall mean the Series A Preferred Stock, par value $0.001 per share, of the Corporation.

(m) ~~(j)~~ "Series A1 Stated Value" shall mean $25.00 per share, subject to adjustment pursuant to Section 13.

(n) ~~(k)~~ "Series D Preferred Stock" shall mean the Series D Preferred Stock, par value $0.001 per share, of the Corporation.

(o) ~~(l)~~ "Series L Preferred Stock" shall mean the Series L Preferred Stock, par value $0.001 per share, of the Corporation.

(p) ~~(m)~~ "Series L Stated Value" shall mean "Series L Stated Value" as defined in the Charter.

(q) ~~(n)~~ "Trading Day" shall mean, (i) if the Common Stock (as defined in the Charter) is listed or admitted to trading on NASDAQ, a day on which NASDAQ is open for the transaction of business, (ii) if the Common Stock is not listed or admitted to trading on NASDAQ but is listed or admitted to trading on another national securities exchange or automated quotation system, a day on which such national securities exchange or automated quotation system, as the case may be, on which the Common Stock is listed or admitted to trading is open for the transaction of business, or (iii) if the Common Stock is not listed or admitted to trading on any national securities exchange or automated quotation system, any day other than a Saturday, a Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

(r) ~~(o)~~ "VWAP" shall mean, for any Trading Day, the volume-weighted average price, calculated by dividing the aggregate value of Common Stock traded on NASDAQ during regular hours (price per share multiplied by number of shares traded) by the total volume (number of shares) of Common Stock traded on NASDAQ (or such other national securities exchange or automated quotation system on which the Common Stock is listed) for such Trading Day, or if such volume-weighted average price is unavailable, the market value of one share of Common Stock on such Trading Day as determined by the Board of Directors in a commercially reasonable manner, using a volume-weighted average price method.

3. Rank.

(a) The Series A1 Preferred Stock shall, with respect to rights to the payment of dividends and other distributions (excluding the distribution of assets referenced in Section 3(b)), rank (i) senior to the Series L Preferred Stock, all classes or series of Common Stock and any other class or series of stock of the Corporation the terms of which specifically provide that the

holders of the Series A1 Preferred Stock are entitled to receive dividends and other distributions in preference or priority to the holders of shares of such class or series (the "Junior Dividend Stock"); (ii) on a parity with the Series A Preferred Stock, Series D Preferred Stock and any other class or series of stock of the Corporation the terms of which specifically provide that the holders of such class or series of stock and the Series A1 Preferred Stock are entitled to receive dividends and other distributions on parity and without preference or priority of one over the other (the "Parity Dividend Stock"); and (iii) junior to any class or series of stock of the Corporation the terms of which specifically provide that the holders of such class or series are entitled to receive dividends and other distributions in preference or priority to the holders of the Series A1 Preferred Stock (the "Senior Dividend Stock").

(b) The Series A1 Preferred Stock shall, with respect to rights to the distribution of assets upon the liquidation, dissolution or winding up of the Corporation, rank (i) senior to the Series L Preferred Stock (except as described in Section 3(b)(ii) below), all classes or series of Common Stock and any other class or series of stock of the Corporation the terms of which specifically provide that the holders of the Series A1 Preferred Stock are entitled to receive amounts distributable upon the liquidation, dissolution or winding up of the Corporation in preference or priority to the holders of shares of such class or series (the "Junior Liquidation Stock", and together with the Junior Dividend Stock, the "Junior Stock"); (ii) on a parity with the Series A Preferred Stock, the Series D Preferred Stock, the Series L Preferred Stock, to the extent of the Series L Stated Value, and any other class or series of stock of the Corporation the terms of which specifically provide that the holders of such class or series of stock and the Series A1 Preferred Stock are entitled to receive amounts distributable upon the liquidation, dissolution or winding up of the Corporation in proportion to their respective amounts of liquidation preferences, on parity and without preference or priority of one over the other (the "Parity Liquidation Stock", and together with the Parity Dividend Stock, the "Parity Stock"); and (iii) junior to any class or series of stock of the Corporation the terms of which specifically provide that the holders of such class or series are entitled to receive amounts distributable upon the liquidation, dissolution or winding up of the Corporation in preference or priority to the holders of the Series A1 Preferred Stock (the "Senior Liquidation Stock").

4. Dividends.

(a) Subject to the preferential rights of holders of any class or series of Senior Dividend Stock, holders of the Series A1 Preferred Stock shall be entitled to receive, when and as authorized by the Board of Directors and declared by the Corporation, out of funds legally available for the payment of dividends, preferential cumulative cash dividends at the rate on each share of Series A1 Preferred Stock at a quarterly rate of the greater of (i) 6.00% of the Series A1 Stated Value, divided by four and (ii) the Federal Funds (Effective) Rate on the Dividend Determination Date, plus 2.50% of the Series A1 Stated Value, divided by four, up to a maximum of 2.50% of the Series A1 Stated Value per quarter, as determined by the Corporation on each Dividend Determination Date. For any given calendar quarter and the corresponding Dividend Determination Date, the "Federal Funds (Effective) Rate" for such quarter and Dividend Determination Date will be the rate for the Business Day immediately preceding such Dividend Determination Date, as published on the Dividend Determination Date in H.15 Daily Update under the heading "Federal Fund (Effective)." If such Federal Funds (Effective) Rate is not published in H.15 Daily Update by 5:00 p.m., New York City time, on the Dividend Determination Date, the Federal Funds (Effective) Rate as published for the first preceding New York banking day for which the Federal

Funds (Effective) Rate can be determined in accordance with the immediately preceding sentence. The determination of the Federal Funds (Effective) Rate for any Dividend Determination Date or any of the other matters set forth in this Section 4(a), made by or pursuant to the direction of the Board of Directors, shall be final and conclusive and shall be binding upon the Corporation and every holder of shares of Series A1 Preferred Stock.

The dividends on each share of Series A1 Preferred Stock shall be cumulative from (and including) the ~~first date on which such share of Series A1 Preferred Stock is issued~~Initial Accrual Date and shall be payable ~~(i) quarterly~~monthly on the 15th day of ~~the~~each month following the ~~quarter~~Dividend Period for which the dividend was declared or, if not a Business Day, the next succeeding Business Day ~~or (ii) as the Board of Directors (or an authorized officer of the Corporation delegated by the Board of Directors) may decide in its sole discretion from time to time, which may be more frequently than quarterly, with such dividends to be payable on such dates as determined by the Board of Directors (or an authorized officer of the Corporation delegated by the Board of Directors)~~ (each such date, a "Dividend Payment Date"). Any dividend payable on the Series A1 Preferred Stock for any ~~partial~~ Dividend Period shall be computed ~~ratably~~ on the basis of a 360-day year consisting of twelve 30-day months. Dividends shall be payable in arrears to holders of record as they appear in the stock records of the Corporation at the close of business on the last Business Day of each month immediately preceding the applicable ~~record~~Dividend Payment Date (each such date ~~(the~~, a "Dividend Record Date")~~, which shall be a date determined by the Board of Directors from time to time in its sole discretion~~.

(b) Holders of Series A1 Preferred Stock shall not be entitled to any dividends on the Series A1 Preferred Stock in excess of the dividends provided for in Section 4(a).

(c) No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series A1 Preferred Stock that may be in arrears.

(d) When dividends are not paid in full upon the Series A1 Preferred Stock or any other class or series of Parity Dividend Stock, or a sum sufficient for such payment is not set apart, all dividends declared upon the Series A1 Preferred Stock and any shares of Parity Dividend Stock shall be declared ratably in proportion to the respective amounts of dividends accumulated, accrued and unpaid on the Series A1 Preferred Stock and accumulated, accrued and unpaid on such Parity Dividend Stock (which shall not include any accumulation in respect of unpaid dividends for prior Dividend Periods if such Parity Dividend Stock does not have a cumulative dividend).

(e) Except as set forth in the preceding paragraph, unless full cumulative dividends equal to the full amount of all accumulated, accrued and unpaid dividends on the Series A1 Preferred Stock have been, or are concurrently therewith, declared and paid, or declared and set apart for payment, for all past Dividend Periods,

(i) no dividends or other distributions shall be declared and paid or declared and set apart for payment by the Corporation and no other distribution of cash or other property may be declared and made (other than dividends or other distributions paid in shares of Junior Stock or options, warrants or rights to subscribe for or purchase shares of Junior Stock), directly or indirectly, by the Corporation with respect to any shares of Junior Dividend Stock or Parity Dividend Stock,

(ii) nor shall any shares of Junior Dividend Stock or Parity Dividend Stock be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of Common Stock made for purposes of an equity incentive or benefit plan of the Corporation) for any consideration (or any monies be paid to or

made available for a sinking fund for the redemption of any shares of any such stock), directly or indirectly, by the Corporation (except by conversion into or exchange for shares of Junior Stock, or options, warrants or rights to subscribe for or purchase shares of Junior Stock).

(f) Notwithstanding the foregoing provisions of this Section 4, the Corporation shall not be prohibited from (i) declaring or paying or setting apart for payment any dividend or other distribution on any shares of Junior Stock or Parity Stock or (ii) redeeming, purchasing or otherwise acquiring any Junior Stock or Parity Stock, in each case, if such declaration, payment, setting apart for payment, redemption, purchase or other acquisition is necessary in order to maintain the continued qualification of the Corporation as a real estate investment trust under Section 856 of the Code (as defined in the Charter).

5. Liquidation Preference.

(a) Upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after satisfaction of liabilities to creditors and subject to the preferential rights of holders of any class or series of Senior Liquidation Stock, before any payment or distribution by the Corporation shall be made to or set apart for the holders of any shares of Junior Liquidation Stock, the holders of shares of the Series A1 Preferred Stock shall be entitled to be paid out of the assets of the Corporation that are legally available for distribution to the stockholders, a liquidation preference equal to the Series A1 Stated Value per share (the "Liquidation Preference"), plus an amount equal to all accumulated, accrued and unpaid dividends (whether or not declared) to and including the date of payment. Until the holders of the Series A1 Preferred Stock have been paid the Liquidation Preference in full, plus an amount equal to all accumulated, accrued and unpaid dividends (whether or not earned or declared) to the date of final distribution to such holders, no payment will be made to any holder of Junior Liquidation Stock upon the liquidation, dissolution or winding up of the Corporation. If upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the available assets of the Corporation, or proceeds thereof, distributable among the holders of the Series A1 Preferred Stock shall be insufficient to pay in full the above described Liquidation Preference and the liquidating payments on any shares of any class or series of Parity Liquidation Stock, then such assets, or the proceeds thereof, shall be distributed among the holders of the Series A1 Preferred Stock and any such Parity Liquidation Stock ratably in the same proportion as the respective amounts that would be payable on such Series A1 Preferred Stock and any such Parity Liquidation Stock if all amounts payable thereon were paid in full. After payment of the full amount of the Liquidation Preference to which they are entitled, the holders of the Series A1 Preferred Stock shall have no right or claim to any of the remaining assets of the Corporation.

(b) Upon any liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the holders of the Series A1 Preferred Stock and any Parity Liquidation Stock, the holders of any classes or series of Junior Liquidation Stock shall be entitled to receive any and all assets of the Corporation remaining to be paid or distributed in accordance with the terms of such classes or terms of Junior Liquidation Stock, and the holders of the Series A1 Preferred Stock and any Parity Liquidation Stock shall not be entitled to share therein.

(c) The consolidation, merger or conversion of the Corporation with or into any other corporation, trust or entity or of any other corporation, trust or entity with or into the Corporation, or the sale or transfer of all or substantially all of the assets or business of the

Corporation or a statutory share exchange, shall not be deemed to constitute a voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

(d) In determining whether a distribution (other than upon voluntary or involuntary liquidation), by dividend, redemption or other acquisition of shares of stock of the Corporation or otherwise, is permitted under the Maryland General Corporation Law, amounts that would be needed, if the Corporation were to be dissolved at the time of distribution, to satisfy the preferential rights upon dissolution of holders of shares of the Series A1 Preferred Stock shall not be added to the Corporation's total liabilities.

6. Redemption by the Corporation.

(a) The Series A1 Preferred Stock is not redeemable at the option of the Corporation prior to the date that is 24 months following the ~~date of original issuance~~Original Issuance Date of any given ~~shares~~share of Series A1 Preferred Stock.

(b) From and after the date that is 24 months following the ~~date of original issuance~~Original Issuance Date of any given ~~shares~~share of Series A1 Preferred Stock, subject to Section 9, the Corporation may, at its option, redeem such ~~shares~~share, in whole or from time to time, in part, at a redemption price equal to 100% of the Series A1 Stated Value per share, plus all accumulated, accrued and unpaid dividends, if any, to and including the date fixed for redemption (the "Corporation Redemption Date") payable in cash or equal value through the issuance of Common Stock. For purposes of this Section 6, in the event that the Corporation exercises its redemption right and the shares of Series A1 Preferred Stock to be redeemed (such shares, the "Series A1 DRIP Shares") were acquired by the holder thereof pursuant to the dividend reinvestment plan of the Corporation (the "Series A1 DRIP"), the Original Issuance Date of such Series A1 DRIP Shares shall be deemed to be the same as the Original Issuance Date of the underlying shares of Series A1 Preferred Stock pursuant to which such Series A1 DRIP Shares are directly or indirectly attributable (such shares, the "Underlying Series A1 Shares"), and such Series A1 DRIP Shares shall be subject to optional redemption by the Corporation hereunder on the same date and terms as the Underlying Series A1 Shares.

(c) The Corporation Redemption Date shall be selected by the Corporation and shall be no fewer than 10 nor more than 20 days after the date on which the Corporation sends the notice of redemption.

(d) If full cumulative dividends on all outstanding shares of Series A1 Preferred Stock have not been declared and paid or declared and set apart for payment for all past Dividend Periods, no shares of the Series A1 Preferred Stock may be redeemed pursuant to this Section 6, unless all outstanding shares of the Series A1 Preferred Stock are simultaneously redeemed, and neither the Corporation nor any of its affiliates may purchase or otherwise acquire shares of the Series A1 Preferred Stock otherwise than pursuant to a purchase or exchange offer made on the same terms to all holders of the Series A1 Preferred Stock.

(e) If fewer than all the outstanding shares of Series A1 Preferred Stock are to be redeemed pursuant to this Section 6, the Corporation shall select those shares to be redeemed pro rata or in such manner as the Board of Directors may determine.

(f) Written notice as to the redemption of any shares of Series A1 Preferred Stock pursuant to this Section 6 shall be given by first class mail, postage pre-paid, to each such record holder of such shares of Series A1 Preferred Stock at the respective mailing addresses of each such holder as the same shall appear on the stock transfer records of the Corporation. No failure to give such notice or any defect therein or in the mailing thereof shall affect the

validity of the proceedings for the redemption of any such shares of Series A1 Preferred Stock except as to the holder to whom notice was defective or not given.

(g) In addition to any information required by law or by the applicable rules of any exchange upon which Series A1 Preferred Stock may then be listed or admitted to trading, such notice shall state: (i) the Corporation Redemption Date; (ii) the redemption price payable on the Corporation Redemption Date, including without limitation a statement as to whether or not accumulated, accrued and unpaid dividends shall be payable as part of the redemption price, or payable on the next Dividend Payment Date to the record holder at the close of business on the relevant Dividend Record Date as described in Section 9(b) below; (iii) whether the redemption price will be paid in cash or Common Stock; and (iv) that dividends on the shares of Series A1 Preferred Stock to be redeemed will cease to accrue on such Corporation Redemption Date. If less than all the shares of Series A1 Preferred Stock held by any holder are to be redeemed, the notice mailed to such holder also shall specify the number of shares of Series A1 Preferred Stock held by such holder to be redeemed.

(h) If notice of redemption of any shares of Series A1 Preferred Stock has been given and if the funds necessary for such redemption have been set apart by the Corporation for the benefit of the holders of any shares of Series A1 Preferred Stock so called for redemption, then, from and after the Corporation Redemption Date, dividends will cease to accrue on such shares of Series A1 Preferred Stock, such shares of Series A1 Preferred Stock shall be redeemed in accordance with the notice and shall no longer be deemed outstanding and all rights of the holders of such shares will terminate, except the right to receive the cash or Common Stock payable upon such redemption without interest thereon. No further action on the part of the holders of such shares shall be required. Subject to applicable law and the limitation on purchases when dividends on the Series A1 Preferred Stock are in arrears, the Corporation may, at any time and from time to time, purchase or otherwise acquire any shares of Series A1 Preferred Stock in the open market, by tender or by private agreement.

7. Redemption at the Option of a Holder.

(a) Subject to the provisions in this Section 7 and Section 9, each holder of Series A1 Preferred Stock may deliver written notice to the Corporation and its agent ("Holder Redemption Notice") requesting that the Corporation redeem each share of Series A1 Preferred Stock held by such holder at a redemption price determined as follows:

(i) On and after the ~~date of original issuance~~Original Issuance Date of any given ~~shares~~share of Series A1 Preferred Stock (A) until but excluding the first anniversary of the ~~date of original issuance of any given shares~~Original Issuance Date of such share of Series A1 Preferred Stock the holder will have the right to require the Corporation to redeem such ~~shares~~share of Series A1 Preferred Stock at a redemption price equal to 91% of the Series A1 Stated Value, plus all accumulated, accrued and unpaid dividends, if any, to the Holder Redemption Date (as defined below), (B) effective on or after the first anniversary of the ~~date of original issuance of such shares~~Original Issuance Date of such share to but excluding the second anniversary of the ~~date of original issuance of such shares~~Original Issuance Date of such share, the holder will have the right to require the Corporation to redeem such ~~shares~~share of Series A1 Preferred Stock at a redemption price equal to 92% of the Series A1 Stated Value, plus all accumulated, accrued and unpaid dividends, if any, to the Holder Redemption Date, (C) effective on or after the second anniversary of the ~~date of original issuance of such~~

~~shares~~Original Issuance Date of such share to but excluding the third anniversary of the ~~date of original issuance of such shares~~Original Issuance Date of such share, the holder will have the right to require the Corporation to redeem such ~~shares~~share of Series A1 Preferred Stock at a redemption price equal to 93% of the Series A1 Stated Value, plus all accumulated, accrued and unpaid dividends, if any, to the Holder Redemption Date, (D) effective on or after the third anniversary of the ~~date of original issuance of such shares~~Original Issuance Date of such share to but excluding the fourth anniversary of the ~~date of original issuance of such shares~~Original Issuance Date of such share, the holder will have the right to require the Corporation to redeem such ~~shares~~share of Series A1 Preferred Stock at a redemption price equal to 94% of the Series A1 Stated Value, plus all accumulated, accrued and unpaid dividends, if any, to the Holder Redemption Date, (E) effective on or after the fourth anniversary of the ~~date of original issuance of such shares~~Original Issuance Date of such share to but excluding the fifth anniversary of the ~~date of original issuance of such shares~~Original Issuance Date of such share, the holder will have the right to require the Corporation to redeem such ~~shares~~share of Series A1 Preferred Stock at a redemption price equal to 95% of the Series A1 Stated Value, plus all accumulated, accrued and unpaid dividends, if any, to the Holder Redemption Date. For purposes of this Section 7, where the shares of Series A1 Preferred Stock to be redeemed are Series A1 DRIP Shares, the Original Issuance Date of such Series A1 DRIP Shares shall be deemed to be the same as the Underlying Series A1 Shares, and such Series A1 DRIP Shares shall be subject to the same redemption price to which such Underlying Series A1 Shares would be subject if submitted for redemption.

(ii) From and after the fifth anniversary from the ~~date of original issuance~~Original Issuance Date of any given ~~shares~~share of Series A1 Preferred Stock, the holder will have the right to require the Corporation to redeem such shares at a redemption price equal to 100% of the Series A1 Stated Value, plus all accumulated, accrued and unpaid dividends, if any, to the Holder Redemption Date ~~(as defined below).~~. For purposes of this Section 7, where the shares of Series A1 Preferred Stock to be redeemed are Series A1 DRIP Shares, the Original Issuance Date of such Series A1 DRIP Shares shall be deemed to be the same as the Underlying Series A1 Shares, and such Series A1 DRIP Shares shall be subject to the same redemption price to which such Underlying Series A1 Shares would be subject if submitted for redemption.

(b) The Corporation's obligation to redeem any shares of Series A1 Preferred Stock is limited to the extent that (i) the Corporation does not have sufficient funds available to fund any such redemption, in which case the Corporation will be required to redeem with shares of Common Stock, or (ii) the Corporation is restricted by applicable law, the Charter or contractual obligations from making such redemption.

(c) The "Holder Redemption Date" shall be on a date selected by the Corporation that is no later than 45 days after the Holder Redemption Notice is received by the Corporation.

(d) The Holder Redemption Notice shall specify the number of shares of Series A1 Preferred Stock to be redeemed.

(e) If a Holder Redemption Notice has been given to the Corporation and if the funds necessary to pay for the related redemption have been set apart by the Corporation for the benefit of the holder delivering such Holder Redemption Notice, then, as of the Holder

Redemption Date, dividends will cease to accrue on the shares of Series A1 Preferred Stock subject to redemption, such shares of Series A1 Preferred Stock shall be redeemed and shall no longer be deemed outstanding and all rights of the holders of such shares will terminate, except the right to receive the cash or Common Stock payable upon such redemption without interest thereon. No further action on the part of the holder of such shares shall be required.

8. Optional Redemption Following Death of a Holder.

(a) Subject to the provisions in this Section 8, beginning on the date of original issuance of the Series A1 Preferred Stock to be redeemed, the Corporation will redeem shares of Series A1 Preferred Stock held by a natural person upon his or her death at the written request of the holder's estate (the "Estate Redemption Notice") at a redemption price equal to 100% of the Series A1 Stated Value, plus accrued and unpaid dividends thereon, if any, through and including the Estate Redemption Date (defined below); provided, however, that the Corporation's obligation to redeem any shares of Series A1 Preferred Stock is limited to the extent that (i) the Corporation does not have sufficient funds available to fund any such redemption, in which case the Corporation will be required to redeem with shares of Common Stock, or (ii) the Corporation is restricted by applicable law, the Charter or contractual obligations from making such redemption.

(b) The "Estate Redemption Date" shall be on a date selected by the Corporation that is no later than 60 days after the Estate Redemption Notice is received by the Corporation.

(c) If an Estate Redemption Notice has been given to the Corporation and if the funds necessary to pay for the related redemption have been set apart by the Corporation for the benefit of the estate delivering such Estate Redemption Notice, then, as of the redemption date of the Series A1 Preferred Stock, dividends will cease to accrue on the shares of Series A1 Preferred Stock subject to redemption, such shares of Series A1 Preferred Stock shall be redeemed and shall no longer be deemed outstanding and all rights of such shares held by such holder's estate will terminate, except the right to receive the cash or Common Stock payable upon such redemption without interest thereon. No further action on the part of such holder's estate shall be required.

9. Redemption Price.

(a) The redemption price payable pursuant to any redemption pursuant to Section 6, Section 7 or Section 8 shall be paid in cash or, at the sole discretion of the Corporation, in shares of Common Stock, based on the VWAP of the Common Stock for the 20 Trading Days immediately preceding the applicable redemption date.

(b) In the event of any redemption pursuant to Section 6, Section 7 or Section 8, if the applicable redemption date occurs after a Dividend Record Date and on or prior to the related Dividend Payment Date, the dividend payable on such Dividend Payment Date in respect of such shares called for redemption shall be payable on such Dividend Payment Date to the holders of record at the close of business on such Dividend Record Date, and shall not be payable as part of the redemption price for such shares.

10. No Fractional Shares. The Corporation shall not issue fractional shares of Common Stock upon any redemption pursuant to Section 6, Section 7 or Section 8, but in lieu of fractional shares, the Corporation shall round down to the nearest whole number of shares of Common Stock to be issued.

11. Appointment of Transfer Agent; Mechanics of Redemption.

(a) The Corporation shall maintain or cause to be maintained a register in which, subject to such reasonable regulations as it may prescribe, the Corporation shall provide for the registration of shares of Series A1 Preferred Stock and of transfers of shares of Series A1 Preferred Stock for the purpose of registering shares of Series A1 Preferred Stock and of transfers of shares of Series A1 Preferred Stock as herein provided. The initial registrar and transfer agent for the Series A1 Preferred Stock shall be American Stock Transfer and Trust Company. The Corporation may appoint one or more additional transfer agents as it shall determine. The Corporation may change the transfer agent without prior notice to any holder.

(b) If the Corporation elects to pay the redemption price in Common Stock pursuant to Section 9(a), the Corporation shall cause the transfer agent for the Common Stock to, as soon as practicable, but not later than three (3) Business Days after the applicable redemption date, register the number of shares of Common Stock to which such holder shall be entitled as a result of such redemption. The Person or Persons entitled to receive the shares of Common Stock issuable upon such redemption shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of the applicable redemption date.

12. Status of Shares.

(a) All shares of Common Stock that may be issued upon redemption of shares of Series A1 Preferred Stock shall be validly issued, fully paid and nonassessable.

(b) Any shares of Series A1 Preferred Stock that shall at any time have been redeemed pursuant to Section 6, Section 7 or Section 8 or otherwise acquired by the Corporation shall, after such redemption or acquisition, have the status of authorized but unissued Preferred Stock (as defined in the Charter), without designation as to class or series until such shares are once more classified and designated as part of a particular class or series by the Board of Directors.

13. Adjustments. If a redemption of any shares of Series A1 Preferred Stock pursuant to Section 6, Section 7 or Section 8 occurs less than 20 Trading Days after the Corporation: (i) declaring a dividend or making a distribution on the Common Stock payable in Common Stock, (ii) subdividing or splitting the outstanding Common Stock, (iii) combining or reclassifying the outstanding Common Stock into a smaller number of shares or(iv) consolidating with, or merging with or into, any other Person, or engaging in any reorganization, reclassification or recapitalization that is effected in such a manner that the holders of Common Stock are entitled to receive stock, securities, cash or other assets with respect to or in exchange for Common Stock (other than as a cash dividend or other distribution declared by the Corporation), the Series A1 Stated Value shall be adjusted so that the redemption of the Series A1 Preferred Stock less than 20 Trading Days after such event shall entitle the holder to receive the aggregate number of shares of Common Stock or cash which, if the Series A1 Preferred Stock had been redeemed immediately prior to such event, such holder would have owned upon such redemption and been entitled to receive by virtue of such dividend, distribution, subdivision, split, combination, consolidation, merger, reorganization, reclassification or recapitalization.

14. Voting Rights. Holders of the Series A1 Preferred Stock shall not have any voting rights.

15. Conversion. The Series A1 Preferred Stock is not convertible into or exchangeable for any other property or securities of the Corporation.

SECOND: The shares of Series A1 Preferred Stock have been classified and designated by the Board of Directors under the authority contained in the Charter.

THIRD: These Articles Supplementary have been approved by the Board of Directors in the manner and by the vote required by law.

FOURTH: The undersigned acknowledges these Articles Supplementary to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned acknowledges that, to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties of perjury.

[Signatures on following page]

IN WITNESS WHEREOF, the Corporation has caused these Articles Supplementary to be signed in its name and on its behalf by its Chief Executive Officer and attested to by its Chief Financial Officer on this 16th day of June, 2022.

ATTEST:

By:

CREATIVE MEDIA &
COMMUNITY TRUST
CORPORATION

By:

ANNUAL MEETING OF STOCKHOLDERS OF

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION

August 1, 2024

GO GREEN
NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:

The Notice of Meeting, proxy statement, proxy card and Annual Report on Form 10-K are available at https://shareholders.creativemediacommunity.com/financials/sec-filings.

The meeting will be held as a virtual meeting conducted exclusively via live webcast at http://register.proxypush.com/CMCT, please follow the instructions under question 6 in the proxy statement.

Please sign, date and mail your proxy card in the envelope provided as soon as possible.

↓ Please detach along perforated line and mail in the envelope provided. ↓

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x

Item 1. To consider and vote upon election of seven members of the Company's board of directors, each to hold office until the next annual meeting of stockholders and until their respective successors have been elected and qualify.

☐ **FOR ALL NOMINEES**

☐ **WITHHOLD AUTHORITY FOR ALL NOMINEES**

☐ **FOR ALL EXCEPT** (See instructions below)

NOMINEES:
( ) Douglas Bech
( ) John Hope Bryant
( ) Marcie Edwards
( ) Shaul Kuba
( ) Richard Ressler
( ) Avraham Shemesh
( ) Elaine Wong

Item 2(a). To consider and approve an amendment to the Company's charter to implement a fixed monthly dividend period for the Company's Series A1 Preferred Stock (the "Monthly Dividend Period Amendment").

FOR	AGAINST	ABSTAIN
☐	☐	☐

The Board recommends you vote "FOR" the approval of the Monthly Dividend Period Amendment.

Item 2(b). To consider and approve an amendment to the Company's charter to provide that initial dividends on newly issued shares of Series A1 Preferred Stock begin to accrue on the first day of the dividend period during which such share is issued (the "Initial Accrual Date Amendment").

FOR	AGAINST	ABSTAIN
☐	☐	☐

The Board recommends you vote "FOR" the approval of the Initial Accrual Date Amendment.

The Board recommends you vote "FOR" each of the director nominees.	
	Item 2(c). To consider and approve an amendment to the Company's charter to provide that the date of original issuance with respect to redemptions of shares of Series A1 Preferred Stock issued after such amendment will be deemed to be the earliest date any such shares were issued to any investor during the calendar quarter in which the shares to be redeemed were issued (the "Original Issuance Date Amendment"). FOR ☐ AGAINST ☐ ABSTAIN ☐ **The Board recommends you vote for "FOR" the approval of the Original Issuance Date Amendment.**
	Item 2(d). To consider and approve an amendment to the Company's charter to set the original issuance date for shares of Series A1 Preferred Stock issued under the Company's DRIP as the same original issuance date of the underlying shares of Series A1 Preferred Stock (the "Series A1 DRIP Amendment"). FOR ☐ AGAINST ☐ ABSTAIN ☐
<u>**INSTRUCTIONS:**</u> To withhold authority to vote for any individual nominee(s), mark "**FOR ALL EXCEPT**" and fill in the circle next to each nominee you wish to withhold, as shown here: ☐	**The Board recommends you vote "FOR" the approval of the Series A1 DRIP Amendment.**

Item 3. To consider and approve, by a non-binding advisory vote, the executive compensation for the fiscal year ended December 31, 2023, as disclosed in the proxy statement.

FOR ☐ AGAINST ☐ ABSTAIN ☐

The Board recommends you vote "FOR" the approval of the advisory resolution.

Item 4. To consider and approve the ratification of the appointment of Deloitte & Touche LLP as the Company's auditor for the fiscal year ending December 31, 2024.

FOR ☐ AGAINST ☐ ABSTAIN ☐

The Board recommends you for "FOR" the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2024.

To change the address on your account, please check the box to the right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

UPON THE PROPER EXECUTION AND DELIVERY OF THIS PROXY, THE VOTES ENTITLED TO BE CAST BY THE UNDERSIGNED WILL BE CAST AS DIRECTED HEREIN. IF THIS PROXY IS PROPERLY EXECUTED AND DELIVERED, BUT NO DIRECTION IN RESPECT OF A GIVEN PROPOSAL IS INDICATED, THE VOTES ENTITLED TO BE CAST BY THE UNDERSIGNED IN RESPECT OF SUCH PROPOSAL WILL BE CAST AS RECOMMENDED BY THE BOARD. THE VOTES ENTITLED TO BE CAST BY THE UNDERSIGNED WILL BE CAST IN THE DISCRETION OF THE PROXY HOLDER ON ANY OTHER MATTER THAT MAY PROPERLY COME BEFORE THE MEETING OR ANY POSTPONEMENT OR ADJOURNMENT THEREOF. THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.

Please mark, sign and return this proxy in the enclosed envelope. The undersigned acknowledges receipt from the Company of a Notice of Annual Meeting of Stockholders and a proxy statement. Each of the Notice of Annual Meeting of Stockholders and proxy statement is incorporated by reference.

Signature of Stockholder		Date:		Signature of Stockholder		Date:	

Note: Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

PROXY **PROXY**

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION

The undersigned stockholder of Creative Media & Community Trust Corporation, a Maryland corporation (the "Company"), hereby appoints David Thompson and Barry N. Berlin, or either of them, with power of substitution, as proxy and attorney-in-fact and hereby authorizes them to represent and vote, as designated on the reverse side, all the shares of common stock of the Company, which the undersigned is entitled to vote, and, in their discretion, to vote upon such other business as may properly come before the Annual Meeting of Stockholders of the Company to be held at 11:00 a.m. Pacific Time on August 1, 2024 or any postponement or adjournment thereof, with all powers that the undersigned would possess if present at the Annual Meeting. The undersigned acknowledges receipt of the Notice of Annual Meeting of Stockholders and a proxy statement for the Annual Meeting of Stockholders, the terms of which are incorporated herein by reference. Capitalized terms used herein but not defined shall have the meanings set forth in the proxy statement.

(Continued and to be signed on the reverse side)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2023

OR

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

Commission file number 1-13610

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Maryland	**75-6446078**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
5956 Sherry Lane Suite 700, Dallas, Texas	**75225**
(Address of Principal Executive Offices)	(Zip Code)

(972) 349-3200

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:

Common Stock, $0.001 Par Value	CMCT	Nasdaq Global Market
Common Stock, $0.001 Par Value	CMCT	Tel Aviv Stock Exchange
(Title of each class)	(Trading symbol)	(Name of each exchange on which registered)

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

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 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒
Smaller reporting company ☒	Emerging growth company ☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Act.) Yes ☐ No ☒

As of June 30, 2023, the aggregate market value of the voting common stock held by non-affiliates of the registrant, computed by reference to the average high and low sales prices on the Nasdaq Global Market as of the close of business on June 30, 2023, was approximately $58.0 million. The registrant does not have any nonvoting common equities.

As of March 21, 2024, the registrant had outstanding 22,786,741 shares of common stock, par value $0.001 per share.

Documents Incorporated by Reference

Part III of this Annual Report on Form 10-K incorporates by reference specified portions of Creative Media & Community Trust Corporation's Proxy Statement for its 2024 Annual Meeting of Stockholders, which the registrant anticipates will be filed with the Securities and Exchange Commission no later than April 30, 2024.

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION
2023 ANNUAL REPORT ON FORM 10-K

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Forward-Looking Statements

This Annual Report on Form 10-K contains certain 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"), which are intended to be covered by the safe harbors created thereby. These statements include the plans and objectives of management for future operations, including plans and objectives relating to future growth of our business and availability of funds. Such forward-looking statements can be identified by the use of forward-looking terminology such as "may," "will," "project," "target," "expect," "intend," "might," "believe," "anticipate," "estimate," "could," "would" "continue," "pursue," "potential," "forecast," "seek," "plan," "should" or "goal" or the negative thereof or other variations or similar words or phrases. Such forward-looking statements also include, among others, statements about our plans and objectives relating to future growth and outlook. Such forward-looking statements are based on particular assumptions that our management has made in light of its experience, as well as its perception of expected future developments and other factors that it believes are appropriate under the circumstances. Forward-looking statements are necessarily estimates reflecting the judgment of our management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include those associated with (i) the timing, form, and operational effects of our development activities, (ii) our ability to raise in place rents to existing market rents and to maintain or increase occupancy levels, (iii) fluctuations in market rents, (iv) the effects of inflation and continuing higher interest rates on our operations and profitability and (v) general economic, market and other conditions. Additional important factors that could cause our actual results to differ materially from our expectations are discussed in "Item 1A—Risk Factors" of this Annual Report on Form 10-K. The forward-looking statements included herein are based on current expectations and there can be no assurance that these expectations will be attained. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements expressed or implied in this Annual Report on Form 10-K will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements expressed or implied herein, the inclusion of such information should not be regarded as a representation by us or any other person that our objectives and plans will be achieved. Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made. We do not undertake to update them to reflect changes that occur after the date they are made, except as may be required by applicable laws.

Definitions

We use certain defined terms throughout this Annual Report on Form 10-K that have the following meanings:

The phrase "ADR" represents average daily rate. It is calculated as trailing 12-month room revenue divided by the number of rooms occupied. For sold properties, ADR is presented for the Company's period of ownership only.

The phrase "annualized rent" represents gross monthly base rent, or gross monthly contractual rent under parking and retail leases, multiplied by 12. This amount reflects total cash rent before abatements. Where applicable, annualized rent has been grossed up by adding annualized expense reimbursements to base rent.

The phrase "RevPAR" represents revenue per available room. It is calculated as trailing 12-month room revenue divided by the number of available rooms. For sold properties, RevPAR is presented for the Company's period of ownership only.

PART I

Item 1. Business

Business Overview

Creative Media & Community Trust Corporation and its subsidiaries (which may be referred to in this Annual Report on Form 10-K as "we," "us," "our," "our company" or the "Company") are operated by affiliates of CIM Group Management, LLC (collectively, "CIM Group" or "CIM"). CIM is a vertically-integrated community-focused real estate and infrastructure owner, operator, lender and developer. CIM is headquartered in Los Angeles, CA, with offices in Atlanta, GA, Chicago, IL, Dallas, TX, London, UK, New York, NY, Orlando, FL, Phoenix, AZ, and Tokyo, Japan. CIM also maintains additional offices across the United States and in South Korea to support its platform. See the sections "Overview and History of CIM Group", "CIM Urban Partnership Agreement" and "Investment Management Agreement" in "Item 1—Business" of this Annual Report on Form 10-K.

Creative Media & Community Trust Corporation is a Maryland corporation and REIT. We primarily acquire, develop, own and operate both premier multifamily properties situated in vibrant communities throughout the United States and Class A and creative office real assets in markets with similar business and employment characteristics to our multifamily investments. We seek to apply the expertise of CIM Group to the acquisition, development and operation of premier multifamily properties and creative office assets that cater to rapidly growing industries such as technology, media and entertainment. All of our real estate assets are and will generally be located in communities qualified by CIM Group as described further below. These communities are located in areas that include traditional downtown areas and suburban main streets, which have high barriers to entry, high population density, positive population trends and a propensity for growth. We believe that the critical mass of redevelopment in such areas creates positive externalities, which enhance the value of real estate assets in the area. We believe that these assets will provide greater returns than similar assets in other markets, as a result of the population growth, public commitment and significant private investment that characterize these areas.

Our current reportable segments during the years ended December 31, 2023 and 2022 consist of three types of commercial real estate properties, namely office, hotel and multifamily, as well as a segment for our lending business. As of December 31, 2023, our real estate portfolio consisted of 27 assets, all of which were fee-simple properties, and five of which we own through investments in unconsolidated joint ventures (the "Unconsolidated Joint Ventures"). As of December 31, 2023, our 13 office properties, totaling approximately 1.3 million rentable square feet, were 83.8% occupied; our one hotel with an ancillary parking garage, which has a total of 503 rooms, had RevPAR of $145.80 for the year ended December 31, 2023 and our three multifamily properties were 79.3% occupied. Additionally, as of December 31, 2023, we had nine development sites (three of which were being used as parking lots). For the year ended December 31, 2023, our office portfolio contributed approximately 46.4% of revenue from our four segments on a combined basis, our hotel segment contributed approximately 34.6%, our multifamily segment contributed approximately 9.4% and our lending segment contributed approximately 9.6%.

Strategy

We are a Maryland corporation and REIT. Our portfolio of investments currently consists of premier multifamily, Class A and creative office real assets in vibrant and improving metropolitan communities throughout the United States. We also own one hotel in northern California and a lending platform that originates loans under the Small Business Administration ("SBA") 7(a) loan program. We seek to apply the expertise of CIM Group to the acquisition, development and operation of premier multifamily properties situated in vibrant communities throughout the United States. We also seek to acquire, develop and operate creative office assets that cater to rapidly growing industries such as technology, media and entertainment in markets with similar business and employment characteristics to our multifamily investments. All of our multifamily and creative office assets are and will generally be located in communities qualified by CIM Group as described further below. These communities are located in areas that include traditional downtown areas and suburban main streets, which have high barriers to entry, high population density, positive population trends and a propensity for growth. We believe that the critical mass of redevelopment in such areas creates positive externalities, which enhance the value of real estate assets in the area. We believe that these assets will provide greater returns than similar assets in other markets, as a result of the population growth, public commitment and significant private investment that characterize these areas.

Our investments in multifamily and creative office assets may take different forms, including direct equity or preferred investments, real estate development activities, side-by-side investments or co-investments with vehicles managed or owned by CIM Group and/or originating loans that are secured directly or indirectly by properties primarily located in qualified communities ("Qualified Communities") that meet our strategy. Further, we leverage the investor relationships of CIM Group to execute on our investment pipeline using an asset-light approach for certain of our investments. Under this approach, we co-invest with one or more third parties on an asset-level basis by raising capital from such third parties, maintain an economic

interest in the asset and, in some cases, earn a management fee and a percentage of the profits. We believe this is a compelling model that is expected to contribute to strong returns on invested capital while reducing risk by reducing our capital outlay.

We intend to dispose of assets that do not fit into our strategy over time and opportunistically (i.e., we do not have any specific time frame with respect to such dispositions). Further, as a matter of prudent management, we regularly evaluate each asset within our portfolio as well as our strategy. Such review may result in dispositions when, among other things, we believe the proceeds generated from the sale of an asset can be redeployed in one or more assets that will generate better returns, or the market value of such asset is equal to or exceeds our view of its intrinsic value.

CIM Group Operations

CIM Group believes that a vast majority of the risks associated with acquiring real estate are mitigated by accumulating local market knowledge of the community where the asset is located. As a result, CIM Group typically spends significant resources over a period of between six months and five years evaluating communities prior to making any acquisitions. The distinct districts that CIM Group identifies through this process as targets for acquisitions are referred to as "Qualified Communities." Qualified Communities typically have dedicated resources to become, or are currently, vibrant communities where people can live, work, shop and be entertained, all within walking distance or close proximity to public transportation. These areas, which include traditional downtown areas and suburban main streets, generally have high barriers to entry, high population density, positive population trends, a propensity for growth and support for investment. CIM Group believes that the critical mass of redevelopment in such Qualified Communities creates positive externalities, which enhance the value of real estate assets in the area. CIM Group targets acquisitions of diverse types of real estate assets, including retail, residential, office, parking, hotel, signage and mixed-use through CIM Group's extensive network and its current opportunistic activities.

CIM Group seeks to maximize the value of its holdings through active onsite property management and leasing. CIM Group has extensive in-house research, acquisition, credit analysis, development, finance, leasing and onsite property management capabilities, which leverage its deep understanding of metropolitan communities to position properties for multiple uses and to maximize operating income. As a vertically-integrated owner and operator, CIM Group has in-house onsite property management and leasing capabilities. Property managers prepare annual capital and operating budgets and monthly operating reports, monitor results and oversee vendor services, maintenance and capital improvement schedules. In addition, they ensure that revenue objectives are met, lease terms are followed, receivables are collected, preventative maintenance programs are implemented, vendors are evaluated and expenses are controlled. In addition, CIM Group's real assets management committee (the "Real Assets Management Committee") reviews and approves strategic decisions related to financing strategies and hold/sell analyses and performance tracking relative to the overall business plan. CIM Group's organizational structure provides for continuity through multi-disciplinary teams responsible for an asset from the time of the original investment recommendation, through the implementation of the asset's business plan, and any repositions or ultimate disposition activities.

CIM Group's Investments and Development teams are separate groups that work very closely together on transactions requiring development or redevelopment. While the Investments team is ultimately responsible for acquisition analysis, both the Investments and Development teams perform due diligence, evaluate and determine underwriting assumptions and participate in the development management and ongoing asset management of CIM Group's assets under development. The Development team is also responsible for the oversight and or execution of securing entitlements and the development/repositioning process. In instances where CIM Group is not the lead developer, CIM Group's in-house Development team continues to provide development and construction oversight to co-sponsors through a shadow team that oversees the progress of the development from beginning to end to ensure adherence to the budgets, schedules, quality and scope of the project in order to maintain CIM Group's vision for the final product. Both the Investments and Development teams interact as a cohesive team when sourcing, underwriting, acquiring, executing and managing the business plan of an opportunistic acquisition.

Competitive Advantages

We believe that CIM Group's experienced team and vertically-integrated and multi-disciplinary organization, coupled with its community-focused and disciplined real estate approach, results in a beneficial competitive advantage. Additionally, CIM Group's community-focused strategy is complemented by a number of other competitive advantages including CIM Group's prudent use of leverage, underwriting approach, disciplined capital deployment, and strong network of relationships. CIM Group's competitive advantages include:

Vertically-Integrated Organization and Team

CIM Group is managed by its senior management team, which includes all of its principals and its three founders, Shaul Kuba, Richard Ressler and Avraham Shemesh. CIM Group is vertically-integrated and organized into the following functional groups: Real Asset Services (which includes Development, Onsite Property Management,

Commercial Leasing and Hospitality Services), Real Asset Management (which includes Investments, Portfolio Oversight, Capital Markets, Partner & Co-Investor Relations - Strategy Solutions and Distribution) and Shared Services (which includes Human Resources, Compliance, Operations, Finance, Legal & Risk Management). CIM also has an internal audit team.

To support CIM Group's organic growth and related platforms, CIM Group has invested substantial time and resources in building a strong and integrated team of over 1,000 employees and more than 600 professionals as of December 31, 2023. Each of the CIM Group's vertically-integrated departments is managed by a senior level executive. Department heads have been with CIM Group on average 15 or more years. In addition to developing a core team of principals and other senior level executives, CIM Group has proactively managed its growth through career development and mentoring at both the mid and junior staffing levels, and has hired ahead of its needs, thus ensuring appropriate management and staffing. As part of this initiative, CIM Group has developed a recruiting program that hires from business schools for its associate vice president positions in the Investments team annually. CIM Group seeks to grow organically and develop and train its investment professionals to progress into senior management roles. It has been CIM Group's practice to grow talent within the company to promotion to principal, rather than to hire from the outside. As a result, CIM has a strong retention rate of senior investment team members who tend to have a long tenure, strong internal network and a track record of success within the organization.

CIM Group leverages the deep operating and industry experience of its principals and professionals, as well as their extensive relationships, to source and execute opportunistic, value add, core, debt, ground-up development and infrastructure acquisitions. Each opportunity is typically overseen by a dedicated Investment team, including an oversight Principal, one Investment lead (vice president level and above), one associate vice president and one associate from the Investments team. The team is assembled based on the expertise needed for the particular transaction. Additionally, the team works closely with staff from other departments, such as Development, Onsite Property Management, Capital Markets, Commercial Leasing, Legal and Finance. The team oversees all aspects of the project from acquisition through disposition of the asset. The team conducts the underwriting and due diligence for the transaction, presents its findings to the Investment Committee for preliminary and final approvals and oversees the project from inception to disposition. As a result, all investment professionals work across a variety of Qualified Communities and CIM Group's knowledge base is shared across its offices.

Community Qualification

Since inception, CIM Group's unique community qualification process has served as the foundation for all of its strategies. CIM Group targets high barrier-to-entry markets and submarkets with high population density and applies rigorous research to qualify each submarket for potential acquisitions. Since 1994, CIM Group has qualified 135 communities in high barrier-to-entry markets and has deployed capital in 75 of the communities. The qualification process generally takes between six months and five years and is a critical component of our evaluation of potential acquisitions.

CIM Group examines the characteristics of a market to determine whether the district justifies the extensive efforts undertaken in reviewing and making potential acquisitions in its Qualified Communities. Qualified Communities generally fall into one of two categories: (i) transitional metropolitan districts and (ii) well-established, thriving metropolitan areas (typically major central business districts("CBDs")).

Once a community is qualified, CIM Group believes it continues to differentiate itself through the following business principles:

- *Product Non-Specific*—CIM Group has extensive experience owning and operating a diverse range of property types, including retail, residential, office, parking, hotel, signage and mixed-use, which gives CIM Group the ability to effectively execute and capitalize on its strategy. Successful acquisitions require selecting the right markets coupled with providing the right product. CIM Group's experience with multiple asset types does not predispose CIM Group to select certain asset types, but instead ensures that they deliver a product mix that is consistent with the market's requirements and needs. Additionally, there is a growing trend towards developing mixed-use real estate properties in metropolitan markets which requires a diversified platform to successfully execute.
- *Community-Based Tenanting*—CIM Group's strategy focuses on the entire community and the best use of assets in that community. Owning a critical mass of key properties in an area better enables CIM Group to meet the co-tenancy needs of national retailers and office tenants and thus optimize the value of these real estate properties. CIM Group believes that its community perspective gives it a significant competitive

advantage in attracting tenants to its retail, office and mixed-use properties and creating synergies between the different tenant types.

- *Local Market Leadership with North American Footprint*—CIM Group maintains local market knowledge and relationships, along with a diversified North American presence, through its 135 Qualified Communities (thus, CIM Group has the flexibility to deploy capital in its Qualified Communities only when the market environment meets CIM Group's underwriting standards). CIM Group does not need to acquire assets in a given community or product type at a specific time due to its broad proprietary pipeline of opportunities.
- *Deploying Capital Across the Capital Stack*—CIM Group has extensive experience structuring transactions across the capital stack including equity, preferred equity, senior debt and mezzanine positions, giving it the flexibility to structure transactions in efficient and creative ways.

Discipline

CIM Group's strategy relies on its sound business plan and value creation execution to produce returns, rather than financial engineering. CIM Group's underwriting of its potential acquisitions is performed generally both on a leveraged and unleveraged basis. Additionally, with certain exceptions, CIM Group has generally not utilized recourse or cross-collateralized debt due to its conservative underwriting standards.

CIM Group employs multiple underwriting scenarios when evaluating potential acquisition opportunities. CIM Group generally underwrites potential acquisitions utilizing long-term average exit capitalization rates for similar product types and long-term average interest rates. Where possible, these long-term averages cross multiple market cycles, thereby mitigating the risk of cyclical volatility. CIM Group's "long-term average" underwriting is based on its belief, reinforced by its experience through multiple market cycles, that over the life of any given fund that it manages, such fund should be able to exit its holdings at long-term historical averages. CIM Group also underwrites a "current market case" scenario, which generally utilizes current submarket specific exit assumptions and interest rates, in order to reflect anticipated results under current market conditions. CIM Group believes that utilizing multiple underwriting scenarios enables CIM Group to assess potential returns relative to risk within a range of potential outcomes.

Financing Strategy

We may finance our future activities through one or more of the following methods: (i) offerings of shares of our common stock, par value $0.001 per share ("Common Stock"), preferred stock or other equity and or debt securities of the Company; (ii) issuances of interests in our operating partnership in exchange for properties, (iii) credit facilities and term loans; (iv) the addition of senior recourse or non-recourse debt using target acquisitions as well as existing assets as collateral, including the securitization of portions of our loan portfolio; (v) the sale of existing assets; (vi) partnering with co-investors; and/or (vii) cash flows from operations.

Risk Management

As part of its risk management strategy, CIM Group continually evaluates our assets and actively manages the risks involved in our business strategies. CIM Group's Investments and Portfolio Oversight teams share asset management responsibilities, setting the strategy for and monitoring the performance of our assets relative to market and industry benchmarks and internal underwriting assumptions using direct knowledge of local markets provided by CIM Group's in-house onsite property management, and leasing professionals. In-house onsite property management capabilities include monthly and annual budgeting and reporting as well as vendor services management, property maintenance and capital expenditures management. Property management seeks to ensure that revenue objectives are met, lease terms are followed, receivables are collected, preventative maintenance programs are implemented, vendors are evaluated and expenses are controlled. The Real Assets Management Committee is responsible for overseeing the asset management of CIM's assets. The Real Assets Management Committee reviews and approves strategic decisions related to financing strategies and hold/sell analyses and tracks performance relative to overall business plan execution. The Real Assets Management Committee is comprised of CIM's founding principals, Chief Compliance Officer, the Head of Portfolio Oversight and is chaired by Richard Ressler. The Real Assets Management Committee meets monthly to review updates across the various strategies. In addition to reviewing specific property-level conditions and recommendations, the Real Assets Management Committee reviews real estate and related capital market conditions, considers current market trends and monitors fund strategies and portfolio composition. See "Item 1C—Cybersecurity" for information on our cybersecurity risk management, strategy and governance. The Real Assets Management Committee acts by a majority vote of the members of the Real Assets Management Committee at any meeting at which a quorum (majority of members) is present. The size, composition, and policies of the Real Assets Management Committee may change from time to time.

Regulatory Matters

Environmental Matters

Environmental laws regulate, and impose liability for, the release of hazardous or toxic substances into the environment. Under some of these laws, an owner or operator of real estate may be liable for costs related to soil or groundwater contamination on or migrating to or from its property. In addition, persons who arrange for the disposal or treatment of hazardous or toxic substances may be liable for the costs of cleaning up contamination at the disposal site.

These laws often impose liability regardless of whether the person knew of, or was responsible for, the presence of the hazardous or toxic substances that caused the contamination. The presence of, or contamination resulting from, any of these substances, or the failure to properly remediate them, may adversely affect our ability to sell or rent our property, to borrow using the property as collateral or create lender's liability for us. In addition, third parties exposed to hazardous or toxic substances may sue for personal injury damages and or property damages. For example, some laws impose liability for release of or exposure to asbestos-containing materials. As a result, in connection with our former, current or future ownership, operation, and development of real properties, or our role as a lender for loans secured directly or indirectly by real estate properties, we may be potentially liable for investigation and cleanup costs, penalties and damages under environmental laws.

Although many of our properties have been subjected to preliminary environmental assessments, known as Phase I assessments, by independent environmental consultants that identify certain liabilities, Phase I assessments are limited in scope, and may not include or identify all potential environmental liabilities or risks associated with a property. Unless required by applicable law, we may decide not to further investigate, remedy or ameliorate the liabilities disclosed in the Phase I assessments.

Further, these or other environmental studies may not identify all potential environmental liabilities or accurately assess whether we will incur material environmental liabilities in the future. If we do incur material environmental liabilities in the future, our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock (as defined in "Item 1A—Risk Factors") could be materially adversely affected.

Americans with Disabilities Act of 1990

Under the Americans with Disabilities Act of 1990, as amended (the "ADA"), all public accommodations must meet federal requirements related to access and use by disabled persons. Although we believe that our properties, to the extent such properties are "public accommodations" as defined under the ADA, substantially comply with present requirements of the ADA, we have not conducted an audit or investigation of all of our properties to determine our compliance. If one or more of our properties or future properties are not in compliance with the ADA, we may be required to take remedial action which would require us to incur additional costs to bring the property into compliance. We cannot predict the ultimate amount, if any, of the cost of compliance with the ADA or the cost of any damages or attorney's fees to private litigants or any fines imposed by the federal government in respect of any failure to comply with the ADA.

Competition

We compete with others engaged in the acquisition, origination, development, and operation of real estate and real estate-related assets. Our competitors include REITs, insurance companies, pension funds, private equity funds, sovereign wealth funds, hedge funds, mortgage banks, investment banks, commercial banks, savings and loan associations, specialty finance companies, and private and institutional investors and financial companies that pursue strategies similar to ours. Many of our competitors may be larger than us with greater access to capital and other resources and may have other advantages over us. In addition, some of our competitors may have higher risk tolerances or lower profitability targets than us, which could allow them to pursue new business more aggressively than us. We believe that our relationship with CIM Group gives us a competitive advantage that allows us to operate more effectively in the markets in which we conduct our business.

Overview and History of CIM Group

CIM Group was founded in 1994 by Shaul Kuba, Richard Ressler and Avraham Shemesh and has approximately $30.7 billion of assets owned and operated across its vehicles as of September 30, 2023. "Assets owned and operated" ("AOO") represents the aggregate assets owned and operated by CIM on behalf of partners (including where CIM contributes capital alongside for its own account) and co-investors, whether or not CIM has discretion, in each case without duplication. CIM Group's successful track record is anchored by CIM Group's community-oriented approach to acquisitions as well as a number of other competitive advantages including its prudent use of leverage, underwriting approach, disciplined capital deployment, vertically-integrated capabilities and strong network of relationships. CIM Group has generated strong risk-adjusted returns

across multiple market cycles by focusing on improved asset and community performance and capitalizing on market inefficiencies and distressed situations.

CIM Urban Partnership Agreement

Our subsidiary, CIM Urban Partners, L.P. (“CIM Urban”), is governed by CIM Urban’s partnership agreement (as amended and restated, the “CIM Urban Partnership Agreement”). The general partner of CIM Urban, Urban Partners GP, LLC (“CIM Urban GP”), is an affiliate of CIM Group and has the full, exclusive and complete right, power, authority, discretion and responsibility vested in or assumed by a general partner of a limited partnership under the Delaware Revised Uniform Limited Partnership Act and as otherwise provided by law and is vested with the full, exclusive and complete right, power and discretion to operate, manage and control the affairs of CIM Urban, subject to the terms of the CIM Urban Partnership Agreement.

None of CIM Urban GP or any of its affiliates, members, stockholders, partners, managers, officers, directors, employees, agents and representatives will have any liability in damages or otherwise to any limited partner, any investors in CIM REIT or CIM Urban, and CIM Urban will indemnify such persons from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, lawsuits, proceedings, costs, expenses and disbursements of any kind which may be imposed on, incurred by or asserted against such persons in any way relating to or arising out of any action or inaction on the part of such persons when acting on behalf of CIM Urban or any of its investments, except for those liabilities that result from such persons’ fraud, gross negligence, willful misconduct or breach of the terms of the CIM Urban Partnership Agreement or any other agreement between such person and CIM Urban or its affiliates.

Investment Management Agreement

CIM Urban and CIM Capital, LLC, an affiliate of CIM Group (“the Operator”), are parties to an investment management agreement pursuant to which CIM Urban engaged the Operator to provide certain services to CIM Urban (the “Investment Management Agreement”). The Operator has assigned its duties under the Investment Management Agreement to its four wholly-owned subsidiaries: CIM Capital Securities Management, LLC, a securities manager, CIM Capital RE Debt Management, LLC, a debt manager, CIM Capital Controlled Company Management, LLC, a controlled company manager, and CIM Capital Real Property Management, LLC, a real property manager. The “Operator” refers to CIM Capital, LLC and its four wholly-owned subsidiaries.

CIM Urban pays asset management fees to the Operator on a quarterly basis in arrears. Prior to 2022, the fee was calculated as a percentage of the daily average adjusted fair value of CIM Urban’s assets as described in Note 14 to our consolidated financial statements included in this Annual Report on Form 10-K. Please see “—Fee Waiver” below for a description of the calculation of the asset management fees to the Operator since the beginning of 2022. The Operator is responsible for the payment of all costs and expenses relating to the general operation of its management business, including administrative expenses, employment expenses and office expenses. All costs and expenses incurred by the Operator on behalf of CIM Urban are borne by CIM Urban. In addition, CIM Urban agreed to indemnify the Operator against losses, claims, damages or liabilities, and reimburse the Operator for its legal and other expenses, in each case incurred in connection with any action, proceeding or investigation arising out of or in connection with CIM Urban’s business or affairs, except to the extent such losses or expenses result from fraud, gross negligence or willful misconduct of, or a breach of the terms of the Investment Management Agreement by the Operator.

Nothing in the Investment Management Agreement limits or restricts the right of any partner, officer or employee of the Operator to engage in any other business or to devote his time and attention in part to any other business. Nothing in the Investment Management Agreement limits or restricts the right of the Operator to engage in any other business or to render services of any kind to any other person.

The Investment Management Agreement will remain in effect until CIM Urban is dissolved or CIM Urban and the Operator otherwise mutually agree.

Master Services Agreement

CIM Service Provider, LLC, an affiliate of CIM Group (the “Administrator”) provides, or arranges for other service providers to provide, management and administration services (the “Base Services”) to us and our subsidiaries under the terms of a master services agreement, dated as of March 11, 2014, as amended on May 11, 2020 (the “Master Services Agreement”). Pursuant to the Master Services Agreement, we appointed an affiliate of CIM Group as the Administrator of CIM Urban GP (“Urban GP Administrator”). For fiscal quarters prior to April 1, 2020, we paid to the Administrator, on a quarterly basis, a base service fee (the “Base Service Fee”) of approximately $1.0 million per year (which, for each year after 2014, was subject to an annual escalation by a specified inflation factor beginning on January 1 of each year). On May 11, 2020, the Master Services

Agreement was amended to replace the Base Service Fee with an incentive fee (the "Prior Incentive Fee") pursuant to which the Administrator was entitled to receive, on a quarterly basis, 15.00% of our quarterly core funds from operations in excess of a quarterly threshold equal to 1.75% (i.e., 7.00% on an annualized basis) of our average adjusted common stockholders' equity (i.e., common stockholders' equity plus accumulated depreciation and amortization) for such quarter. The amendment was effective as of April 1, 2020. No Prior Incentive fee was paid in 2020 or 2021. Please see "—Fee Waiver" below for a description of the calculation of the fees to the Administrator since the beginning of 2022.

In addition, pursuant to the terms of the Master Services Agreement, the Administrator may receive compensation and or reimbursement for performing certain services (other than the Base Services) for us and our subsidiaries. Such services performed by the Administrator and its affiliates may include accounting, tax, reporting, internal audit, legal, compliance, risk management, IT, human resources, corporate communications, operational and on-going support in connection with our registered public offering of our Series A Preferred Stock, par value $0.001 per share ("Series A Preferred Stock") and Series D Preferred Stock, par value $0.001 per share ("Series D Preferred Stock" and, together with the Series A Preferred Stock and Series L Preferred Stock, "Preferred Stock"). The Administrator's compensation for such services is based on the salaries and benefits of the employees of the Administrator and or its affiliates who performed such services (allocated based on the percentage of time spent on the affairs of us and our subsidiaries).

Fee Waiver

On January 5, 2022, the Company and certain of its subsidiaries entered into a Fee Waiver (the "Fee Waiver") with the Operator and the Administrator with respect to fees that are payable to them. The Fee Waiver is effective retroactively to January 1, 2022 (the "Effective Date"). Pursuant to the Fee Waiver, the Administrator agreed to voluntarily waive any fees in excess of those set forth in the Fee Waiver, to the extent it would otherwise have been entitled to such additional compensation under the Master Service Agreement, and the Operator agreed to voluntarily waive any fees in excess of those set forth in the Fee Waiver, to the extent it would otherwise have been entitled to such additional compensation under the Investment Management Agreement. Following the end of each quarter, the Administrator will deliver to the Company (i) a calculation of the cumulative fees earned by the Operator and the Administrator under the methodology prescribed by the Fee Waiver from the Effective Date through the end of such quarter and (ii) a calculation of the cumulative fees that would have been earned by the Operator and the Administrator during such period under the Master Services Agreement and the Investment Management Agreement without giving effect to the Fee Waiver. If, in respect of any quarter, the aggregate fees that are payable under the methodology prescribed by the Fee Waiver exceed the aggregate fees that would have been payable under the Master Services Agreement and the Investment Management Agreement, without giving effect to the Fee Waiver, such quarter will be deemed an "Excess Quarter". For any quarter following an Excess Quarter, the Company (upon the direction of the independent members of the Board of Directors) may, at its option and upon written notice to Administrator, elect to calculate all fees due to the Administrator and the Operator in accordance with the Master Services Agreement and the Investment Management Agreement, without giving effect to the Fee Waiver, from and after such Excess Quarter. Any such election by the Company will be irrevocable, and all fees due to the Administrator and the Operator from and after such election will be calculated in accordance with the Master Services Agreement and the Investment Management Agreement, without giving effect to the Fee Waiver.

The fees payable to the Operator and the Administrator are determined as follows under the Fee Waiver.

1. Base Fee: A base asset management fee (the "Base Fee") is payable quarterly in arrears to the Operator in an amount equal to an annual rate of 1% (or 0.25% per quarter) of the average of the "Net Asset Value Attributable to Common Stockholders" as of the first and last day of the applicable quarter. Net Asset Value Attributable to Common stockholders is defined as (a) the sum of the Company's (1) investments in real estate at fair value, (2) cash, (3) loans receivable at fair value and (4) the book value of the other assets of the Company, excluding deferred costs and net of other liabilities at book value, less (b) the Company's (i) debt at face value, (ii) outstanding preferred stock at stated value, and (iii) non-controlling interests at book value; provided, that, non-controlling interests in any UPREIT operating partnership relating to the Company shall not be excluded.

2. Incentive Fee: An incentive fee (the "Revised Incentive Fee") is payable quarterly in arrears to the Administrator with respect to the quarterly core funds from operations in excess of a quarterly threshold equal to 1.75% (i.e., 7.00% on an annualized basis) of the Company's "Adjusted Common Equity" (as defined below) for such quarter ("Excess Core FFO") as follows: (i) no Revised Incentive Fee in any quarter in which the Excess Core FFO is $0; (ii) 100% of any Excess Core FFO up to an amount equal to the product of (x) the average of the Adjusted Common Equity as of the first and last day of the applicable quarter and (y) 0.4375%; and (iii) 20% of any Excess Core FFO thereafter. Revised Incentive Fees payable for any partial quarter will be appropriately prorated.

"Adjusted Common Equity" means Common Equity plus Excluded Depreciation and Amortization. "Common Equity" means Total Stockholders' Equity minus Excluded Equity. "Total Stockholders' Equity" means the amount reflected as total stockholders' equity in accordance with GAAP on the consolidated balance sheet of the Company and its subsidiaries as of the last day of a given quarter. "Excluded Equity" means the sum of all preferred securities of the Company and its subsidiaries classified as permanent equity in accordance with GAAP on the consolidated balance sheet of the Company and its subsidiaries as of the last day of a given quarter. "Excluded Depreciation and Amortization" means, for a given quarter, the amount of all accumulated depreciation and amortization of (i) the Company and its subsidiaries and (ii) to the extent allocable to the Company and its subsidiaries, the unconsolidated affiliates, in each case as of the last day of such quarter that corresponds to the periodic depreciation and amortization expense calculated in each case in accordance with GAAP that is a permitted add back to net income calculated in accordance with GAAP when calculating funds from operations.

3. Capital Gains Fee: A capital gains fee (the "Capital Gains Fee") is payable quarterly in arrears to the Administrator in an amount equal to (i) 15% of the cumulative aggregate realized capital gains minus the cumulative aggregate realized capital losses (in each case since the Effective Date), minus (ii) the aggregate capital gains fees paid since the Effective Date. Realized capital gains and realized capital losses are calculated by subtracting from the sales price of a property: (a) any costs incurred to sell such property, and (b) the current gross value of the property (meaning the property's original acquisition price plus any subsequent, non-reimbursed capital improvements thereon paid for by the Company).

Other Services

CIM Management, Inc. and certain of its affiliates (collectively, the "CIM Management Entities"), all affiliates of CIM REIT and CIM Group, provide property management, leasing, and development services to CIM Urban pursuant to various agreements.

CIM SBA Staffing, LLC, an affiliate of CIM Group ("CIM SBA"), provides personnel and resources to us pursuant to the terms of a Staffing and Reimbursement Agreement, dated as of January 1, 2015, between CIM SBA and PMC Commercial Lending, LLC, our subsidiary. We reimburse CIM SBA for the costs and expenses of providing such personnel and resources as expenses incurred for the lending division.

CCO Capital, LLC, a registered broker dealer and under common control with the Operator and the Administrator ("CCO Capital"), became the exclusive dealer manager for the Company's public offering of the Series A Preferred Stock effective as of May 31, 2019, subsequent to which the Company entered into the Second Amended and Restated Dealer Manager Agreement, pursuant to which CCO Capital acted as the exclusive dealer manager for the Company's public offering of its Series A Preferred Stock and Series D Preferred Stock.

On June 16, 2022, the Company entered into the Third Amended and Restated Dealer Manager Agreement, pursuant to which CCO Capital has been acting as the exclusive dealer manager for the Company's public offering of its Series A1 Preferred Stock. Thereunder, the Company agreed to compensate CCO Capital, as the dealer manager for the offering, as follows: (1) a dealer manager fee of up to 3.00% of the selling price of each share of Series A1 Preferred Stock sold and (2) selling commissions of up to 7.00% of the selling price of each share of Series A1 Preferred Stock sold. The Company has been informed that CCO Capital generally reallows 100% of the selling commissions on sales of Series A1 Preferred Stock and generally reallows substantially all of the dealer manager fee on sales of Series A1 Preferred Stock, to participating broker-dealers. In addition, pursuant to the Third Amended and Restated Dealer Manager Agreement, CCO Capital will no longer solicit or make any offers for the sale of shares of Series A Preferred Stock or Series D Preferred Stock.

Lending Segment

Through our loans originated under the SBA 7(a) Program, we are a national lender that primarily originates loans to small businesses. We identify loan origination opportunities through personal contacts, internet referrals, attendance at trade shows and meetings, direct mailings, advertisements in trade publications and other marketing methods. We also generate loans through referrals from real estate and loan brokers, franchise representatives, existing borrowers, lawyers and accountants.

The SBA 7(a) Loan Program is the SBA's most common loan program. The maximum loan amount for an SBA 7(a) loan is $5.0 million. Key eligibility factors are based on what the business does to generate its income, its credit history, its liquidity, its size standards and where it operates. We work with potential borrowers to identify the type of loan that would be appropriate for each such borrower's needs. Our SBA 7(a) term loans have monthly repayment terms of principal and interest and are originated with variable interest rates based on the prime rate. Most of our SBA 7(a) loans have maturities of approximately 25 years.

While we have focused on originating real estate loans almost exclusively to the limited service and mid-scale hospitality industry, we intend to increase our efforts to originate other real estate collateralized loans. These loans are anticipated to be primarily concentrated in industries in which we previously had positive experiences, including convenience store, RV park and single purpose building owner-occupied restaurant operations and may include owner-occupied industrial operations/warehouse buildings.

Seasonality

Our revenues and expenses for our hotel property are subject to seasonality during the year. Generally, our hotel revenues are greater in the first and second quarters than the third and fourth quarters. This seasonality can be expected to cause quarterly fluctuations in revenues, segment net operating income, net income and cash provided by operating activities. In addition, the hotel industry is cyclical and demand generally follows, on a lagged basis, key macroeconomic factors.

Tenant Concentration

Kaiser Foundation Health Plan, Incorporated (“Kaiser”), which occupied office space in one of our Oakland, California properties accounted for 28.7% of our annualized rental income for the year ended December 31, 2023. No other tenant accounted for greater than 10.0% of our annualized rental income for the year ended December 31, 2023.

Human Capital

We are operated by affiliates of CIM Group and, as of December 31, 2023, only have five employees. Four of such employees are in our lending segment while one employee spends a substantial portion of the time that he devotes to us on matters relating to the lending segment. We have entered into the Master Services Agreement with the Administrator, an affiliate of CIM Group, pursuant to which the Administrator has agreed to provide, or arrange for other service providers to provide, management and administration services to us and our subsidiaries.

Offices

We are headquartered in Dallas, Texas.

Available Information

The public can access free of charge through the “Investors—Financials—SEC Filings” section of our corporate website, *www.creativemediacommunity.com,* our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and amendments to those reports filed with or furnished to the Securities and Exchange Commission (the “SEC”) as soon as reasonably practicable after such material is filed with or furnished to the SEC. The information on our corporate website is not part of this Annual Report on Form 10-K. The SEC also maintains a website at *www.sec.gov* that contains reports, proxy and information statements and other information regarding our filings.

We have adopted a written code of ethics that applies to all of our directors, officers and employees, the Operator and the Administrator, including our principal executive officer and senior financial officer, in accordance with Section 406 of the Sarbanes-Oxley Act of 2002 and the rules of the SEC promulgated thereunder. The code of ethics, which we call our Code of Business Conduct and Ethics, is available on our corporate website, *www.creativemediacommunity.com,* in the section entitled “Investors—Overview—Corporate Governance.” In the event that we make changes in, or provide waivers from, the provisions of such code of ethics that the SEC requires us to disclose, we intend to disclose these events on our corporate website in such section. In the Corporate Governance section of our corporate website, we have also posted our Audit Committee Charter, as well as our Governance Principles.

Item 1A. Risk Factors

This section sets forth certain factors that make an investment in our Company speculative or risky, including the following:

Risks Related to Our Business

- Uninsured losses or losses in excess of our insurance coverage could materially adversely affect our financial condition and cash flows, and there can be no assurance as to future costs and the scope of coverage that may be available under insurance policies.
- Cybersecurity risks and cybersecurity incidents may adversely affect our business by causing a disruption to our operations, a compromise or corruption of our confidential information, and or damage to our business relationships, all of which could negatively impact our financial results.

Risks Related to Conflicts of Interest

- Neither the Master Services Agreement nor the Investment Management Agreement may be terminated by us (except in limited circumstances for cause in the case of the Master Services Agreement) and the Master Services Agreement may be assigned by the Administrator in certain circumstances without our consent, either or both of which may have a material adverse effect on us.
- The Administrator and Operator are entitled to receive fees for the services they provide regardless of our performance, which may reduce their incentive to devote time and resources to our portfolio.
- The Operator may undertake transactions that are motivated, in whole or in part, by a desire to increase its compensation.
- Each of the Administrator and Operator provides services to us under broad mandates, and our Board of Directors may not necessarily be involved in each acquisition, disposition or financing decision made by the Administrator or Operator.
- Certain of our directors and executive officers may face conflicts of interest related to positions they hold with the Operator, the Administrator, CIM Group and their affiliates, which could result in decisions that are not in the best interest of our stockholders.
- The business of CIM Urban is managed by Urban GP Administrator and we agreed in the Master Services Agreement to appoint an affiliate of CIM Group as the manager of the general partner of CIM Urban, and the general partner of CIM Urban may only be removed from such position under limited circumstances as provided in the CIM Urban Partnership Agreement.

Risks Related to Our Organizational Structure

- Provisions of our charter and bylaws and the MGCL may deter takeover attempts, which may limit the opportunity of our stockholders to sell their shares at a favorable price.
- The power of the Board of Directors to revoke our REIT election without stockholder approval may cause adverse consequences to our stockholders.
- The MGCL or our charter may limit the ability of our stockholders or us to recover on a claim against a director or officer who negligently causes us to incur losses.
- The liability of the Administrator and the Operator to us under the Master Services Agreement and the Investment Management Agreement, respectively, is limited and we and CIM Urban have agreed to indemnify the Administrator and the Operator, respectively, against certain liabilities. As a result, we could experience poor performance or losses for which neither the Administrator nor the Operator would be liable.

Risks Related to Real Estate Assets

- Our operating performance is subject to risks associated with the real estate industry.
- A significant portion of our properties, by aggregate net operating income and square feet, are located in California. We are dependent on the California real estate market and economy, and are therefore susceptible to risks of events in the California market that could adversely affect our business, such as adverse market conditions, changes in local laws or regulations and natural disasters.
- Tenant concentration increases the risk that cash flow could be interrupted.
- If a major tenant declares bankruptcy, we may be unable to collect balances due under relevant leases, which could have a material adverse effect on our financial condition and ability to pay distributions on our Common Stock or Preferred Stock.
- We may be unable to renew leases or lease vacant office space.
- A significant portion of our net operating income is expected to come from our hotel and, as a result, our operating performance is subject to the cyclical nature of the lodging industry.
- The outbreak of a highly infectious, contagious or widespread disease, such as COVID-19, can result (and has resulted) in reductions in travel and adversely affect demand for our hotel.

- We may be unable to renew leases or release apartment units as leases expire, or the terms of renewals or new leases may be less favorable than current leases.
- Income from our long-term leases at our office properties is an important source of our cash flow from operations and is subject to risks related to increases in expenses and inflation.
- Real estate-related taxes may increase, and if these increases are not passed on to tenants, our income will be reduced.
- We face risks associated with development, redevelopment, repositioning or construction of real estate projects.
- Inflation may adversely affect our real estate operations.
- Supply chain disruption and increased costs in labor and materials may adversely affect our real estate operations.
- Our real estate business is subject to risks from climate change.

Risks Related to Debt Financing

- We have incurred significant indebtedness and may incur significant additional indebtedness on a consolidated basis.
- We intend to rely in part on external sources of capital to fund future capital needs and, if we encounter difficulty in obtaining such capital, we may not be able to meet maturing obligations or make additional acquisitions.
- Increases in interest rates could increase the amount of our debt payments and adversely affect our ability to pay distributions on our Common Stock or Preferred Stock.
- We may not be able to generate sufficient cash flow to meet our debt service obligations.
- Lenders may require us to enter into restrictive covenants relating to our operations, which could limit our ability to make distributions on our Common Stock or Preferred Stock.

Risks Related to Our Lending Operations

- Our lending operations expose us to a high degree of risk associated with real estate.
- Our loans secured by real estate and our real estate owned (“REO”) properties, are typically illiquid and their values may decrease.
- Our lending operations have an industry concentration, which may negatively impact our financial condition and results of operations.

U.S. Federal Income and Other Tax Risks

- REIT annual distribution requirements may force us to forgo otherwise attractive opportunities or borrow funds during unfavorable market conditions. This could delay or hinder our ability to meet our objectives and reduce our stockholders’ overall return.
- Our property taxes could increase due to property tax rate changes or reassessment, which would impact our cash flows.

Risks Related to Our Common Stock and Preferred Stock

- We may issue shares of our Common Stock at prices below the then-current NAV per share of our Common Stock, which could materially reduce our NAV per share of our Common Stock.
- The existing mechanism for the dual-listing of securities on Nasdaq and the TASE may be eliminated or otherwise altered such that we may be subject to additional regulatory burden and additional costs.
- Our NAV is an estimate of the fair value of our assets and may not necessarily reflect realizable value.

Stockholders should carefully consider the risks described in this section and the other information included in this Annual Report on Form 10-K in evaluating the Company and our business. The information in this section should be read in conjunction with Part II, “Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and related notes in Part II, “Item 8—Financial Statements and Supplementary Data” of this Annual Report on Form 10-K. If any of the risks described in this section actually occur, our business, financial condition and results of operations could be materially and adversely affected, actual results could differ materially from those reflected in forward-looking statements or from our historical results and stockholders may lose all or part of their investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. This discussion of risk factors includes many forward-looking statements. For cautions about relying on forward-

looking statements, please refer to the section entitled "Forward-Looking Statements" immediately prior to "Item 1—Business" of this Annual Report on Form 10-K.

Risks Related to Our Business

Our future success depends on the performance of the Administrator and the Operator, their respective key personnel and their access to the investment professionals of CIM Group. We may not find suitable replacements if such key personnel or investment professionals leave the employment of the Administrator, the Operator or other applicable affiliates of CIM Group or if such key personnel or investment professionals otherwise become unavailable to us.

We rely on the Administrator to provide management and administration services to us, and CIM Urban relies completely on the Operator to provide CIM Urban with certain services.

Our executive officers also serve as officers or employees of the Administrator and or the Operator or other applicable affiliates of CIM Group. The Administrator and the Operator have significant discretion as to the implementation of acquisitions and operating policies and strategies on behalf of us and CIM Urban. Accordingly, we believe that our success depends to a significant extent upon the efforts, experience, diligence, skill and network of business contacts of the officers and key personnel of the Administrator, the Operator and the other applicable affiliates of CIM Group. The departure of any of these officers or key personnel could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

We also depend on access to, and the diligence, skill and network of, business contacts of the professionals within CIM Group and the information and deal flow generated by its investment professionals in the course of their acquisitions and onsite property management and leasing activities. The departure of any of these individuals, or of a significant number of the investment professionals or principals of CIM Group, could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock. We cannot guarantee that we will continue to have access to CIM Group's investment professionals or its information and deal flow.

If we seek to internalize the management functions provided pursuant to the Master Services Agreement and the Investment Management Agreement, we could incur substantial costs and lose certain key personnel.

The Board of Directors may determine that it is in our best interest to become self-managed by internalizing the functions performed by the Administrator and/or the Operator and to terminate the Master Services Agreement and or the Investment Management Agreement, respectively. However, we do not have the unilateral right to terminate the Master Services Agreement and CIM Urban does not have the unilateral right to terminate the Investment Management Agreement, and neither the Administrator nor the Operator would be obligated to enter into an internalization transaction with us. There is no assurance that a mutually acceptable agreement with these entities as to the terms of the internalization could be reached.

The costs that would be incurred by us in any such internalization transaction are uncertain and could be substantial. Inadequate management of an internalization transaction could cause us to incur excess costs or suffer deficiencies in our disclosure controls and procedures or our internal control over financial reporting. An internalization transaction may divert management's attention from effectively managing our assets. Further, following any internalization of our management functions, certain key employees may remain employees of the Administrator and the Operator or their respective affiliates instead of becoming our employees, especially if the Administrator and the Operator are not acquired by us.

Uninsured losses or losses in excess of our insurance coverage could materially adversely affect our financial condition and cash flows, and there can be no assurance as to future costs and the scope of coverage that may be available under insurance policies.

We carry commercial liability, special form/all risk and business interruption insurance on all of the properties in our portfolio. In addition, we carry directors' and officers' insurance. While we select policy specifications and insured limits that we believe are appropriate and adequate given the relative risk of loss, the cost of the coverage, and industry practice, there can be no assurance that we will not experience a loss that is uninsured or that exceeds policy limits.

Our business operations in California and Texas are susceptible to, and could be significantly affected by, adverse weather conditions and natural disasters such as earthquakes, tsunamis, hurricanes, wind, blizzards, floods, landslides, drought and fires. These adverse weather conditions and natural disasters could cause significant damage to the properties in our portfolio, the risk of which is enhanced by the concentration of our properties, by aggregate net operating income and square feet, in California. Our insurance may not be adequate to cover business interruption or losses resulting from adverse weather or

natural disasters. We carry earthquake insurance on our properties in California in an amount and with deductibles and limitations that we deem to be appropriate. However, the amount of our earthquake insurance coverage may not be sufficient to cover losses from earthquakes in California. Furthermore, we may not carry insurance for certain losses, such as those caused by war or certain environmental conditions, such as mold or asbestos.

As a result of the factors described above, we may not have sufficient coverage against all losses that we may experience for any reason.

If we experience a loss that is uninsured or that exceeds policy limits, we could incur significant costs and lose the capital deployed in the damaged properties as well as the anticipated future cash flows from those properties. Further, if the damaged properties are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if the properties were irreparable. In addition, our properties may not be able to be rebuilt to their existing height or size at their existing location under current land-use laws and policies. In the event that we experience a substantial or comprehensive loss of one of our properties, we may not be able to rebuild such property to its existing specifications and otherwise may have to upgrade such property to meet current code requirements. Any of the factors described above could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

Cybersecurity risks and cybersecurity incidents may adversely affect our business by causing a disruption to our operations, a compromise or corruption of our confidential information, and or damage to our business relationships, all of which could negatively impact our financial results.

We face cybersecurity risks and risks associated with security breaches or disruptions, such as cyberattacks or cyber intrusions over the Internet, malware, computer viruses, attachments to emails, social engineering and phishing schemes or persons inside our organization, the Operator and or Administrator. The risk of a security breach or disruption, particularly through cyberattacks or cyber intrusions, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. The occurrence of a cybersecurity incident may result in disrupted operations, misstated or unreliable financial data, misappropriation of assets, compromise or corruption of confidential information collected in the course of conducting our business, liability for stolen assets or information, increased cybersecurity protection and insurance costs, litigation, regulatory enforcement, damage to our tenant and stockholder relationships, material harm to our financial condition, cash flows and the market price of our securities or other adverse effects. Our Operator's and Administrator's IT networks and related systems are essential to the operations of our business and our ability to perform day-to-day operations (including managing our building systems). Our Operator and Administrator have implemented processes, procedures and internal controls to help mitigate cybersecurity incidents, but these measures do not guarantee that a cybersecurity incident involving our Operator or Administrator will not occur or that attempted security breaches or disruptions would not be successful or damaging. A cybersecurity incident involving our Operator's or Administrator's IT networks and related systems could materially adversely impact our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

Our Operator, Administrator and their respective affiliates, in the course of providing onsite property management, leasing, accounting and/or services to us, collect and retain certain personal information provided by our tenants and vendors. Our Operator, Administrator and their respective affiliates rely on computer systems to process transactions and manage our business. We can provide no assurance that the data security measures designed to protect confidential information on such systems established by our Operator, Administrator and their respective affiliates will be able to prevent unauthorized access to such personal information. There can be no assurance that their efforts to maintain the security and integrity of the information collected and their computer systems will be effective or that attempted security breaches or disruptions will not be successful or damaging. Even the most well protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and, in some cases, are designed not be detected and, in fact, may not be detected. Accordingly, our Operator, Administrator and their respective affiliates may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is impossible for us to entirely mitigate this risk.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results.

An effective system of internal control over financial reporting is necessary for us to provide reliable financial reports, prevent fraud and operate successfully as a public company. As part of our ongoing monitoring of internal controls, we may discover material weaknesses or significant deficiencies in our internal controls that we believe require remediation. If we discover such weaknesses, we will make efforts to improve our internal controls in a timely manner. Any system of internal controls, however well designed and operated, is based in part on certain assumptions and can only provide reasonable, not

absolute, assurance that the objectives of the system are met. Any failure to maintain effective internal controls, or implement any necessary improvements in a timely manner, could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock, or cause us to not meet our reporting obligations, which could affect our ability to maintain our listing of Common Stock on Nasdaq and the TASE. Ineffective internal controls could also cause holders of our securities to lose confidence in our reported financial information, which would likely have a negative effect on the trading price of our securities.

The outbreak of a pandemic could negatively affect and will likely continue to negatively affect our business, financial condition, results of operations and cash flows.

Pandemics could have material and adverse effects on our ability to successfully operate and on our financial condition, results of operations and cash flows due to, among other factors:

- a complete or partial closure of, or other operational issues at, one or more of our properties resulting from government or tenant action;
- reduced economic activity severely impacting our tenants' businesses, financial condition and liquidity or causing one or more of our tenants to be unable to meet their obligations to us in full, or at all, or to otherwise seek modifications of such obligations;
- difficulty accessing debt and equity capital on attractive terms, or at all, and a severe disruption and instability in the global financial markets or deteriorations in credit and financing conditions, which may affect our access to capital necessary to fund business operations or address maturing liabilities on a timely basis or our tenants' ability to fund their business operations and meet their obligations to us;
- any impairment in value of our tangible or intangible assets that could be recorded as a result of weaker economic conditions;
- a general decline in business activity and demand for real estate transactions, which could adversely affect our ability or desire to grow our portfolio of properties; and
- negative impacts to the credit quality of our tenants and any related impact to tenant rent collections.

The COVID-19 pandemic has had, and may continue to have, significant impacts on workplace practices and those changes, or other office space utilization trends, could impact our business.

We believe closures of businesses and stay in place orders and the resulting remote working arrangements for non-essential personnel in response to the COVID-19 pandemic has resulted in long-term changed work practices that could negatively impact us and our business. For example, the increased adoption of and familiarity with remote work practices, and the recent increase in tenants seeking to sublease their leased space, has resulted in decreased demand for office space. Further, prior to the onset of the COVID-19 pandemic, telecommuting, flexible work schedules, open workspaces and teleconferencing had become increasingly common and there was an increasing trend among some businesses to utilize shared office space and co-working spaces. As a result, there has been a general trend in office real estate for tenants to decrease the space they occupy per employee. Our tenants may elect to not renew their leases, or to renew them for less space than they currently occupy, which could increase vacancy, place downward pressure on occupancy, rental rates and income and property valuation. The need to reconfigure leased office space, either in response to the COVID-19 pandemic, to new tenants' needs, to modify utilization or for other reasons, may impact space requirements and also may require us to spend increased amounts for tenant improvements. If substantial reconfiguration of the tenant's space is required, the tenant may find it more advantageous to relocate than to renew its lease and renovate the existing space. All of these factors could have a material adverse effect on our business, financial condition, results of operations, cash flow our or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

Risks Related to Conflicts of Interest

Neither the Master Services Agreement nor the Investment Management Agreement may be terminated by us (except in limited circumstances for cause in the case of the Master Services Agreement) and the Master Services Agreement may be assigned by the Administrator in certain circumstances without our consent, either or both of which may have a material adverse effect on us.

We and our lending subsidiaries are parties to the Master Services Agreement pursuant to which the Administrator provides, or arranges for other service providers to provide, management and administrative services to us and all of our direct and indirect subsidiaries. We are obligated to pay the Administrator the Revised Incentive Fee (see "Item 1—Business—Master Services Agreement") and market rate transaction fees for transactional and other services that the Administrator elects to

provide to us. Pursuant to the terms of the Master Services Agreement, the Administrator has the right to provide any transactional services to us that we would otherwise engage a third party to provide.

The Master Services Agreement renews automatically each year. The Administrator may assign the Master Services Agreement without our consent to one of its affiliates or an entity that is a successor through merger or acquisition of the business of the Administrator. We generally may terminate the Master Services Agreement only in the event of a material breach, fraud, gross negligence or willful misconduct by or, in certain limited circumstances, a change of control of the Administrator that our independent directors determine to be materially detrimental to us and our subsidiaries as a whole. We do not have the right to terminate the Master Services Agreement solely for the poor performance of our operations. In addition, CIM Urban does not have the right to terminate the Investment Management Agreement under any circumstances.

Moreover, any removal of Urban GP Administrator as manager of CIM Urban GP pursuant to the Master Services Agreement or the CIM Urban Partnership Agreement would not affect the rights of the Administrator under the Master Services Agreement or the Operator under the Investment Management Agreement. Accordingly, the Administrator would continue to provide the Base Services and receive any Revised Incentive Fee, and the Administrator or the applicable service provider would continue to provide the transactional services and receive related transaction fees, under the Master Services Agreement, and the Operator would continue to receive the management fee under the Investment Management Agreement.

The Administrator and Operator are entitled to receive fees for the services they provide regardless of our performance, which may reduce their incentive to devote time and resources to our portfolio.

Pursuant to the Master Services Agreement, the Administrator is entitled to receive additional fees for the provision of certain transactional and other services at fair market rates approved by our independent directors. Additionally, the Operator is entitled to receive an asset management fee based upon our net asset value attributable to common stockholders. See “Item 1—Business—Investment Management Agreement.” The Administrator’s and the Operator’s entitlement to substantial non-performance based compensation might reduce their incentive to devote time and effort to seeking profitable opportunities for our portfolio.

The Fee payable to the Operator depends in large part on annual appraisals of our real estate properties.

The Operator is entitled to receive a fee quarterly based on our net asset value attributable to common stockholders. See “Item 1—Business—Fee Waiver.” Our net asset value attributable to common stockholders is calculated in large part based on the fair value of our real estate investments, which in turn is determined based on annual appraisals of our real estate properties. If there are any changes to the fair value of our real estate properties during the course of a year, such changes will generally not be taken into consideration in calculating our net asset value attributable to common stockholders until the next annual appraisal process. Accordingly, in a period of declining real estate value, we could end up paying more fees to the Operator than if appraisals were conducted quarterly (and thus adjusting downwards the fair value of our real estate properties on a quarterly basis). Conversely, in a period of rising real estate value, we could end up paying less fees to the Operator (because quarterly appraisals would lead to increases in the fair value of our estate properties, which in turn would lead to higher fees payable to the Operator).

We may be obligated to pay the Operator quarterly incentive compensation even if we incur a net loss during a particular quarter.

The Operator is entitled to incentive compensation based on our FFO, which rewards our Operator if our quarterly pre-incentive fee FFO exceeds 1.75% (7.0% annualized) of the Adjusted Common Equity. Our pre-incentive fee FFO for a particular quarter for incentive compensation purposes excludes the effect of any unrealized gains, losses, or other items during that quarter that do not affect realized net income, even if these adjustments result in a net loss on our statement of operations for that quarter. Thus, we may be required to pay the Operator incentive compensation for a fiscal quarter even if we incur a net loss for that quarter as determined in accordance with GAAP.

The Operator may undertake transactions that are motivated, in whole or in part, by a desire to increase its compensation.

The Operator is entitled to receive an asset management fee based upon our net asset value attributable to common stockholders, which may provide an incentive for the Operator to deploy our capital to assets that are riskier than we would otherwise acquire, regardless of the anticipated long-term performance of such assets. The Operator may also recommend the disposition of assets that are beneficial to CIM Urban’s operations in order to fund such acquisitions. For a discussion of the broad discretion that may be exercised by the Operator in our business, see “—Each of the Administrator and Operator provides services to us under broad mandates, and our Board of Directors may not necessarily be involved in each acquisition, disposition or financing decision made by the Administrator or Operator” below.

Each of the Administrator and Operator provides services to us under broad mandates, and our Board of Directors may not necessarily be involved in each acquisition, disposition or financing decision made by the Administrator or Operator.

Each of the Administrator, under the Master Services Agreement, and the Operator, under the Investment Management Agreement, has broad discretion and authority over our day-to-day operations and deployment of our capital in assets. While our Board of Directors periodically reviews the performance of our businesses, our Board of Directors does not review all activities conducted by the Administrator and the Operator, and may not review certain proposed acquisitions, dispositions or the implementation of other strategic initiatives before they occur. In addition, in reviewing our business operations, our directors may rely on information provided to them by the Administrator or the Operator, as the case may be. The Administrator or the Operator may cause us to enter into significant transactions or undertake significant activities that may be difficult or impossible to unwind, exit or otherwise remediate. Each of the Administrator and the Operator has great latitude in the implementation of our strategies, including determining the types of assets that are appropriate for us. The decisions of the Administrator and the Operator could therefore result in losses or returns that are substantially below our expectations, which could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

The Operator, the Administrator and their respective affiliates engage in real estate activities that could compete with us and our subsidiaries, which could result in decisions that are not in the best interests of our stockholders.

The Investment Management Agreement with the Operator and the Master Services Agreement with the Administrator do not prevent the Operator or the Administrator, as applicable, and their respective affiliates from operating additional real estate assets or participating in other real estate opportunities, some of which could compete with us and our subsidiaries. The Operator, the Administrator and their respective affiliates operate real estate assets and participate in additional real estate activities having objectives that overlap with our own, and may thus face conflicts in the operation and allocation of real estate opportunities between us, on the one hand, and such other real estate operations and activities, on the other hand. Allocation of real estate opportunities is at the discretion of the Operator and/or the Administrator and there is no guarantee that this allocation will be made in the best interest of our stockholders.

There may be conflicts of interest in allocating real estate opportunities to CIM Urban and other funds, vehicles and ventures operated by the Operator. For example, the Operator serves as the operator of private funds formed to deploy capital in real estate and real estate-related assets located in metropolitan areas that CIM Group has already qualified. There may be a significant overlap in the assets and strategies between us and such funds, and many of the same investment personnel will provide services to both entities. Further, the Operator and its affiliates may in the future operate funds, vehicles and ventures that have overlapping objectives with CIM Urban and therefore may compete with CIM Urban for opportunities. The ability of the Operator, the Administrator and their officers and employees to engage in other business activities, including the operation of other vehicles operated by CIM Group or its affiliates, may reduce the time the Operator and the Administrator spend managing our activities.

Certain of our directors and executive officers may face conflicts of interest related to positions they hold with the Operator, the Administrator, CIM Group and their affiliates, which could result in decisions that are not in the best interest of our stockholders.

Some of our directors and executive officers are also part-owners, officers and/or directors of the Operator, the Administrator, CIM Group and/or their respective affiliates. As a result, such directors and executive officers may owe fiduciary duties to these various other entities and their equity owners that may from time to time conflict with the duties such persons owe to us. Further, these multiple responsibilities may create conflicts of interest for these individuals if they are presented with opportunities that may benefit us and our other affiliates. These individuals may be incentivized to allocate opportunities to other entities rather than to us. Their loyalties to other affiliated entities could result in actions or inactions that are detrimental to our business, strategy and opportunities.

The business of CIM Urban is managed by Urban GP Administrator and we agreed in the Master Services Agreement to appoint an affiliate of CIM Group as the manager of the general partner of CIM Urban, and the general partner of CIM Urban may only be removed from such position under limited circumstances as provided in the CIM Urban Partnership Agreement.

Pursuant to the Master Services Agreement, we agreed to appoint an affiliate of CIM Group as the manager of the general partner of CIM Urban. While currently that designated entity, Urban GP Administrator, is an affiliate of CIM Group, there can be no assurances that a different entity would not be appointed the manager of the general partner of CIM Urban in the future. Moreover, we may only remove the Urban GP Administrator as the manager of CIM Urban GP for “cause” (as defined in the Master Services Agreement). Removal for “cause” also requires the approval of the holders of at least 66 2/3% of

our outstanding shares of Common Stock. Upon removal, a replacement manager will be appointed by the independent directors.

Subject to the limitations set forth in the governing documents of CIM Urban and CIM Urban GP, Urban GP Administrator is given the power and authority under the Master Services Agreement to manage, to direct the management, business and affairs of and to make all decisions to be made by or on behalf of (1) CIM Urban GP and (2) CIM Urban. Subject to the other terms of the CIM Urban Partnership Agreement, CIM Urban GP has broad discretion over the operations of CIM Urban. Accordingly, while we own indirectly all of the partnership interests in CIM Urban, except as set forth in the Master Services Agreement and the rights specifically reserved to limited partners by the CIM Urban Partnership Agreement and applicable law, we will have no part in the management and control of CIM Urban.

Risks Related to Our Organizational Structure

Provisions of our charter and bylaws and the MGCL may deter takeover attempts, which may limit the opportunity of our stockholders to sell their shares at a favorable price.

Certain provisions of the MGCL, if applied to us, and our charter and bylaws could have the effect of inhibiting a third party from making a proposal to acquire us or impeding a change of control under circumstances that otherwise could provide our stockholders with the opportunity to realize a premium over the then-prevailing market price of our Common Stock.

Maryland Statutes. The Maryland Business Combination Act could restrict the power of third parties who acquire, or seek to acquire, control of us without the approval of our Board of Directors to complete mergers and other business combinations even if such transaction would be beneficial to stockholders. "Business combinations" between an "interested stockholder" or an affiliate of an "interested stockholder" and us are prohibited for five years after the most recent date on which the "interested stockholder" becomes an "interested stockholder." An "interested stockholder" is defined as any person who beneficially owns 10% or more of the voting power of our outstanding voting stock or an affiliate or associate of ours who, at any time within the two-year period immediately prior to the date in question, was the beneficial owner of 10% or more of the voting power of our then-outstanding stock. If our Board of Directors approved in advance the transaction that would otherwise give rise to the acquirer attaining such status of an "interested stockholder," the acquirer would not become an interested stockholder and, as a result, it could enter into a business combination with us. Our Board of Directors may, however, provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by it. Even after the lapse of the five-year prohibition period, any business combination between us and an interested stockholder must be recommended by our Board of Directors and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and
- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by affiliates and associates thereof.

The super-majority vote requirements do not apply if, among other considerations, the transaction complies with a minimum price and form of consideration requirements prescribed by the statute. The statute permits various exemptions from its provisions, including business combinations that are exempted by the Board of Directors prior to the time that an interested stockholder becomes an interested stockholder. Our Board of Directors has, by resolution, elected to opt out of this provision of the MGCL. However, our Board of Directors may by resolution elect to repeal the foregoing opt out from the business combination provision of the MGCL.

The Maryland Control Share Acquisition Act provides that a holder of control shares of a Maryland corporation acquired in a control share acquisition has no voting rights with respect to the control shares except to the extent approved by a vote of stockholders entitled to cast two-thirds of the votes entitled to be cast on the matter. Shares owned by the acquiror, by officers or by employees who are directors of the corporation are excluded from shares entitled to vote on the matter. Control shares are voting shares of stock that, if aggregated with all other shares of stock owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth or more but less than one-third;
- one-third or more but less than a majority; or
- a majority or more of all voting power.

Control shares do not include shares the acquiror is then entitled to vote as a result of having previously obtained stockholder approval or shares acquired directly from the corporation. A control share acquisition means the acquisition of issued and outstanding control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition may compel the Board of Directors of the corporation to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, the corporation may itself present the question at any stockholders' meeting.

If voting rights are not approved at the meeting or if the acquiror does not deliver an acquiring person statement as required by the statute, then the corporation may, subject to certain limitations and conditions, redeem for fair value any or all of the control shares, except those for which voting rights have previously been approved. Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of any meeting of stockholders at which the voting rights of the shares are considered and not approved or, if no meeting is held, as of the date of the last control share acquisition by the acquiror. If voting rights for control shares are approved at a stockholders' meeting and the acquiror becomes entitled to exercise or direct the exercise of a majority of the voting power, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition.

The control share acquisition statute does not apply to (a) shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction or (b) acquisitions approved or exempted by the charter or bylaws of the corporation. We have elected to opt out of this provision of the MGCL, pursuant to a provision in our bylaws. However, our Board of Directors may, by amendment to our bylaws, opt in to the control share provisions of the MGCL in the future.

Title 3, Subtitle 8, of the MGCL permits the Board of Directors of a Maryland corporation with at least three independent directors and a class of stock registered under the Exchange Act (such as the Company), without stockholder approval and notwithstanding any contrary provision in its charter or bylaws, to implement certain takeover defenses, including: (i) a classified board; (ii) a two-thirds vote requirement to remove a director; (iii) limiting the filling of any vacancy on the Board of Directors to only a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum; (iv) providing the board with the sole power to fix the number of directors; and (v) requiring the holders of up to a majority of voting stock to call a special meeting of stockholders. Our charter provides that, except as may be provided by our Board of Directors in setting the terms of any class or series of stock, we elect to be subject to the provisions of Subtitle 8 relating to the filling of vacancies on our Board of Directors. Through provisions in our charter and bylaws unrelated to Subtitle 8, we already (1) require a two-thirds vote for the removal of any director from the Board of Directors, (2) vest in the Board of Directors the exclusive power to fix the number of directorships, subject to limitations set forth in our charter and bylaws, and (3) require, unless called by the chairman of our Board of Directors, our president, our chief executive officer or our Board of Directors, the request of stockholders entitled to cast not less than a majority of all votes entitled to be cast on a matter at such meeting to call a special meeting. We have not elected to classify our Board of Directors.

Advance notice bylaw. Our bylaws contain advance notice procedures for the introduction by a stockholder of new business and the nomination of directors by a stockholder. These provisions could, in certain circumstances, discourage proxy contests and make it more difficult for you and other stockholders to elect stockholder-nominated directors and to propose and, consequently, approve stockholder proposals opposed by management.

Restrictions on transfer and ownership of our stock. To assist in maintaining our qualification as a REIT for federal income tax purposes, our charter prohibits any person, unless exempted by our Board of Directors, from acquiring or holding, directly or indirectly, applying attribution rules under the Code, shares of our capital stock in excess of 6.25% in number of shares or value, whichever is more restrictive, of the aggregate of the outstanding shares of our stock or 6.25% of the number of shares or value, whichever is more restrictive, of the outstanding shares of our Common Stock. Together, these limitations are referred to as the "ownership limit." Stock acquired or held in violation of the ownership limit will be transferred automatically to a trust for the benefit of a designated charitable beneficiary, and the intended acquirer of the stock in violation of the ownership limit will not be entitled to vote those shares of stock or to receive the economic benefits of owning shares of our stock in excess of the ownership limit. A transfer of shares of our stock to a person who, as a result of the transfer, violates the ownership limit also may be void under certain circumstances.

Our charter, bylaws, the partnership agreement for CIM Urban and Maryland law also contain other provisions that may delay, defer or prevent a transaction or a change of control that might involve a premium price for our Common Stock or otherwise be in the best interest of our stockholders.

The Operator may change its acquisition process, or elect not to follow it, without stockholder consent at any time, which may adversely affect returns on our assets.

While we are principally focused on Class A and creative office assets in vibrant and improving metropolitan communities throughout the United States (including improving and developing such assets), we may also participate more

actively in other CIM Group real estate strategies and product types, including, but not limited to, multifamily residential and/or real estate debt, in order to broaden our participation in CIM Group's platform and capabilities for the benefit of all classes of stockholders. This may include, without limitation, engaging in real estate development activities as well as investing in other product types directly, side-by-side with one or more funds of CIM Group, through direct deployment of capital in a CIM Group real estate or debt fund, or deploying capital in or originating loans that are secured directly or indirectly by properties primarily located in Qualified Communities that meet our strategy. Such loans may include limited and/or non-recourse junior (mezzanine, B-note or 2nd lien) and senior acquisition, bridge or repositioning loans. Stockholders will not have any approval rights with respect to any expansion or change in strategies or future composition of our assets. Our Operator determines our policies regarding deployment of capital into real estate assets, financing, growth and debt capitalization. Our Operator may change these and other policies without a vote of our stockholders. In addition, there can be no assurance that the Operator will follow its acquisition process in relation to the identification and acquisition or origination of prospective assets. As a result, the nature of the composition of our assets could change without the consent of our stockholders. Changes in the Operator's acquisition process and/or philosophy may result in, among other things, inferior due diligence and transaction standards, which may adversely affect the performance of our assets. If we are unsuccessful in expanding into new real estate activities or our changes in strategies or future deployment of our capital turn out to be unsuccessful, it could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

The power of the Board of Directors to revoke our REIT election without stockholder approval may cause adverse consequences to our stockholders.

Our organizational documents permit our Board of Directors to revoke or otherwise terminate our REIT election, without the approval of our stockholders, if the Board of Directors determines that it is no longer in our best interest to continue to qualify as a REIT. In such a case, we would become subject to U.S. federal, state and local income tax on our net taxable income and we would no longer be required to distribute most of our net taxable income to our stockholders, which could have adverse consequences on the total return to our holders of Common Stock.

The MGCL or our charter may limit the ability of our stockholders or us to recover on a claim against a director or officer who negligently causes us to incur losses.

The MGCL provides that a director has no liability in such capacity if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be in our best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. A director who performs his or her duties in accordance with the foregoing standards should not be liable to us or any other person for failure to discharge his or her obligations as a director.

In addition, our charter provides that our directors and officers will not be liable to us or our stockholders for monetary damages unless the director or officer actually received an improper benefit or profit in money, property or services, or is adjudged to be liable to us or our stockholders based on a finding that his or her action, or failure to act, was the result of active and deliberate dishonesty and was material to the cause of action adjudicated in the proceeding. Our charter and bylaws also require us, to the maximum extent permitted by Maryland law, to indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, pay or reimburse reasonable expenses in advance of final disposition of a proceeding to any individual who is a present or former director or officer and who is made or threatened to be made a party to, or witness in, the proceeding by reason of his or her service in that capacity or any individual who, while a director or officer and at our request, serves or has served as a director, officer, partner, trustee, member or manager of another corporation, real estate investment trust, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made or threatened to be made a party to, or witness in, the proceeding by reason of his or her service in that capacity. With the approval of our Board of Directors, we may provide such indemnification and advance for expenses to any individual who served a predecessor of the Company in any of the capacities described above and any employee or agent of the Company or a predecessor of the Company.

We also are permitted to purchase and we currently maintain insurance or provide similar protection on behalf of any directors, officers, employees and agents, including our Administrator and its affiliates, against any liability asserted which was incurred in any such capacity with us or arising out of such status. This may result in us having to expend significant funds, which could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

The liability of the Administrator and the Operator to us under the Master Services Agreement and the Investment Management Agreement, respectively, is limited and we and CIM Urban have agreed to indemnify the Administrator and the Operator, respectively, against certain liabilities. As a result, we could experience poor performance or losses for which neither the Administrator nor the Operator would be liable.

Pursuant to the Master Services Agreement, the Administrator has no responsibility other than to provide its services in good faith and will not be responsible for any action of our Board of Directors that follows or declines to follow the Administrator's advice or recommendations. Under the terms of the Master Services Agreement, none of the Administrator or any of its affiliates providing services under the Master Services Agreement will be liable to us, any subsidiary of ours party to the Master Services Agreement, any governing body (including any director or officer), stockholder or partner of any such entity for acts or omissions made pursuant to or in accordance with the Master Services Agreement, other than acts or omissions constituting fraud, willful misconduct, gross negligence or violation of certain laws or any other intentional or criminal wrongdoing or breach of the Master Services Agreement. Moreover, the aggregate liability of any such entities and persons pursuant to the Master Services Agreement is capped at the aggregate amount of the Base Service Fee and any transaction fees previously paid to the Administrator in the two most recent calendar years. In addition, we have agreed to indemnify the Administrator and any of its affiliates providing services under the Master Services Agreement, any affiliates of the Administrator and any directors, officers, stockholders, agents, subcontractors, contractors, delegates, members, partners, shareholders, employees and other representatives of each of them from and against all actions, lawsuits, investigations, proceedings or claims except to the extent resulting from such person's fraud, willful misconduct, gross negligence or violation of certain laws or any other intentional or criminal wrongdoing or breach of the Master Services Agreement.

Pursuant to the Investment Management Agreement, the Operator is not liable to CIM Urban, CIM Urban GP or any manager or director of CIM Urban GP for, and CIM Urban has agreed to indemnify the Operator against any losses, claims, damages or liabilities to which it may become subject in connection with, among other things, (1) any act or omission performed or omitted by it or for any costs, damages or liabilities arising therefrom, in the absence of fraud, gross negligence, willful misconduct or a breach of the Investment Management Agreement or (2) any losses due to the negligence of any employees, brokers, or other agents of CIM Urban.

Risks Related to Real Estate Assets

Our operating performance is subject to risks associated with the real estate industry.

Real estate assets are subject to various risks and fluctuations and cycles in value and demand, many of which are beyond our control. Certain events may decrease cash available for distributions, as well as the value of our properties. These events include, but are not limited to:

- adverse changes in economic and socioeconomic conditions (including as a result of the emergence of any pandemic);
- vacancies or our inability to rent space on favorable terms;
- adverse changes in financial conditions of buyers, sellers and tenants of properties;
- inability to collect rent from tenants;
- competition from real estate investors with significant capital, including but not limited to real estate operating companies, publicly-traded REITs and institutional investment funds;
- reductions in the level of demand for office and hotel space and changes in the relative popularity of properties;
- increases in the supply of office and hotel space;
- fluctuations in interest rates and the availability of credit, which could adversely affect our ability, or the ability of buyers and tenants of properties, to obtain financing on favorable terms or at all;
- dependence on third parties to provide leasing, brokerage, onsite property management and other services with respect to certain of our assets;
- increases in expenses, including insurance costs, labor costs, utility prices, real estate assessments and other taxes and costs of compliance with laws, regulations and governmental policies, and our inability to pass on some or all of these increases to our tenants; and
- changes in, and changes in enforcement of, laws, regulations and governmental policies, including, without limitation, health, safety, environmental, zoning, real estate tax, federal and state laws, governmental fiscal policies and the ADA.

During periods of economic slowdown or recession, rising interest rates or declining demand for real estate, or the public perception that any of these events may occur, could result in a general decline in rents or an increased incidence of

defaults under existing leases. If we cannot operate our properties so as to meet our financial expectations, our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock may be negatively impacted.

A significant portion of our properties, by aggregate net operating income and square feet, are located in California. We are dependent on the California real estate market and economy, and are therefore susceptible to risks of events in the California market that could adversely affect our business, such as adverse market conditions, changes in local laws or regulations and natural disasters.

Because our properties in California represent a significant portion of our portfolio by aggregate net operating income and square feet, we are exposed to greater economic risks than if we owned a more geographically diverse portfolio. We are susceptible to adverse developments in the California economic and regulatory environments (such as business layoffs or downsizing, industry slowdowns, relocations of businesses, increases in real estate and other taxes, costs of complying with governmental regulations or increased regulation and other factors) as well as natural disasters that occur in these areas (such as earthquakes, floods, fires and other events). In addition, the State of California is regarded as more litigious and more highly regulated and taxed than many states, which may reduce demand for office and hotel space in California. Any adverse developments in the economy or real estate markets in California, any decrease in demand for office and hotel space resulting from the California regulatory or business environments or any reduced need for apartment units resulting from increased relocation out of California could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

Capital and credit market conditions may adversely affect demand for our properties and the overall availability and cost of credit.

In periods when the capital and credit markets experience significant volatility, demand for our properties and the overall availability and cost of credit may be adversely affected. No assurances can be given that the capital and credit market conditions will not have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

In addition, we could be adversely affected by significant volatility in the capital and credit markets as follows:

- the tenants in our office properties may experience a deterioration in their sales or other revenue, or experience a constraint on the availability of credit necessary to fund operations, which in turn may adversely impact those tenants' ability to pay contractual base rents and tenant recoveries. Some tenants may terminate their occupancy due to an inability to operate profitably for an extended period of time, impacting our ability to maintain occupancy levels; and
- constraints on the availability of credit to tenants, necessary to purchase and install improvements, fixtures and equipment and to fund business expenses, could impact our ability to procure new tenants for spaces currently vacant in existing office properties or properties under development.

Following bank failures in the United States and acquisitions of distressed financial institutions in the United States and internationally in 2023, there has been uncertainty and turmoil in credit markets globally, which may cause financial institutions to reduce their lending, which in turn could adversely affect our ability to access capital markets for our liquidity needs and/or cause our cost of capital to increase.

We will endeavor to limit uninsured deposits that we have with banks. Nevertheless, if a bank in which we hold funds fails or is subject to significant adverse conditions in the financial or credit markets, we could be subject to a risk of loss of all or a portion of such funds or be subject to a delay in accessing all or a portion of such uninsured funds. In addition, we have undrawn capacities under our 2022 Credit Facility and certain of our mortgages. Any such loss of funds on deposit, lack of access to funds held at banks or inability to borrow from any of our lenders could adversely impact our short-term liquidity and ability to meet our operating expenses or working capital needs.

Tenant concentration increases the risk that cash flow could be interrupted.

We are, and expect that we will continue to be, subject to a degree of tenant concentration at certain of our properties and/or across multiple properties. Kaiser, which occupies space in one of our Oakland, California properties, accounted for 28.7% of our annualized rental income for the year ended December 31, 2023. In the event that a tenant occupying a significant portion of one or more of our properties or whose rental income represents a significant portion of the rental revenue at such property or properties were to experience financial weakness or file bankruptcy, it could have a material adverse effect on our

business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

If a major tenant declares bankruptcy, we may be unable to collect balances due under relevant leases, which could have a material adverse effect on our financial condition and ability to pay distributions on our Common Stock or Preferred Stock.

The bankruptcy or insolvency of our tenants may adversely affect the income produced by our properties. Under bankruptcy law, a tenant cannot be evicted solely because of its bankruptcy and has the option to assume or reject any unexpired lease. If the tenant rejects the lease, any resulting claim we have for breach of the lease (other than to the extent of any collateral securing the claim) will be treated as a general unsecured claim. Our claim against the bankrupt tenant for unpaid and future rent will be subject to a statutory cap that might be substantially less than the remaining rent actually owed under the lease, and it is unlikely that a bankrupt tenant that rejects its lease would pay in full amounts it owes us under the lease. Even if a lease is assumed and brought current, we still run the risk that a tenant could condition lease assumption on a restructuring of certain terms, including rent, that would have an adverse impact on us. Any shortfall resulting from the bankruptcy of one or more of our tenants could adversely affect our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

In addition, the financial failure of, or other default by, one or more of the tenants to whom we have exposure could have an adverse effect on the results of our operations. While we evaluate the creditworthiness of our tenants by reviewing available financial and other pertinent information, there can be no assurance that any tenant will be able to make timely rental payments or avoid defaulting under its lease. If any of our tenants' businesses experience significant adverse changes, they may fail to make rental payments when due, exercise early termination rights (to the extent such rights are available to the tenant) or declare bankruptcy. A default by a significant tenant or multiple tenants could cause a material reduction in our revenues and operating cash flows. In addition, if a tenant defaults, we may incur substantial costs in protecting our asset.

We have assumed, and in the future may assume, liabilities in connection with our property acquisitions, including unknown liabilities.

In connection with the acquisition of properties, we may assume existing liabilities, some of which may have been unknown or unquantifiable at the time of the acquisition of assets. Unknown liabilities might include liabilities for cleanup or remediation of undisclosed environmental conditions, claims of tenants or other persons dealing with the sellers prior to our acquisition of the properties, tax liabilities, and accrued but unpaid liabilities whether incurred in the ordinary course of business or otherwise. If the magnitude of such unknown liabilities is high, either singly or in the aggregate, it could adversely affect our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

We may be adversely affected by trends in the office real estate industry.

Telecommuting, flexible work schedules, open workspaces and teleconferencing continue to become more common. These practices enable businesses to reduce their space requirements. There is also an increasing trend among some businesses to utilize shared office space and co-working spaces. A continuation of the movement towards these practices could over time erode the overall demand for office space and, in turn, place downward pressure on occupancy, rental rates and property valuations.

We may be unable to renew leases or lease vacant office space.

As of December 31, 2023, 15.6% of the rentable square footage of our office portfolio was available for lease, and 18.6% of the occupied square footage of such office properties was scheduled to expire in 2024. The local economic environment may make the renewal of these leases more difficult, or renewal may occur at rental rates equal to or below existing rental rates. As a result, portions of our office properties may remain vacant for extended periods of time. In addition, we may have to offer substantial rent abatements, tenant improvements, concessions, early termination rights or below-market renewal options to attract new tenants or retain existing tenants. The factors described above could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

A significant portion of our net operating income is expected to come from our hotel and, as a result, our operating performance is subject to the cyclical nature of the lodging industry.

The performance of the lodging industry has historically been closely linked to the performance of the general economy and, specifically, growth in U.S. gross domestic product. Fluctuations in lodging demand and, therefore, hotel operating performance, are caused largely by general economic and local market conditions, which subsequently affect levels of

business and leisure travel. For instance, increased fuel costs, natural disasters or disruptive global political events, including terrorist activity and war, are a few factors that could affect an individual's willingness to travel.

In addition to general economic conditions, lodging supply is an important factor that can affect the lodging industry's performance. Industry overbuilding and the introduction of new concepts and products such as Airbnb®, Homeaway® and VRBO® have the potential to further exacerbate the negative impact of an economic recession. Room rates and occupancy, and thus RevPAR, tend to increase when demand growth exceeds supply growth. Further, the success of our hotel property depends largely on the property operator's ability to adapt to dominant trends, competitive pressures and consolidation, as well as disruptions such as consumer spending patterns, changing demographics and the availability of labor.

An adverse change in lodging fundamentals could result in returns that are substantially below our expectations or result in losses, which could adversely affect our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

The outbreak of a highly infectious, contagious or widespread disease, such as COVID-19, can result (and has resulted) in reductions in travel and adversely affect demand for our hotel.

Our hotel operations are sensitive to the willingness and ability of our guests to travel. The outbreak of highly infectious, contagious or widespread diseases or global health emergencies will likely cause decreases in both discretionary and business travel and reduce the number of guests that visit our hotel. The degree of any decrease in travel will likely be worsened in the event such a disease causes a disruption in air or other forms of travel used by guests of our hotel. In the event a person having such a disease visits or works at our hotel, the operations at our hotel will likely be disrupted. For example, the spread of COVID-19 in the United States and the resulting restrictions on and cancellations of travel, meetings and social gatherings negatively impacted the operations of our hotel in Sacramento, California in 2021 and part of 2022.

The seasonality of the lodging industry may cause quarterly fluctuations in our revenues.

The lodging industry is seasonal in nature, which may cause quarterly fluctuations in our revenues, occupancy levels, room rates, operating expenses and cash flows. Our quarterly earnings may be adversely affected by factors outside our control, including timing of holidays, weather conditions, poor economic factors and competition in the area of our hotel. We can provide no assurances that our cash flows will be sufficient to offset any shortfalls that occur as a result of these fluctuations. As a result, we may have to enter into short-term borrowings in certain quarters in order to make distributions on our Common Stock or Preferred Stock, and we can provide no assurances that such borrowings will be available on favorable terms, if at all. Consequently, volatility in our financial performance resulting from the seasonality of the lodging industry could adversely affect our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

The increasing use of online travel intermediaries by consumers may adversely affect our profitability.

Some of our hotel rooms are booked through online travel intermediaries, including, but not limited to, Travelocity.com, Expedia.com and Priceline.com. As online bookings increase, these intermediaries may demand higher commissions, reduced room rates or other significant contract concessions. Moreover, some of these online travel intermediaries are attempting to offer hotel rooms as a commodity, by increasing the importance of price and general indicators of quality (such as "three-star downtown hotel") at the expense of brand identification. These intermediaries hope that consumers will develop brand loyalties to their reservations systems rather than to particular hotels. Although most of the business for our hotel is expected to be derived from consumer direct and traditional hotel channels, such as travel agencies, corporate accounts, meeting planners and recognized wholesale operators, if the amount of sales made through online intermediaries increases significantly, room revenues may be lower than expected, which could adversely affect our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

Increased use of technology may reduce the need for business-related travel.

The increased use of teleconference and video-conference technology by businesses could result in decreased business travel as companies increase the use of technologies that allow multiple parties from different locations to participate at meetings without traveling to a centralized meeting location. To the extent that such technologies play an increased role in day-to-day business and the necessity for business-related travel decreases, hotel room demand may decrease, which could adversely affect our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

We are subject to risks associated with the employment of hotel personnel, particularly with respect to unionized labor.

Our third-party manager is responsible for hiring and maintaining the labor force at our hotel. As owner of our hotel, we are responsible for and subject to many of the costs and risks generally associated with the hotel labor force, particularly with respect to unionized labor. From time to time, hotel operations may be disrupted as a result of strikes, lockouts, public demonstrations or other negative actions and publicity. We also may incur increased legal costs and indirect labor costs as a result of contract disputes or other events. The resolution of labor disputes or re-negotiated labor contracts could lead to increased labor costs, either by increases in wages or benefits or by changes in work rules that raise hotel operating costs. We do not have the ability to affect the outcome of these negotiations.

We may be unable to renew leases or release apartment units as leases expire, or the terms of renewals or new leases may be less favorable than current leases.

When residents decide to leave our apartments, whether because their leases are not renewed or they leave prior to their lease expiration date, we may not be able to release their apartment units. Even if leases are renewed or we can release the apartment units, the terms of renewal or reletting may be less favorable than current lease terms. Furthermore, because our apartment leases generally have initial terms of 12 months or less, our rental revenues at our multifamily properties are impacted by declines in market rents more quickly than if our leases were for longer terms. If we are unable to promptly renew the leases or release apartment units, or if the rental rates upon renewal or releasing are lower than expected rates, our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock could be adversely affected.

We may be unable to deploy capital in a way that grows our business and, even if consummated, we may fail to successfully integrate and operate acquired properties.

We plan to deploy capital in additional real estate assets as opportunities arise. Our ability to do so on favorable terms and/or successfully integrate and operate them is subject to the following significant risks:

- we may be unable to deploy capital in additional real estate assets because of competition from real estate investors with better access to less expensive capital, including real estate operating companies, publicly-traded REITs and investment funds;
- we may acquire properties that are not accretive to our results upon acquisition, and we may not successfully manage and lease those properties to meet our expectations;
- competition from other potential acquirers may significantly increase purchase prices;
- acquired properties may be located in new markets where we may face risks associated with a lack of market knowledge or understanding of the local economy, lack of business relationships in the area and unfamiliarity with local governmental and permitting procedures;
- we may be unable to generate sufficient cash from operations or obtain the necessary debt or equity financing to consummate a transaction on favorable terms or at all;
- we may need to spend more money than anticipated to make necessary improvements or renovations to acquired properties;
- we may spend significant time and money on potential transactions that we do not consummate;
- we may be unable to quickly and efficiently integrate new acquisitions into our existing operations;
- we may suffer higher than expected vacancy rates and/or lower than expected rental rates; and
- we may acquire properties without any recourse, or with only limited recourse, for liabilities against the former owners of the properties.

If we cannot complete real estate transactions on favorable terms, or operate acquired assets to meet our goals or expectations, our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock could be materially adversely affected.

We may be unable to successfully expand our operations into new markets.

The risks described in the immediately preceding risk factor that are applicable to our ability to acquire and successfully integrate and operate properties in the markets in which our properties are located are also applicable to our ability to acquire and successfully integrate and operate properties in new markets. In addition to these risks, we may not possess the same level of familiarity with the dynamics and market conditions of certain new markets that we may enter, which could adversely affect our ability to expand into those markets. We may be unable to build a significant market share or achieve a

desired return on our assets in new markets. If we are unsuccessful in expanding into new markets, it could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

We have experienced in the past, and may in the future, impairment charges to our properties.

We have in the past, and may in the future, take impairment charges with respect to certain of our properties. We routinely evaluate our assets for impairment indicators (we recorded no impairment of long-lived assets for the years ended December 31, 2023 and 2022). The judgment regarding the existence and magnitude of impairment indicators is based on factors such as market conditions, tenant performance and lease structure. For example, the early termination of, or default under, a lease by a tenant may lead to an impairment charge. If we determine that an impairment has occurred, we will be required to make a downward adjustment to the net carrying value of the property, which could have a material adverse effect on our results of operations in the period in which the impairment charge is recorded. Negative developments in the real estate market may cause management to reevaluate the business and macro-economic assumptions used in its impairment analysis. Changes in management's assumptions based on actual results may have a material impact on the Company's financial statements.

We may obtain only limited warranties when we purchase a property and typically have only limited recourse in the event our due diligence did not identify any issues that lower the value of our property.

The seller of a property often sells such property in "as is" condition on a "where is" basis and "with all faults," without any warranties of merchantability or fitness for a particular use or purpose. In addition, purchase agreements may contain only limited warranties, representations and indemnifications that survive for only a limited period after the closing and with a cap on recoverable damages. In the event we purchase a property with a limited warranty, there will be an increased risk that we will lose some or all of our capital in the property.

We may be unable to sell a property if or when we decide to do so, including as a result of uncertain market conditions or high inflation.

Real estate assets are, in general, relatively illiquid and may become even more illiquid during periods of economic downturn. As a result, we may not be able to sell our properties quickly or on favorable terms in response to changes in the economy or other conditions when it otherwise may be prudent to do so. In addition, certain significant expenditures generally do not change in response to economic or other conditions, including debt service obligations, real estate taxes, and operating and maintenance costs. This combination of variable revenue and relatively fixed expenditures may result, under certain market conditions, in reduced earnings.In addition, historically, during periods of increasing interest rates, real estate valuations have generally decreased as a result of rising capitalization rates, which tend to be positively correlated with interest rates. Consequently, prolonged periods of higher interest rates may negatively impact the valuation of our portfolio as well as lower sales proceeds from future dispositions. Accordingly, we may be unable to adjust our portfolio promptly in response to economic, market or other conditions, which could adversely affect our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

Some of our leases may not include periodic rental increases, or the rental increases may be less than the fair market rate at a future point in time. In either case, the value of the leased property to a potential purchaser may not increase over time, which may restrict our ability to sell that property, or if we are able to sell that property, may result in a sale price less than the price that we paid to purchase the property or the price that could be obtained if the rental income was at the then-current market rate.

We expect to hold our various real properties until such time as we decide that a sale or other disposition is appropriate given our business objectives. Our ability to dispose of properties on advantageous terms or at all depends on certain factors beyond our control, including competition from other sellers and the availability of attractive financing for potential buyers of our properties. We cannot predict the various market conditions affecting real estate assets which will exist at any particular time in the future. Due to the uncertainty of market conditions which may affect the disposition of our properties, we cannot assure our stockholders that we will be able to sell such properties at a profit or at all in the future. Accordingly, the extent to which our stockholders will receive cash distributions and realize potential appreciation on our real estate assets will depend upon fluctuating market conditions. Furthermore, we may be required to expend funds to correct defects or to make improvements before a property can be sold. We cannot assure our stockholders that we will have funds available to correct such defects or to make such improvements.

We may be unable to secure funds for our future long-term liquidity needs.

Our long-term liquidity needs will consist primarily of funds necessary for acquisitions of assets, development or repositioning of properties, capital expenditures, refinancing of indebtedness, SBA 7(a) loan originations, paying distributions on our Preferred Stock or any other preferred stock we may issue, any future repurchase and/or redemption of our Preferred Stock (if we choose, or are required, to pay the redemption price in cash instead of in shares of our Common Stock), and distributions on our Common Stock. We are also in the process of converting part of an office property that we own from office to multifamily. We may not have sufficient funds on hand or may not be able to obtain additional financing to cover all of these long-term cash requirements. The nature of our business, and the requirements imposed by REIT rules that we distribute a substantial majority of our REIT taxable income on an annual basis in the form of dividends, may cause us to have substantial liquidity needs over the long-term. We will seek to satisfy our long-term liquidity needs through one or more of the following methods: (i) offerings of shares of Common Stock, Preferred Stock or other equity and/or debt securities of the Company; (ii) issuance of interests in our operating partnership in exchange for properties; (iii) credit facilities and term loans; (iv) the addition of senior recourse or non-recourse debt using target acquisitions as well as existing assets as collateral; (v) the sale of existing assets; and/or (vi) cash flows from operations. These sources of funding may not be available on attractive terms or at all. If we cannot obtain additional funding for our long-term liquidity needs, our assets may generate lower cash flow or decline in value, or both, which may cause us to sell assets at a time when we would not otherwise do so and could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

Income from our long-term leases at our office properties is an important source of our cash flow from operations and is subject to risks related to increases in expenses and inflation.

We are exposed to risks related to increases in market lease rates and inflation, as income from long-term leases at our office properties is an important source of our cash flow from operations. Leases of long-term duration or which include renewal options that specify a maximum rate increase may result in below-market lease rates over time if we do not accurately estimate inflation or market lease rates. Provisions of our leases designed to mitigate the risk of inflation and unexpected increases in market lease rates, such as periodic rental increases, may not adequately protect us from the impact of inflation or unexpected increases in market lease rates. If we are subject to below-market lease rates on a significant number of our properties pursuant to long-term leases and our operating and other expenses are increasing faster than anticipated, our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock could be materially adversely affected.

We may finance properties with lock-out provisions, which may prohibit us from selling a property or may require us to maintain specified debt levels for a period of years on some properties.

A lock-out provision is a provision that prohibits the prepayment of a loan during a specified period of time. Lock-out provisions may include terms that provide strong financial disincentives for borrowers to prepay their outstanding loan balance. If a property is subject to a lock-out provision, we may be materially restricted from or delayed in selling or otherwise disposing of or refinancing such property. Lock-out provisions may prohibit us from reducing the outstanding indebtedness with respect to any properties, refinancing such indebtedness at maturity, or increasing the amount of indebtedness with respect to such properties. Lock-out provisions could impair our ability to take other actions during the lock-out period that could be in the best interests of our stockholders and, therefore, may have an adverse impact on the value of our securities relative to the value that would result if the lock-out provisions did not exist. In particular, lock-out provisions could preclude us from participating in major transactions that could result in a disposition of our assets or a change of control even though that disposition or change of control might be in the best interests of our stockholders.

Increased operating expenses could reduce cash flow from operations and funds available to deploy capital or make distributions.

Our properties are subject to operating risks common to real estate in general, any or all of which may negatively affect us. If any property is not fully occupied or if rents are payable (or are being paid) in an amount that is insufficient to cover operating expenses that are our responsibility under the lease, we could be required to expend funds in excess of such rents with respect to that property for operating expenses. Our properties are subject to increases in tax rates, utility costs, insurance costs, repairs and maintenance costs, administrative costs and other operating and ownership expenses. Our property leases may not require the tenants to pay all or a portion of these expenses, in which event we may be responsible for these costs. If we are unable to lease properties on terms that require the tenants to pay all or some of the properties' operating expenses, if our tenants fail to pay these expenses as required or if expenses we are required to pay exceed our expectations, we could have less funds available for future acquisitions or cash available for distributions on our Common Stock or Preferred Stock.

The market environment may adversely affect our operating results, financial condition and ability to pay distributions on our Common Stock or Preferred Stock.

Continued deterioration of domestic or international financial markets could impact the availability of credit or contribute to rising costs of obtaining credit and therefore, could have the potential to adversely affect the value of our assets, the availability or the terms of financing, our ability to make principal and interest payments on, or refinance, any indebtedness and/or, for our leased properties, the ability of our tenants to enter into new leasing transactions or satisfy their obligations, including the payment of rent, under existing leases. The market environment also could affect our operating results and financial condition as follows:

- *Debt Markets*—The debt market is sensitive to the macro environment, such as Federal Reserve policy, market sentiment, or regulatory factors affecting the banking and commercial mortgage backed securities industries. Should overall borrowing costs increase, due to either increases in index rates or increases in lender spreads, our operations may generate lower returns.
- *Real Estate Markets*—While incremental demand growth has helped to reduce vacancy rates and support modest rental growth in recent years, and while improving fundamentals have resulted in gains in property values, in many markets property values, occupancy and rental rates continue to be below those previously experienced before the most recent economic downturn. If recent improvements in the economy reverse course, the properties we acquire could substantially decrease in value after we purchase them. Consequently, we may not be able to recover the carrying amount of our properties, which may require us to recognize an impairment charge or record a loss on sale in our earnings.

Real estate-related taxes may increase, and if these increases are not passed on to tenants, our income will be reduced.

We are required to pay property taxes for our properties, which can increase as property tax rates increase or as properties are assessed or reassessed by taxing authorities. In California, pursuant to an existing state law commonly referred to as Proposition 13, all or portions of a property are reassessed to market value only at the time of “change in ownership” or completion of “new construction,” and thereafter, annual property tax increases are limited to 2% of previously assessed values. As a result, Proposition 13 generally results in significant below-market assessed values over time. From time to time, lawmakers and political coalitions have initiated efforts to repeal or amend Proposition 13, including by introducing Proposition 15 on the California ballot in November 2020, which measure was not approved by voters. If successful in the future, these proposals could substantially increase the assessed values and property taxes for our properties in California. Although some tenant leases may permit us to pass through such tax increases to the tenants for payment, renewal leases or future leases may not be negotiated on the same basis. Tax increases not passed through to tenants could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

Proposition ULA may reduce the proceeds that we will receive when we sell our Los Angeles properties.

In the November 8, 2022 general election, voters approved City of Los Angeles Proposition ULA. Effective April 1, 2023, the measure increases transfer tax rates in the City of Los Angeles on real estate sales valued at $5 million or more. Specifically, the new rate is 4% for properties valued at $5 million or more and 5.5% for properties valued at more than $10 million. As many of our properties are located in the City of Los Angeles, Proposition ULA may reduce the amount of proceeds that we will receive when we sell our Los Angeles properties. This in turn may reduce our profitability, make our properties located in the City of Los Angeles less attractive than properties located elsewhere, and make us less competitive than REITs that do not have properties in the City of Los Angeles.

We face risks associated with development, redevelopment, repositioning or construction of real estate projects.

We expect to engage in development, redevelopment, repositioning or construction of real estate projects, including, without limitation, deploying capital in unimproved real properties, and will therefore face significant risks relating to such activities. We must rely on rental income and expense projections and estimates of the fair market value of property upon completion of construction when agreeing upon a price at the time we acquire the property. If our projections are inaccurate or we pay too much for a property, our return on our assets could suffer. We may abandon any of these activities after we begin to explore them and as a result we may lose deposits or fail to recover expenses already incurred. We may be unable to proceed with these activities because we cannot obtain financing on favorable terms or at all. We may be unable to obtain, or face delays in obtaining, required zoning, land-use, building, occupancy, and other governmental permits and authorizations, which could result in increased costs and could require us to abandon or substantially alter our plan for a project. We may incur construction costs for a development project that exceed our original estimates due to continuing high interest rates, which is the economic environment that we expect to continue to face in 2024, increased materials, labor, leasing or other costs, material shortages or supply chain delays, all of which are more likely in the current inflationary environment, or unanticipated technical difficulties,

which could make completion of the project less profitable because market rents may not increase sufficiently to compensate for the increase in construction costs. We may even suspend development projects after construction has begun due to changes in economic conditions or other factors, and this may result in the write-off of costs, payment of additional costs or increases in overall costs when the development project is restarted. In addition, we will be subject to normal lease-up risks relating to newly constructed projects.

We face significant competition.

Our office portfolio competes with a number of developers, owners and operators of office real estate, many of which own properties similar to ours in the same markets in which our properties are located. If our competitors offer space at rental rates below current market rates, or below the rental rates we currently charge our tenants, we may lose existing or potential tenants and may not be able to replace them, and we may be pressured to reduce our rental rates below those we currently charge or to offer more substantial rent abatements, tenant improvements, early termination rights or below-market renewal options in order to retain tenants when our tenants' leases expire. As a result of any of the foregoing factors, our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock may be materially adversely affected.

Our hotel property competes for guests primarily with other hotels in the immediate vicinity of our hotel and secondarily with other hotels in the geographic market of our hotel. An increase in the number of competitive hotels in these areas could have a material adverse effect on the occupancy, ADR and RevPAR of our hotel.

Our multifamily portfolio competes with numerous housing alternatives in attracting residents. These alternatives include other multifamily properties, condominiums, single-family homes, third-party providers of short-term rentals and serviced apartments that are available for rent or purchase.

War and Terrorism could harm our operating results.

The strength and profitability of our business depends on demand for and the value of our properties. The conflict between Russia and Ukraine, and the resulting economic sanctions imposed by many countries on Russia, and conflicts in the Middle East have led to disruption, instability and volatility in global markets and industries and are expected to have a negative impact on the global economy. Disruption, instability, volatility and decline in global economic activity, whether caused by acts of war, other acts of aggression or terrorism, in each case regardless where it occurs, could in turn harm the demand for and the value of our properties.

In addition, the public perception that certain locations are at greater risk for attack, such as major airports, ports, and rail facilities, may decrease the demand for and the value of our properties near these sites. A decrease in demand could make it difficult for us to renew or re-lease our properties at these sites at lease rates equal to or above historical rates. Terrorist attacks could have an adverse impact on our business even if they are not directed at our properties.

Previous terrorist attacks and subsequent terrorist alerts have adversely affected the U.S. travel and hospitality industries since 2001, often disproportionately compared to the effect on the overall economy. The extent of the impact that actual or threatened terrorist attacks in the United States or elsewhere could have on domestic and international travel and our business in particular cannot be determined, but any such attacks or the threat of such attacks could have a material adverse effect on travel and hotel demand and our ability to finance our hospitality business.

In addition, the terrorist attacks of September 11, 2001 have substantially affected the availability and price of insurance coverage for certain types of damages or occurrences, and our insurance policies for terrorism include large deductibles and co-payments. Although we maintain terrorism insurance coverage on our portfolio, the amount of our terrorism insurance coverage may not be sufficient to cover losses inflicted by terrorism and therefore could expose us to significant losses and have a negative impact on our operations.

In connection with the ownership and operation of real estate assets, we may be liable for costs and damages related to environmental matters.

Environmental laws regulate, and impose liability for, releases of hazardous or toxic substances into the environment. Under some of these laws, an owner or operator of real estate may be liable for costs related to soil or groundwater contamination on or migrating to or from its property. In addition, persons who arrange for the disposal or treatment of hazardous or toxic substances may be liable for the costs of cleaning up contamination at the disposal site.

These laws often impose liability regardless of whether the person knew of, or was responsible for, the presence of the hazardous or toxic substances that caused the contamination. The presence of, or contamination resulting from, any of these substances, or the failure to properly remediate them, may adversely affect our ability to sell or rent our property, to borrow

using the property as collateral or create lender's liability for us. In addition, third parties exposed to hazardous or toxic substances may sue for personal injury damages and/or property damages. For example, some laws impose liability for release of or exposure to asbestos-containing materials. As a result, in connection with our former, current or future ownership, operation, and development of real estate assets, or our role as a lender for loans secured directly or indirectly by real estate properties, we may be potentially liable for investigation and cleanup costs, penalties and damages under environmental laws.

Although many of our properties have been subjected to preliminary environmental assessments, known as Phase I assessments, by independent environmental consultants that identify certain liabilities, Phase I assessments are limited in scope, and may not include or identify all potential environmental liabilities or risks associated with a property. Unless required by applicable law, we may decide not to further investigate, remedy or ameliorate the liabilities disclosed in the Phase I assessments.

Further, these or other environmental studies may not identify all potential environmental liabilities or accurately assess whether we will incur material environmental liabilities in the future. If we do incur material environmental liabilities in the future, our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock could be materially adversely affected.

Our real estate business is subject to risks from climate change.

Our real estate business is subject to risks associated with climate change. Climate change could trigger extreme weather and changes in precipitation, temperature, and air quality, all of which may result in physical damage to, or a decrease in demand for, our properties located in the areas affected by these conditions. Further, the assessment of the potential impact of climate change has impacted the activities of government authorities, the pattern of consumer behavior, and other areas that impact the business environment in the United States, including, but not limited to, energy-efficiency measures, water-use measures, and land-use practices. The promulgation of policies, laws or regulations relating to climate change by governmental authorities in the U.S. and the markets in which the Company owns real estate may require the Company to invest additional capital in our properties.

Most of our properties are located in California. To the extent that climate change impacts changes in weather patterns, our markets could experience increases in extreme weather. For example, many of our properties are located in areas that have been impacted by drought and, as such, face the risk of increased water costs and potential fines and/or penalties for high consumption. There can be no assurances that we will successfully mitigate the risk of increased water costs and potential fines and/or penalties for high consumption.

Climate change may also have indirect effects on our business by increasing the cost of, or decreasing the availability of, property insurance on terms we find acceptable or at all, or by increasing the cost of energy (or water, as described above). There can be no assurance that climate change will not have a material adverse effect on our financial condition or results of operations.

Compliance with the ADA and fire, safety and other regulations may require us to make unanticipated expenditures and/or increase our operating costs that could significantly reduce the cash available for distributions on our Common Stock or Preferred Stock.

Our properties are subject to regulation under federal laws, such as the ADA, pursuant to which all public accommodations must meet federal requirements related to access and use by disabled persons. Although we believe that our properties substantially comply with present requirements of the ADA, we have not conducted an audit or investigation of all of our properties to determine our compliance. If one or more of our properties or future properties are not in compliance with the ADA, we might be required to take remedial action, which would require us to incur additional costs to bring the property into compliance. Noncompliance with the ADA could also result in imposition of fines or an award of damages to private litigants.

Additional federal, state and local laws also may require modifications to our properties or restrict our ability to renovate our properties. We cannot predict the ultimate amount of the cost of compliance with the ADA or other legislation.

In addition, our properties are subject to various federal, state and local regulatory requirements, such as state and local earthquake, fire and life safety requirements. Local regulations, including municipal or local ordinances, zoning restrictions and restrictive covenants imposed by community developers may restrict our use of our properties and may require us to obtain approval from local officials or community standards organizations at any time with respect to our properties, including prior to acquiring a property or when undertaking renovations of any of our existing properties. If we were to fail to comply with these various requirements, we might incur governmental fines or private damage awards. If we incur substantial costs to comply with the ADA or any other regulatory requirements, our business, financial condition, results of operations, cash flow or our

ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock could be materially adversely affected.

Further, existing and future rent control or rent stabilization laws and regulations, along with similar laws and regulations that expand tenants' rights or impose additional costs on landlords, may reduce rental revenues or increase operating costs on our multifamily portfolio. Such laws and regulations limit our ability to charge market rents, increase rents, evict tenants or recover increases in our operating expenses and could reduce the value of our multifamily portfolio or make it more difficult for us to dispose of properties in certain circumstances. Expenses associated with our investment in our multifamily portfolio, such as debt service, real estate taxes, insurance and maintenance costs, are generally not reduced when circumstances cause a reduction in rental income from our multifamily portfolio. As a result, our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock could be materially adversely affected.

Inflation may adversely affect our real estate operations.

Inflation may remain high in 2024 relative to historical levels. Inflation has caused and will likely continue to cause our construction costs, maintenances costs, operating and general and administrative expenses and interest expenses to rise, which in turn could materially adversely affect our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock. See "We may be unable to sell a property if or when we decide to do so, including as a result of uncertain market conditions or high inflation," "—Income from our long-term leases at our office properties is an important source of our cash flow from operations and is subject to risks related to increases in expenses and inflation," "—We face risks associated with development, redevelopment, repositioning or construction of real estate projects," "—High interest rates may make it difficult for us to finance or refinance assets, which could reduce the number of properties we can acquire and the amount of cash distributions we can make" and "—Supply chain disruption and increased costs in labor and materials may adversely affect our real estate operations."

Supply chain disruption and increased costs in labor and materials may adversely affect our real estate operations.

The construction and building industry, similar to many other industries, has been experiencing worldwide supply chain disruptions due to a multitude of factors that are beyond our control, including, without limitation, the conflict between Russia and Ukraine and conflicts in the Middle East. Materials, parts and labor have also increased in cost over the past year or more, sometimes significantly and over a short period of time. This could impact our ability to timely deliver spaces to tenants or complete tenant buildout or complete redevelopment or development projects. In addition, we may incur costs in the process that exceeds our original estimates due to increased costs for materials or labor or other costs that are unexpected. All of these occurrences could affect our ability to achieve the expected value of a lease, redevelopment or development, thereby adversely affecting our profitability.

Our participation in co-investments may subject us to risks that otherwise may not be present in other real estate assets.

We have entered into, and expect to continue to enter into, co-investments with respect to a portion of the properties we acquire. Co-investments involve risks generally not otherwise present with an investment in other real estate assets, such as the following:

- the risk that a co-owner may at any time have economic or business interests or goals that are or become inconsistent with our business interests or goals;
- the risk that a co-owner may be in a position to take action contrary to our instructions or requests or contrary to our policies, objectives or status as a REIT;
- the possibility that an individual co-owner might become insolvent or bankrupt, or otherwise default under the applicable mortgage loan financing documents, which may constitute an event of default under all of the applicable mortgage loan financing documents, result in a foreclosure and the loss of all or a substantial portion of the investment made by the co-owner, or allow the bankruptcy court to reject the agreements entered into by the co-owners owning interests in the property;
- the possibility that a co-owner might not have adequate liquid assets to make cash advances that may be required in order to fund operations, maintenance and other expenses related to the property, which could result in the loss of current or prospective tenants and may otherwise adversely affect the operation and maintenance of the property, and could cause a default under the applicable mortgage loan financing documents and may result in late charges, penalties and interest, and may lead to the exercise of foreclosure and other remedies by the lender;

- the risk that a co-owner could breach agreements related to the property, which may cause a default under, and possibly result in personal liability in connection with, any mortgage loan financing documents applicable to the property or result in a foreclosure or otherwise adversely affect the property and the co-investment;
- the risk that we could have limited control and rights, with management decisions made entirely by a third party; and
- the possibility that we will not have the right to sell the property at a time that otherwise could result in the property being sold for its maximum value.

In the event that our interests become adverse to those of the other co-owners, we may not have the contractual right to purchase the co-investment interests from the other co-owners. Even if we are given the opportunity to purchase such co-investment interests in the future, we cannot guarantee that we will have sufficient funds available at the time to purchase co-investment interests from the co-owners.

We might want to sell our co-investment interests in a given property or other investment at a time when the other co-owners in such property or investment do not desire to sell their interests. Therefore, because we anticipate that it will be much more difficult to find a willing buyer for our co-investment interests in an investment than it would be to find a buyer for a property we owned outright, we may not be able to sell our co-investment interest in a property at the time we would like to sell.

Our manager faces conflicts of interest relating to joint ventures or other co-investment arrangements that we may enter into with CIM or its affiliates, which could result in a disproportionate benefit to CIM or its affiliates.

We have entered and expect to continue to enter into joint ventures or co-investments (including co-investment transactions) with CIM, its affiliates or vehicles managed or operated by CIM for the acquisition, development or redevelopment of real estate-related assets. Since personnel of CIM involved in managing and operating our business are also involved in the business and operations of CIM, its affiliates and other vehicles managed or operated by CIM, CIM may face conflicts of interest in determining which real estate program should enter into any particular joint venture or co-investment. These persons also may have a conflict in structuring the terms of the relationship between us and any affiliated co-venturer or co-owner, as well as conflicts of interest in managing the joint venture, which may result in the co-venturer or co-owner receiving benefits greater than the benefits that we receive.

In the event we enter into joint ventures or other co-investments with CIM, its affiliates or vehicles managed or operated by CIM, the Administrator may have a conflict of interest when determining when and whether to buy or sell a particular property, or to make or dispose of another real estate-related asset. In the event we enter into a joint venture or other co-investments with CIM, its affiliates or vehicles managed or operated by CIM that has a term shorter than ours, the joint venture may be required to sell its properties earlier than we may desire to sell the properties. Even if the terms of any joint venture or other co-investments between us and CIM, its affiliates or vehicles operated or managed by CIM grant us the right of first refusal to buy such properties, we may not have sufficient funds or borrowing capacity to exercise our right of first refusal under these circumstances.

Risks Related to Debt Financing

We have incurred significant indebtedness and may incur significant additional indebtedness on a consolidated basis.

We have incurred significant indebtedness and may incur significant additional indebtedness to fund future acquisitions, development activities and operational needs. The degree of leverage could make us more vulnerable to a downturn in business or the economy generally.

Payments of principal and interest on our borrowings may leave us with insufficient cash resources to operate our properties and/or pay distributions on our Common Stock or Preferred Stock. The incurrence of substantial outstanding indebtedness, and the limitations imposed by our debt agreements, could have significant other adverse consequences, including the following:

- our cash flows may be insufficient to meet our required principal and interest payments;
- we may be unable to borrow additional funds as needed or on favorable terms, which could, among other things, adversely affect our liquidity for acquisitions or operations;
- we may be unable to refinance our indebtedness at maturity or the refinancing terms may be less favorable than the terms of our existing indebtedness;
- we may be forced to dispose of one or more of our properties, possibly on disadvantageous terms;

- we may violate restrictive covenants in our debt documents, which would entitle the lenders to accelerate our debt obligations;
- we may default on our obligations and the lenders or mortgagees may foreclose on our properties and take possession of any collateral that secures their loans; and
- our default under any of our indebtedness with cross-default provisions could result in a default on other indebtedness.

If any one of these events occurs, our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock may be materially adversely affected. In addition, any foreclosure on our properties could create taxable income without the accompanying cash proceeds, which could adversely affect our ability to meet the REIT distribution requirements imposed by the Internal Revenue Code of 1986, as amended (the "Code").

We intend to rely in part on external sources of capital to fund future capital needs and, if we encounter difficulty in obtaining such capital, we may not be able to meet maturing obligations or make additional acquisitions.

In order to qualify and maintain our qualification as a REIT under the Code, we are required, among other things, to distribute annually to our stockholders at least 90% of our REIT taxable income (which does not equal net income as calculated in accordance with GAAP), determined without regard to the deduction for dividends paid and excluding any net capital gain. Because of this dividend requirement, we may not be able to fund from cash retained from operations all of our future capital needs, including capital needed to refinance maturing obligations or make new acquisitions.

The capital and credit markets have experienced volatility and disruption as a result of the sharp rise in interest rates as a result of the Federal Reserve's attempt to combat inflation. We believe that such volatility and disruption are likely to continue into the foreseeable future. Market volatility and disruption could hinder our ability to obtain new debt financing or refinance our maturing debt on favorable terms or at all or to raise debt and equity capital. Our access to capital will depend upon a number of factors, including:

- general market conditions;
- government action or regulation, including changes in tax law;
- the market's perception of our future growth potential;
- the extent of stockholder interest;
- analyst reports about us and the REIT industry;
- the general reputation of REITs and the attractiveness of their equity securities in comparison to other equity securities, including securities issued by other real estate-based companies;
- our financial performance and that of our tenants;
- our current debt levels;
- our current and expected future earnings; and
- our cash flow and cash distributions, including our ability to satisfy the dividend requirements applicable to REITs.

If we are unable to obtain needed capital on satisfactory terms or at all, we may not be able to meet our obligations and commitments as they mature or make any new acquisitions.

High interest rates may make it difficult for us to finance or refinance assets, which could reduce the number of properties we can acquire and the amount of cash distributions we can make.

Interest rates may remain high in 2024 relative to historical levels. If interest rates remain elevated, we run the risk of being unable to finance or refinance our assets on favorable terms or at all. If interest rates are high when we desire to mortgage our assets or when existing loans come due and the assets need to be refinanced, we may not be able to, or may choose not to, finance the assets and we would be required to use cash to purchase or repay outstanding obligations. Our inability to use debt to finance or refinance our assets could reduce the number of assets we can acquire, which could reduce our operating cash flow and the amount of cash distributions we can make on our Common Stock or Preferred Stock. Higher costs of capital also could negatively impact our operating cash flow and returns on our assets.

Increases in interest rates could increase the amount of our debt payments and adversely affect our ability to pay distributions on our Common Stock or Preferred Stock.

We have incurred indebtedness, and in the future may incur additional indebtedness, that bears interest at a variable rate. A continued high interest rate environment, which is the economic environment that the Company expects to face in 2024, will result in increases in the variable rate component of our indebtedness. As of December 31, 2023, we have $153.2 million outstanding under the 2022 credit facility and $27.1 million outstanding under our junior subordinated notes, all of which bear interest at a variable rate. We have not hedged our interest rate with respect to variable rate indebtedness. As a result, increases in interest rates will increase the amounts payable under such indebtedness, which will reduce our operating cash flows and could materially adversely affect our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock. In addition, if our existing indebtedness matures or otherwise becomes payable during a period of rising interest rates, we could be required to liquidate one or more of our assets at times that may prevent realization of the maximum return on such assets.

We may not be able to generate sufficient cash flow to meet our debt service obligations.

Our ability to make payments on and to refinance our indebtedness, and to fund our operations, working capital and capital expenditures, depends on our ability to generate cash. To a certain extent, our cash flow is subject to general economic, industry, financial, competitive, operating, legislative, regulatory and other factors, many of which are beyond our control.

We cannot assure our stockholders that our business will generate sufficient cash flow from operations or that future sources of cash will be available to us in an amount sufficient to enable us to pay amounts due on our indebtedness or to fund our other liquidity needs.

Additionally, if we incur additional indebtedness in connection with any future deployment of capital or development projects or for any other purpose, our debt service obligations could increase. We may need to refinance all or a portion of our indebtedness before maturity. Our ability to refinance our indebtedness or obtain additional financing will depend on, among other things:

- our financial condition and market conditions at the time;
- restrictions in the agreements governing our indebtedness;
- general economic and capital market conditions;
- the availability of credit from banks or other lenders; and
- our results of operations.

As a result, we may not be able to refinance our indebtedness on commercially reasonable terms, or at all. If we do not generate sufficient cash flow from operations, and additional borrowings or refinancing or proceeds of asset sales or other sources of cash are not available to us, we may not have sufficient cash to enable us to meet all of our obligations. Accordingly, if we cannot service our indebtedness, we may have to take actions such as seeking additional equity, or delaying any strategic acquisitions and alliances or capital expenditures, any of which could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

Lenders may require us to enter into restrictive covenants relating to our operations, which could limit our ability to make distributions on our Common Stock or Preferred Stock.

In connection with providing us financing, a lender could impose restrictions on us that affect our distribution and operating policies and our ability to incur additional debt. Loan documents we enter into may contain covenants that limit our ability to further mortgage the property or discontinue insurance coverage. These or other limitations imposed by a lender may adversely affect our flexibility and limit our ability to pay distributions on our Common Stock or Preferred Stock.

Interest-only indebtedness may increase our risk of default and ultimately may reduce our funds available for distribution on our Common Stock or Preferred Stock.

We may finance some of our property acquisitions using interest-only mortgage indebtedness. During the interest-only period, the amount of each scheduled payment will be less than that of a traditional amortizing mortgage loan. The principal balance of the mortgage loan will not be reduced (except in the case of prepayments) because there are no scheduled monthly payments of principal during this period. After the interest-only period, we will be required either to make scheduled payments of amortized principal and interest or to make a lump-sum or "balloon" payment at maturity. These required payments will increase the amount of our scheduled payments and may increase our risk of default under the related mortgage loan. If the mortgage loan has an adjustable interest rate, the amount of our scheduled payments also may increase at a time of rising

interest rates. Increased payments and substantial principal or balloon payments will reduce the funds available for distribution on our Common Stock or Preferred Stock because cash otherwise available for distribution will be required to pay principal and interest associated with these mortgage loans.

Our ability to make a balloon payment at maturity is uncertain and may depend upon our ability to obtain additional financing or our ability to sell the property. At the time the balloon payment is due, we may or may not be able to refinance the loan on terms as favorable as the original loan or sell the property at a price sufficient to make the balloon payment. The effect of a refinancing or sale could affect the rate of return to stockholders and the projected time of disposition of our assets. In addition, payments of principal and interest made to service our debts may leave us with insufficient cash to pay the distributions that we are required to pay to maintain our qualification as a REIT. Any of these results would have a significant, negative impact on the value of our securities.

We may in the future enter into hedging transactions that could expose us to contingent liabilities in the future and materially adversely impact our financial condition and results of operations.

Subject to maintaining our qualification as a REIT, we may in the future enter into hedging transactions that could require us to fund cash payments in certain circumstances (e.g., the early termination of the hedging instrument caused by an event of default or other early termination event, or the decision by a counterparty to request margin securities it is contractually owed under the terms of the hedging instrument), which could in turn result in economic losses to us.

In addition, certain of the hedging instruments that we may enter into could involve additional risks if they are not traded on regulated exchanges, guaranteed by an exchange or our clearing house, or regulated by any U.S. or foreign governmental authorities. It cannot be assured that a liquid secondary market will exist for hedging instruments that we may enter into in the future, and we may be required to maintain a position until exercise or expiration, which could result in significant losses.

We intend to record any derivative and hedging transactions we enter into in accordance with GAAP. However, we may choose not to pursue, or fail to qualify for, hedge accounting treatment relating to such derivative instruments. As a result, our operating results may suffer because losses, if any, on these derivative instruments may not be offset by a change in the fair value of the related hedged transaction or item. Any losses sustained as a result of our hedging transactions would be reflected in our results of operations, and our ability to fund these obligations will depend on the liquidity of our assets and access to capital at the time, and the need to fund these obligations could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

Risks Related to Our Lending Operations

Our lending operations expose us to a high degree of risk associated with real estate.

The performance and value of our loans depends upon many factors beyond our control. The ultimate performance and value of our loans are subject to risks associated with the ownership and operation of the properties which collateralize our loans, including the property owner’s ability to operate the property with sufficient cash flow to meet debt service requirements. The performance and value of the properties collateralizing our loans may be adversely affected by:

- changes in national or regional economic conditions;
- changes in real estate market conditions due to changes in national, regional or local economic conditions or property market characteristics;
- competition from other properties;
- changes in interest rates and the condition of the debt and equity capital markets;
- the ongoing need for capital repairs and improvements;
- increases in real estate tax rates and other operating expenses (including utilities);
- adverse changes in governmental rules and fiscal policies; acts of God, including earthquakes, hurricanes, fires and other natural disasters; pandemic outbreaks and other global health emergencies; disruptive global political events, including terrorist activity and war (including the conflict between Russia and Ukraine and conflicts in the Middle East, which has led to disruption, instability and volatility in global markets and industries); or a decrease in the availability of or an increase in the cost of insurance;
- adverse changes in zoning laws;
- the impact of environmental legislation and compliance with environmental laws; and
- other factors that are beyond our control or the control of the commercial property owners.

In the event that any of the properties underlying our loans experience any of the foregoing events or occurrences, the value of, and return on, such loans may be negatively impacted, which in turn could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

There are significant risks related to loans originated under the SBA 7(a) Program.

Many of the borrowers under our SBA 7(a) Program are privately-owned businesses. There is typically no publicly available information about these businesses; therefore, we must rely on our own due diligence to obtain information in connection with our decisions. Our borrowers may not meet net income, cash flow and other coverage tests typically imposed by banks. A borrower's ability to repay its loan may be adversely impacted by numerous factors, including a downturn in its industry or other negative local or macro-economic conditions. Deterioration in a borrower's financial condition and prospects may be accompanied by deterioration in the collateral for the loan. In addition, small businesses typically depend on the management talents and efforts of one person or a small group of people for their success. The loss of services of one or more of these persons could have an adverse impact on the operations of the small business. Small companies are typically more vulnerable to customer preferences, market conditions and economic downturns and often need additional capital to maintain the business, expand or compete. These factors may have an impact on the ultimate recovery of our loans receivable from such businesses. Loans to small businesses, therefore, involve a high degree of business and financial risk, which can result in substantial losses and accordingly should be considered speculative. The factors described above could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

Our loans secured by real estate and our REO properties are typically illiquid and their values may decrease.

Our loans secured by real estate and our real estate acquired through foreclosure are typically illiquid. Therefore, we may be unable to vary our portfolio promptly in response to changing economic, financial and investment conditions. As a result, the fair market value of these assets may decrease in the future and losses may result. The illiquid nature of our loans may adversely affect our ability to dispose of such loans at times when it may be advantageous or necessary for us to liquidate such assets, which in turn could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

Our lending operations have an industry concentration, which may negatively impact our financial condition and results of operations.

A majority of our revenue from the lending operations is generated from loans collateralized by hospitality properties. As of December 31, 2023, all of our loans subject to credit risk were concentrated in the hospitality industry. Any factors that negatively impact the hospitality industry, including the outbreak of pandemics, recessions, severe weather events (such as hurricanes, blizzards, floods, etc.), depressed commercial real estate markets, travel restrictions, bankruptcies or other political or geopolitical events or the introduction of new concepts and products such as Airbnb®, Homeaway® and VRBO®, could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

Establishing loan loss reserves entails significant judgment and may negatively impact our results of operations.

We have a quarterly review process to identify and evaluate potential exposure to loan losses. The determination of whether significant doubt exists and whether a loan loss reserve is necessary requires judgment and consideration of the facts and circumstances existing at the evaluation date. Additionally, further changes to the facts and circumstances of the individual borrowers, the limited service hospitality industry and the economy may require the establishment of additional loan loss reserves and the effect to our results of operations would be adverse. If our judgments underlying the establishment of our loan loss reserves are not correct, our results of operations may be negatively impacted.

Whenever our borrowers experience significant operating difficulties and we are forced to liquidate the collateral underlying the loans, losses may be relatively substantial and could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

Our SBA 7(a) Program loans are subject to delinquency, foreclosure and loss, any or all of which could result in losses.

Our loans originated pursuant to the SBA 7(a) Program are collateralized by income-producing properties and typically have personal guarantees. These loans are predominantly to operators of limited service hospitality properties. As a

result, these operators are subject to risks associated with the hospitality industry, including the outbreak of pandemics, recessions, severe weather events, depressed commercial real estate markets, travel restrictions, bankruptcies or other political or geopolitical events.

Our SBA 7(a) loans that have real estate as collateral are subject to risks of delinquency and foreclosure. The ability of a borrower to repay a loan secured by an income-producing property typically is dependent primarily upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of and/or cash flow from the property is reduced, the borrower's ability to repay the loan may be impaired. Net operating income of and/or cash flow from an income-producing property can be affected by, among other things, tenant mix, success of tenant businesses, onsite property management decisions, property location and condition, competition from comparable types of properties, changes in laws that increase operating expenses or limit rents that may be charged, any need to address environmental contamination at the property, the occurrence of any uninsured casualty at the property, changes in national, regional or local economic conditions and/or specific industry segments, declines in regional or local real estate values, declines in regional or local rental or occupancy rates, increases in interest rates, real estate tax rates and other operating expenses, changes in governmental rules, regulations and fiscal policies, including environmental legislation, acts of God, terrorism, social unrest and civil disturbances.

In the event of a loan default, we will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral multiplied by our percentage ownership and the unguaranteed portion of the principal and accrued interest on the loan. In the event of the bankruptcy of the borrower, the loan to such borrower will be deemed collateralized only to the extent of the value of the underlying property at the time of the bankruptcy (as determined by the bankruptcy court). In addition to losses related to collateral deficiencies, during the foreclosure process we may incur costs related to the protection of our collateral including unpaid real estate taxes, legal fees, franchise fees, insurance and operating shortfalls to the extent the property is being operated by a court-appointed receiver.

Foreclosure and bankruptcy are complex and sometimes lengthy processes that are subject to federal and state laws and regulations. An action to foreclose on a property is subject to many of the delays and expenses of other lawsuits if the defendant raises defenses or counterclaims. In the event of a default by a mortgagor, these restrictions, among other things, may impede our ability to foreclose on or sell the mortgaged property or to obtain proceeds sufficient to repay all amounts due under the note. Further, borrowers have the option of seeking federal bankruptcy protection which could delay the foreclosure process. In conjunction with the bankruptcy process, the terms of the loan agreements may be modified. Typically, delays in the foreclosure process will have a negative impact on our results of operations and/or financial condition due to direct and indirect costs incurred and possible deterioration of the value of the collateral. After foreclosure has been completed, a lack of funds or capital may force us to sell the underlying property resulting in a lower recovery even though developing the property prior to a sale could result in a higher recovery.

As a result of the factors described above, defaults on SBA 7(a) Program loans could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

Curtailment of our ability to utilize the SBA 7(a) Program by the federal government could adversely affect our results of operations.

We are dependent upon the federal government to maintain the SBA 7(a) Program. There can be no assurance that the program will be maintained or that loans will continue to be guaranteed at current levels. In addition, there can be no assurance that our SBA lending subsidiary, First Western SBLC, Inc. ("First Western") will be able to maintain its status as a "Preferred Lender" under PLP (as defined below) or that we can maintain our SBA 7(a) license.

If we cannot continue originating and selling government guaranteed loans at current levels of profitability, we could experience a decrease in future servicing spreads and earned premiums. From time-to-time the SBA has reached its internal budgeted limits and ceased to guarantee loans for a stated period of time. In addition, the SBA may change its rules regarding loans or Congress may adopt legislation or fail to approve a budget that would have the effect of discontinuing, reducing availability of funds for, or changing loan programs. Non-governmental programs could replace government programs for some borrowers, but the terms might not be equally acceptable. If these changes occur, the volume of loans to small businesses that now qualify for government guaranteed loans could decline, as could the profitability of these loans.

First Western has been granted national preferred lender program ("PLP") status and originates, sells and services small business loans and is authorized to place SBA guarantees on loans without seeking prior SBA review and approval. Being a national lender, PLP status allows First Western to expedite loans since First Western is not required to present applications to the SBA for concurrent review and approval. The loss of PLP status could have a material adverse effect on our business,

financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

If our lending operation fails to comply with SBA regulations in connection with the origination, servicing, or liquidation of an SBA 7(a) loan, liability on the SBA guaranty, in whole or part, could be transferred back to our lending operations.

Many of the loans originated by our lending operations are under the auspices of the SBA 7(a) program. If we fail to comply with SBA's regulations in connection with the origination, servicing, or liquidation of an SBA 7(a) loan, the SBA may be released from liability on its guaranty of a 7(a) loan, and may refuse to honor a guaranty purchase request in full (referred to by SBA as a "denial") or in part (referred to by SBA as a "repair"), or recover all or part of the funds already paid in connection with a guaranty purchase. In the event of a repair or denial, liability on the SBA guaranty, in whole or part, would be transferred back to our lending operations, which in turn could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

We operate in a competitive market for real estate opportunities and future competition for commercial real estate collateralized loans may limit our ability to originate or dispose of our target loans and could also affect the yield of these loans.

We are in competition with a number of entities for the types of commercial real estate collateralized loans that we may originate. These entities include, among others, debt funds, specialty finance companies, savings and loan associations, banks and financial institutions. Some of these competitors may be substantially larger and have considerably greater financial, technical and marketing resources than we do. Some of these competitors may also have a lower cost of funds and access to funding sources that may not be available to us currently. In addition, many of our competitors may not be subject to operating constraints associated with REIT qualification or maintenance of exclusions from registration under the Investment Company Act. Furthermore, competition may further limit our ability to generate desired returns. Due to this competition, we may not be able to take advantage of attractive opportunities from time to time, and can offer no assurance that we will be able to identify and deploy our capital in a manner consistent with our objective. We cannot guarantee that the competitive pressures we face will not have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

We may be subject to lender liability claims.

In recent years, a number of judicial decisions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories, collectively termed "lender liability." Generally, lender liability is founded on the premise that a lender has either violated a duty, whether implied or contractual, of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or our other creditors or stockholders. There can be no assurance that that such claims will not arise or that we will not be subject to significant liability if a claim of this type did arise.

U.S. Federal Income and Other Tax Risks

Failure to qualify and maintain our qualification as a REIT would have significant adverse consequences to us and the value of our securities.

We believe that we are organized and qualify as a REIT and intend to operate in a manner that will allow us to continue to qualify as a REIT. However, we cannot guarantee that we are qualified as such, or that we will remain qualified as such in the future. This is because qualification as a REIT involves the application of highly technical and complex provisions of the Code as to which there are only limited judicial and administrative interpretations and involves the determination of facts and circumstances not entirely within our control. Future legislation, new regulations, administrative interpretations or court decisions may significantly change the tax laws or the application of the tax laws with respect to qualification as a REIT for federal income tax purposes or the federal income tax consequences of such qualification.

If we fail to qualify as a REIT, we could face serious tax consequences that could substantially reduce our funds available for payment of distributions on our Common Stock or Preferred Stock for each of the years involved because:

- we would not be allowed a deduction for dividends paid to stockholders in computing our taxable income and would be subject to federal income tax at regular corporate rates;
- we also could be subject to increased state and local taxes; and
- unless we are entitled to relief under statutory provisions, we could not elect to be subject to be taxed as a REIT for four taxable years following the year during which we are disqualified.

Any such corporate tax liability could be substantial and would reduce our cash available for, among other things, our operations and distributions on our Common Stock or Preferred Stock. As a result of these factors, our failure to qualify as a REIT could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock. If we fail to qualify as a REIT for federal income tax purposes and are able to avail ourselves of one or more of the relief provisions under the Code in order to maintain our REIT status, we might nevertheless be required to pay certain penalty taxes for each such failure.

Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.

Income from "qualified dividends" payable to U.S. stockholders that are individuals, trusts and estates are generally subject to tax at preferential rates. Dividends payable by REITs, however, generally are not eligible for the preferential tax rates applicable to qualified dividend income. Although these rules do not adversely affect the taxation of REITs or dividends payable by REITs, to the extent that the preferential rates continue to apply to regular corporate qualified dividends, investors that are individuals, trusts and estates may perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could materially and adversely affect the value of the shares of REITs, including the per share trading price of our securities. However, for taxable years beginning before January 1, 2026, non-corporate U.S. stockholders of REITs may deduct up to 20% of any "qualified REIT dividends." A qualified REIT dividend is defined as any dividend from a REIT that is not a capital gain dividend or a dividend attributable to dividend income from U.S. corporations or certain non-U.S. corporations. A non-corporate U.S. stockholder's ability to claim a deduction equal to 20% of qualified REIT dividends received may be limited by the stockholder's particular circumstances.

Our ownership of and relationship with our taxable REIT subsidiaries will be limited, and a failure to comply with the limits would jeopardize our REIT status and may result in the application of a 100% excise tax.

Subject to certain restrictions, a REIT may own up to 100% of the stock of one or more taxable REIT subsidiaries ("TRSs"). A TRS may hold assets and earn income that would not be qualifying assets or income if held or earned directly by the REIT. Both the subsidiary and the REIT must jointly elect to treat the subsidiary as a TRS. A corporation of which a TRS directly or indirectly owns more than 35% of the voting power or value of the stock will automatically be treated as a TRS. Overall, no more than 20% of the value of a REIT's assets may consist of stock or securities of one or more TRSs. A TRS generally will pay income tax at regular corporate rates on any taxable income that it earns. In addition, the TRS rules limit the deductibility of interest paid or accrued by a TRS to its parent REIT to assure that the TRS is subject to an appropriate level of corporate taxation. The rules also impose a 100% excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm's-length basis.

Our TRSs are subject to normal corporate income taxes. We continuously monitor the value of our investments in TRSs for the purpose of ensuring compliance with the rule that no more than 20% of the value of our assets may consist of TRS stock and securities (which is applied at the end of each calendar quarter). The aggregate value of our TRS stock and securities was less than 20% of the value of our total assets (including our TRS stock and securities) as of December 31, 2023. In addition, we scrutinize all of our transactions with our TRSs for the purpose of ensuring that they are entered into on arm's-length terms in order to avoid incurring the 100% excise tax described above. There are no distribution requirements applicable to the TRSs and after-tax earnings may be retained. There can be no assurance, however, that we will be able to comply with the 20% limitation on ownership of TRS stock and securities on an ongoing basis so as to maintain REIT status or to avoid application of the 100% excise tax imposed on certain non-arm's-length transactions.

We may be subject to adverse legislative or regulatory tax changes that could increase our tax liability or reduce our operating flexibility.

In recent years, numerous legislative, judicial and administrative changes have been made in the provisions of U.S. federal income tax laws applicable to investments similar to an investment in shares of our capital stock. Additional changes to the tax laws are likely to continue to occur, and we cannot assure our stockholders that any such changes will not adversely affect our taxation and our ability to continue to qualify as a REIT or the taxation of a stockholder. Any such changes could have an adverse effect on an investment in our shares or on the market value or the resale potential of our assets. Our stockholders are urged to consult with their tax advisors with respect to the impact of recent legislation on their investment in our shares and the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in our shares or on our ability to continue to qualify as a REIT. Even changes that do not impose greater taxes on us could potentially result in adverse consequences to our stockholders. Although REITs generally receive better tax treatment than entities taxed as regular corporations, it is possible that future legislation (such as a decrease in corporate tax rates) would result in a REIT having fewer tax advantages, and it could decrease the attractiveness of the REIT structure relative to companies that are not organized as REITs. As a result, our charter provides our Board of Directors with the power, under

certain circumstances, to revoke or otherwise terminate our REIT election and cause us to be taxed as a regular corporation, without the vote of our stockholders. Our Board of Directors has fiduciary duties to us and our stockholders and could only cause such changes in our tax treatment if it determines in good faith that such changes are in the best interests of our stockholders.

In certain circumstances, we may be subject to certain federal, state and local taxes as a REIT, which would reduce our cash available for distribution on our Common Stock or Preferred Stock.

Even if we qualify and maintain our status as a REIT, we may be subject to certain federal, state and local taxes. For example, net income from the sale of properties that are "dealer" properties sold by a REIT (a "prohibited transaction" under the Code) will be subject to a 100% excise tax, and some state and local jurisdictions may tax some or all of our income because not all states and localities treat REITs the same as they are treated for federal income tax purposes. Any federal, state or local taxes we pay will reduce our cash available for distribution on our Common Stock or Preferred Stock. Moreover, as discussed above, our TRSs are generally subject to corporate income taxes and excise taxes in certain cases. Additionally, if we are not able to make sufficient distributions to eliminate our REIT taxable income, we may be subject to tax as a corporation on our undistributed REIT taxable income. We may also decide to retain income we earn from the sale or other dispositions of our properties and pay income tax directly on such income. In that event, our stockholders would be treated as if they earned that income and paid the tax on it directly. However, stockholders that are tax-exempt, such as charities or qualified pension plans, would have no benefit from their deemed payment of such tax liability.

REIT annual distribution requirements may force us to forgo otherwise attractive opportunities or borrow funds during unfavorable market conditions. This could delay or hinder our ability to meet our objectives and reduce our stockholders' overall return.

In order to qualify as a REIT, we must distribute annually to our stockholders at least 90% of our REIT taxable income (which does not equal net income as calculated in accordance with GAAP), determined without regard to the deduction for dividends paid and excluding any net capital gain. We will be subject to U.S. federal income tax on our undistributed taxable income and net capital gain and to a 4% nondeductible excise tax on any amount by which dividends we pay with respect to any calendar year are less than the sum of (i) 85% of our ordinary income, (ii) 95% of our capital gain net income and (iii) 100% of our undistributed income from prior years.

Further, to maintain our qualification as a REIT, we must ensure that we meet the REIT gross income tests annually and that at the end of each calendar quarter, at least 75% of the value of our assets consists of cash, cash items, government securities and qualified REIT real estate assets, including certain mortgage loans and certain kinds of mortgage-related securities. The remainder of our investment in securities (other than government securities, qualified real estate assets and stock of a TRS) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5% of the value of our assets (other than government securities, qualified real estate assets and stock of a TRS) can consist of the securities of any one issuer, no more than 20% of the value of our total assets can be represented by securities of one or more TRSs and no more than 25% of the value of our total assets can be represented by certain debt securities of publicly offered REITs. If we fail to comply with these requirements at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences.

The foregoing requirements could cause us to distribute amounts that otherwise would be spent on deploying capital in real estate assets and it is possible that we might be required to borrow funds, possibly at unfavorable rates, or sell assets to fund these dividends or make taxable stock dividends. Although we intend to make distributions sufficient to meet the annual distribution requirements and to avoid U.S. federal income and excise taxes on our earnings, it is possible that we might not always be able to do so.

Non-U.S. stockholders may be subject to U.S. federal withholding tax and may be subject to U.S. federal income tax upon the disposition of our shares.

Gain recognized by a non-U.S. stockholder upon the sale or exchange of shares of our capital stock generally will not be subject to U.S. federal income taxation unless such stock constitutes a "U.S. real property interest" ("USRPI") under the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA"). Shares of our capital stock will not constitute a USRPI so long as we are a "domestically-controlled qualified investment entity." A domestically-controlled qualified investment entity includes a REIT if at all times during a specified testing period, less than 50% in value of such REIT's stock is held directly or indirectly by non-U.S. stockholders. We believe that we are a domestically-controlled qualified investment entity. However, because our capital stock is and will be freely transferable (other than restrictions on ownership and transfer that are intended to, among other purposes, assist us in maintaining our qualification as a REIT for federal income tax purposes as described in the

risk factor "The share transfer and ownership restrictions applicable to REITs and contained in our charter may inhibit market activity in our shares of stock and restrict our business combination opportunities"), no assurance can be given that we are or will be a domestically-controlled qualified investment entity.

Even if we do not qualify as a domestically-controlled qualified investment entity at the time a non-U.S. stockholder sells or exchanges shares of our capital stock, gain arising from such a sale or exchange would not be subject to U.S. taxation under FIRPTA as a sale of a USRPI if: (i) the class of shares of capital stock sold or exchanged is "regularly traded," as defined by applicable U.S. Treasury regulations, on an established securities market, and (ii) such non-U.S. stockholder owned, actually or constructively, 10% or less of the outstanding shares of such class of capital stock at all times during the shorter of the five-year period ending on the date of the sale and the period that such non-U.S. stockholder owned such shares. If the class of shares of capital stock sold or exchanged is not "regularly traded," gain arising from such sale or exchange would not be subject to U.S. taxation under FIRPTA as a sale of a USRPI if: (A) on the date the shares were acquired by the non-U.S. stockholder, such shares did not have a fair market value greater than the fair market value on that date of 5% of the "regularly traded" class of our outstanding shares of capital stock with the lowest fair market value, and (B) the test in clause (A) is also satisfied as of the date of any subsequent acquisition by such non-U.S. stockholder of additional shares of the same non-"regularly traded" class of our capital stock, including all such shares owned as of such date by such non-U.S. stockholder. Complex constructive ownership rules apply for purposes of determining the amount of shares held by a non-U.S. stockholder for these purposes.

Complying with REIT requirements may limit our ability to hedge our liabilities effectively and may cause us to incur tax liabilities.

The REIT provisions of the Code may limit our ability to hedge our liabilities. Any income from a hedging transaction we enter into to manage risk of interest rate changes, price changes or currency fluctuations with respect to borrowings made or to be made to acquire or carry real estate assets or to offset certain other positions, if properly identified under applicable U.S. Treasury regulations, does not constitute "gross income" for purposes of the 75% or 95% gross income tests. To the extent that we enter into other types of hedging transactions, the income from those transactions will likely be treated as non-qualifying income for purposes of one or both of the gross income tests. As a result of these rules, we may need to limit our use of advantageous hedging techniques or implement those hedges through a TRS. This could increase the cost of our hedging activities because our TRSs would be subject to tax on gains or expose us to greater risks associated with changes in interest rates than we would otherwise want to bear. In addition, losses in a TRS generally will not provide any tax benefit, except for being carried forward against future taxable income of such TRS.

Our property taxes could increase due to property tax rate changes or reassessment, which would impact our cash flows.

We will be required to pay some state and local taxes on our properties. The real property taxes on our properties may increase as property tax rates change or as our properties are assessed or reassessed by taxing authorities. Therefore, the amount of property taxes we pay in the future may increase substantially. If the property taxes we pay increase and if any such increase is not reimbursable under the terms of our lease, then our cash flows will be impacted, which in turn could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

REIT stockholders can receive taxable income without cash distributions.

Under certain circumstances, REITs are permitted to pay required dividends in shares of their stock rather than in cash. If we were to avail ourselves of that option, our stockholders could be required to pay taxes on such stock distributions without the benefit of cash distributions to pay the resulting taxes.

The share transfer and ownership restrictions applicable to REITs and contained in our charter may inhibit market activity in our shares of stock and restrict our business combination opportunities.

In order to continue to qualify as a REIT, five or fewer individuals, as defined in the Code, may not own, actually or constructively, more than 50% in value of our issued and outstanding shares of stock at any time during the last half of each taxable year, other than the first year for which a REIT election is made. Attribution rules in the Code determine if any individual or entity actually or constructively owns our shares of stock under this requirement. Additionally, at least 100 persons must beneficially own our shares of stock during at least 335 days of a taxable year for each taxable year, other than the first year for which a REIT election is made. To help ensure that we meet these tests, among other purposes, our charter restricts the acquisition and ownership of our shares of stock.

Our charter, with certain exceptions, authorizes our directors to take such actions as are necessary and advisable to preserve our qualification as a REIT. Unless exempted by the Board of Directors, for as long as we continue to qualify as a REIT, our charter prohibits, among other limitations on ownership and transfer of shares of our stock, any person from

beneficially or constructively owning (applying certain attribution rules under the Code) more than 6.25% (in value or in number of shares, whichever is more restrictive) of the aggregate of our outstanding shares of capital stock and more than 6.25% (in value or in number of shares, whichever is more restrictive) of our Common Stock. The Board of Directors, in its sole discretion and upon receipt of certain representations and undertakings, may exempt a person (prospectively or retrospectively) from the ownership limits. However, the Board of Directors may not, among other limitations, grant an exemption from these ownership restrictions to any proposed transferee whose ownership, direct or indirect, in excess of the 6.25% ownership limit would result in the termination of our qualification as a REIT. These restrictions on transfer and ownership will not apply, however, if the Board of Directors determines that it is no longer in our best interest to continue to qualify as a REIT or that compliance with the restrictions is no longer required in order for us to continue to so qualify as a REIT.

These ownership limits could delay or prevent a transaction or a change in control that might involve a premium price for our capital stock or otherwise be in the best interest of our stockholders.

Risks Related to Our Common Stock and Preferred Stock

There is no public market for our Preferred Stock, and we do not expect any such market to develop.

There is no public market for our Preferred Stock, and we currently have no plan to list any of these securities on a securities exchange or to include any of these shares for quotation on any national securities market. Additionally, our charter contains restrictions on the ownership and transfer of our securities, and these restrictions may inhibit your ability to sell our Preferred Stock promptly or at all. If you are able to sell shares of our Preferred Stock, you may only be able to sell them at a substantial discount from the price you paid. Therefore, you should purchase our Preferred Stock only as a long term investment.

None of our Preferred Stock has been rated.

We have not obtained, and currently do not intend to obtain, a rating for the Series A1 Preferred Stock, Series A Preferred Stock or Series D Preferred Stock, and it is likely that none of such Preferred Stock will ever be rated. No assurance can be given, however, that one or more rating agencies will not independently determine to issue such a rating or that we will not elect in the future to obtain such a rating. Such a rating, if issued, may adversely affect the market price and/or liquidity of our Preferred Stock. Ratings only reflect the views of the rating agency or agencies issuing the ratings and such ratings could be revised downward, placed on negative outlook or withdrawn entirely at the discretion of the issuing rating agency if, in its judgment, circumstances so warrant. While ratings do not reflect market prices or the suitability of a security for a particular investor, such downward revision or withdrawal of a rating could have an adverse effect on the market price and/or liquidity of our Preferred Stock.

We may issue shares of our Common Stock at prices below the then-current NAV per share of our Common Stock, which could materially reduce our NAV per share of our Common Stock.

Any sale or other issuance of shares of our Common Stock by us at a price below the then-current NAV per share will result in an immediate reduction of our NAV per share. This reduction would occur as a result of a proportionately greater decrease in a stockholder’s interest in our earnings and assets than the increase in our assets resulting from such issuance. For example, if we issue a number of shares of Common Stock equal to 5% of our then-outstanding shares at a 2% discount from NAV, a holder of our Common Stock who does not participate in that offering to the extent of its proportionate interest in the Company will suffer NAV dilution of up to 0.1%, or $1 per $1,000 of NAV. Currently, the trading price of our Common Stock is substantially below our NAV.

Changes in market conditions could adversely affect the market prices of our Common Stock.

The market value of our Common Stock, as with other publicly traded equity securities, will depend on various market conditions, which may change from time to time. In addition to the economic environment and future volatility in the securities and credit markets in general, the market conditions described in the risk factor “We intend to rely in part on external sources of capital to fund future capital needs and, if we encounter difficulty in obtaining such capital, we may not be able to meet maturing obligations or make additional acquisitions” may affect the value of our Common Stock.

The market value of our Common Stock is based, among other things, upon the market’s perception of our growth potential and our current and potential future earnings and cash dividends and our capital structure. Consequently, our Common Stock may trade at prices that are higher or lower than our NAV per share of Common Stock. If our future earnings or cash distributions are less than expected, the market prices of our Common Stock could decline.

Interest rates may remain high in 2024 relative to historical levels, which may result in a decline in the market price of our Common Stock. We believe that one of the factors that will influence the market price of our Common Stock will be the distribution yield on the Common Stock (as a percentage of the market price of our Common Stock) relative to market interest rates.

A high interest rate environment may lead potential purchasers of our Common Stock to seek a higher annual dividend rate from other investments. Potential purchasers of our Common Stock may expect a higher distribution rate on their investment. Higher market interest rates would not, however, result in more funds for us to pay distributions and, to the contrary, would likely increase our borrowing costs and potentially decrease funds available for distributions. Thus, higher market interest rates could cause the market price of our Common Stock to decline.

Our Common Stock ranks, with respect to dividends, junior to our Preferred Stock.

The rights of the holders of shares of our Common Stock to receive dividends rank junior to those of the holders of shares of our Preferred Stock.

Unless full cumulative dividends on shares of our Preferred Stock for all past dividend periods have been declared and paid (or set apart for payment), we will not declare or pay dividends with respect to any shares of our Common Stock for any period.

Our Common Stock ranks, with respect to rights upon liquidation, dissolution or winding-up of the Company, junior to our Preferred Stock.

Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, the holders of shares of Preferred Stock are entitled to receive a liquidation preference equal to the applicable stated values of such shares, plus all accrued but unpaid dividends on such shares, prior and in preference to any distribution on our Common Stock. The stated value of the Series A Preferred Stock is $25.00 per share, subject to adjustment (the “Series A Preferred Stock Stated Value”), the stated value of the Series A1 Preferred Stock is $25.00 per share, subject to adjustment (the “Series A1 Preferred Stock Stated Value”) and the stated value of the Series D Preferred Stock is $25.00 per share, subject to adjustment (the “Series D Preferred Stock Stated Value”).

Holders of our securities may be required to recognize taxable income in excess of any cash or other distributions received from us, and non-U.S. stockholders could be subject to withholding tax on such amounts.

The agreement governing our warrants to purchase 0.25 shares of Common Stock, subject to adjustment upon the occurrence of certain events specified in such agreement (“Series A Preferred Warrants”), provides that adjustments may be made to the exercise price or the number of shares of Common Stock issuable upon exercise of the Series A Preferred Warrants. In certain cases, such an adjustment could result in the recognition of a taxable dividend to holders of Common Stock, Series A Preferred Stock or Series A Preferred Warrants even if such holders do not receive any cash or other distribution from us.

The redemption price of shares of Preferred Stock may be paid, in our sole discretion in cash or in shares of Common Stock, which ranks junior to our Preferred Stock.

We have the right, at our option and in our sole discretion, to pay the redemption price of shares of Preferred Stock, whether redeemed at our option or at the option of a holder, in cash or in shares of Common Stock. The redemption price of shares of our Preferred Stock may be paid, in our sole discretion, in cash in U.S. dollars (“USD”) or in equal value through the issuance of shares of Common Stock, based on the volume-weighted average price of our Common Stock for the 20 trading days prior to the redemption.

The rights of the holders of shares of our Common Stock as to distributions rank junior to the rights of the holders of shares of our Preferred Stock. Unless full cumulative dividends on shares of our Preferred Stock for all past dividend periods have been declared and paid (or set apart for payment), we will not declare or pay dividends with respect to any shares of our Common Stock for any period.

The rights of the holders of shares of our Common Stock upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company also rank junior to the rights of the holders of our Preferred Stock.

We have the option to redeem shares of Preferred Stock under certain circumstances without the consent of their holders.

From and after the fifth anniversary of the date of original issuance of any share of our Preferred Stock, we have the right (but not the obligation) to redeem such share at a redemption price equal to 100% of the stated value of such share, plus any accrued but unpaid dividends in respect of such share as of the effective date of the redemption.

We may suffer from delays in deploying capital, which could adversely affect our ability to pay distributions on our Common Stock and Preferred Stock and the value of our securities.

We could suffer from delays in deploying capital, particularly if the capital we raise (including in our current equity offering described in "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Sources and Uses of Funds") outpaces our Operator's ability to identify acquisitions and or close on them. Such delays, which may be caused by a number of factors, including competition in the market for the same real estate opportunities, may adversely affect our ability to pay distributions on our Common Stock or Preferred Stock and/or the value of their overall returns on investment in our securities.

The cash distributions received by holders of our Preferred Stock and Common Stock may be less frequent or lower in amount than expected by such holders.

Our Board of Directors will determine the amount and timing of distributions on our Preferred Stock and Common Stock. In making this determination, our Board of Directors will consider all relevant factors, including the amount of cash resources available for distributions, capital spending plans, cash flow, financial position, applicable requirements of the MGCL and any applicable contractual restrictions. We cannot assure you that we will be able to consistently generate sufficient available cash flow to fund distributions on our Preferred Stock and Common Stock, nor can we assure you that sufficient cash will be available to make distributions on our Preferred Stock and Common Stock (in each case, even to the extent of the Initial Dividend). While holders of Preferred Stock are entitled to receive, if, as and when authorized by our Board of Directors and declared by us out of legally available funds, cumulative cash dividends on each share of Preferred Stock at a specified rate, we cannot predict with certainty the timing of the payment of such distributions and we may be unable to pay or maintain such distributions over time.

Our ability to redeem shares of our Preferred Stock, or to pay distributions on our Preferred Stock and Common Stock, may be limited by Maryland law.

Under applicable Maryland law, a corporation may redeem, or pay distributions on, stock as long as, after giving effect to the redemption or distribution, the corporation is able to pay its debts as they become due in the usual course (the equity solvency test) and its total assets exceed the sum of its total liabilities plus, unless its charter permits otherwise, the amount that would be needed, if the corporation were to be dissolved at the time of the redemption or distribution, to satisfy the preferential rights upon dissolution of stockholders when preferential rights on dissolution are superior to those whose stock is being redeemed or on which the distributions are being paid (the balance sheet solvency test). If the Company is insolvent at any time we are required to redeem any shares of our Preferred Stock, or at any time we are required to make a distribution on our Preferred Stock or Common Stock, the Company may not be able to effect such redemption or distribution.

Holders of our securities are subject to inflation risk.

Inflation is the reduction in the purchasing power of money resulting from the increase in the price of goods and services. Inflation risk is the risk that the inflation-adjusted, or "real," value of an investment in our Common Stock and Preferred Stock, or the income from that investment, will be worth less in the future. As discussed under "Inflation may adversely affect our Real Estate Operations," the United States is currently experiencing a high level of inflation. As inflation occurs, the real value of our Common Stock and Preferred Stock and distributions payable on such shares may decline because the rate of distribution will remain the same (with respect to our Preferred Stock) or may not rise with the pace of inflation (with respect to our Common Stock).

The transfer and ownership restrictions applicable to our securities may impair the ability of stockholders to receive shares of our Common Stock upon exercise of the Series A Preferred Warrants and, if the Company elects to pay the redemption price in shares of Common Stock, upon redemption of the Preferred Stock.

Our charter contains restrictions on ownership and transfer of the Preferred Stock and Common Stock that are intended to assist us in maintaining our qualification as a REIT for federal income tax purposes as described in the risk factor "The share transfer and ownership restrictions applicable to REITs and contained in our charter may inhibit market activity in our shares of stock and restrict our business combination opportunities." Additionally, the agreement governing the Series A Preferred Warrants provides that such Series A Preferred Warrants may not be exercised to the extent such exercise would result in the holder's beneficial or constructive ownership of more than 6.25%, in number or value, whichever is more restrictive, of our outstanding shares of Common Stock immediately after giving effect to the issuance of such shares. These restrictions may impair the ability of stockholders to receive shares of our Common Stock upon exercise of the Series A Preferred Warrants and, if the Company elects to pay the redemption price in shares of Common Stock, upon redemption of the Preferred Stock.

The terms of our Preferred Stock do not contain any financial covenants.

The terms of our Preferred Stock do not limit our ability to incur indebtedness or make distributions or contain any other restrictive financial covenants. The Preferred Stock ranks subordinate to all of our existing and future debt and liabilities. Our future debt agreements may restrict our ability to pay distributions on our Preferred Stock or to redeem shares of preferred stock in the event of a default under such debt agreements or in other circumstances. In addition, while our Preferred Stock ranks senior to our Common Stock with respect to payment of dividends and distributions upon liquidation, dissolution or winding-up, we are allowed to pay dividends on our Common Stock so long as we are current in the payment of dividends on shares of our Preferred Stock. Further, the terms of our Preferred Stock do not restrict our ability to repurchase shares of our Common Stock so long as we are current in the payment of dividends on shares of our Preferred Stock. Such dividends on or repurchases of our Common Stock may reduce the amount of cash on hand to pay the redemption price of our Preferred Stock in cash (if we so choose).

Holders of our Preferred Stock have no voting rights with respect to such shares.

The terms of our Preferred Stock do not entitle holders to voting rights. Our Common Stock is currently the only class of our capital stock that carries any voting rights. Unless and until a holder of our Preferred Stock acquires shares of Common Stock upon the redemption of such shares, such holder will have no rights with respect to the shares of our Common Stock issuable upon redemption of our Preferred Stock. If, at our discretion, a holder of our Preferred Stock is issued shares of our Common Stock upon redemption, such holder will be entitled to exercise the rights of holders of our Common Stock only as to matters for which the record date occurs after the effective date of redemption.

A stockholder's ownership percentage in the Company may become diluted if we issue new shares of Common Stock or other securities, and issuances of additional preferred stock or other securities by us may further subordinate the rights of the holders of our Preferred Stock or Common Stock (which holders of Preferred Stock may become upon receipt of redemption payments in shares of Common Stock). Additionally, future issuances of Common Stock, including shares issued in exchange for consideration, upon redemption of Preferred Stock or upon exercise of any Series A Preferred Warrants, may cause the market price of our Common Stock to drop significantly, even if our business is doing well.

Our Board of Directors is authorized, without stockholder approval, to cause us to issue additional shares of Common Stock or to raise capital through the issuance of shares of preferred stock and equity or debt securities convertible into Common Stock, preferred stock, options, warrants and other rights, on such terms and for such consideration as our Board of Directors in its sole discretion may determine. Any such issuance could result in dilution of the equity of our stockholders. In addition, our Board of Directors may, in its sole discretion, authorize us to issue Common Stock or other equity or debt securities to persons from whom we purchase properties, as part or all of the purchase price of the property, or from whom we receive services (including the Operator or the Administrator), as part or all of the payment for such services. Our Board of Directors, in its sole discretion, may determine the price of any Common Stock or other equity or debt securities issued in consideration of such properties or services provided, or to be provided, to us.

We may make redemption payments under the terms of our Preferred Stock in shares of our Common Stock. Although the dollar amounts of such payments are unknown, the number of shares of our Common Stock to be issued in connection with such payments may fluctuate based on the price of our Common Stock. Any sales or perceived sales in the public market of shares of our Common Stock issuable upon such redemption payments could adversely affect prevailing market prices of shares of our Common Stock. The existence of our Preferred Stock may encourage short selling by market participants because the possibility that redemption payments will be made in shares of our Common Stock could depress the market price of shares of our Common Stock. Further, any such issuance could result in dilution of the equity of our stockholders.

Our charter also authorizes our Board of Directors, without stockholder approval, to classify or reclassify any unissued shares of Common Stock and preferred stock into other classes or series of stock and to amend our charter to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that the Company has authority to issue. Our Board of Directors may, without stockholder approval, designate and issue one or more classes or series of preferred stock in addition to our Preferred Stock and equity or debt securities convertible into preferred stock and to set the voting powers, conversion or other rights, preferences, restrictions, limitations as to dividends or other distributions and qualifications or terms or conditions of redemption of each class or series of shares so issued. If any additional preferred stock is publicly offered, the terms and conditions of such preferred stock (or other equity or debt securities convertible into preferred stock) will be set forth in a registration statement registering the issuance of such preferred stock or equity or debt securities convertible into preferred stock. Because our Board of Directors has the power to establish the preferences and rights of each class or series of preferred stock, it may afford the holders of any class or series of preferred stock preferences, powers, and rights senior to the rights of holders of our Preferred Stock or Common Stock. If we ever create and issue additional preferred stock or equity or debt securities convertible into preferred stock with a distribution preference over our Preferred Stock or

Common Stock, payment of any distribution preferences of such new outstanding preferred stock would reduce the amount of funds available for the payment of distributions on our Preferred Stock and Common Stock, as applicable. Further, holders of preferred stock are normally entitled to receive a preference payment if we liquidate, dissolve, or wind up before any payment is made to the holders of our Common Stock, likely reducing the amount the holders of our Common Stock would otherwise receive upon such an occurrence. In addition, under certain circumstances, the issuance of additional preferred stock may delay, prevent, render more difficult or tend to discourage, a merger, tender offer, or proxy contest, the assumption of control by a holder of a large block of our securities, or the removal of incumbent management.

No stockholders have rights to buy additional shares of stock or other securities if we issue new shares of stock or other securities. We may issue Common Stock, convertible debt or preferred stock pursuant to subsequent public offerings or private placements. Investors in our Common Stock who do not participate in any future stock issuances will experience dilution in the percentage of the issued and outstanding stock they own. In addition, depending on the terms and pricing of any future offerings and the value of our assets, such investors may experience dilution in the book value and fair market value of, and the amount of distributions paid on, their shares of Common Stock, if any.

The listing of our Common Stock on more than one stock exchange may result in price variations that could adversely affect liquidity of the market for our Common Stock.

Our Common Stock is listed on Nasdaq and the TASE. The dual-listing of our Common Stock may result in price variations of our securities between the two exchanges due to a number of factors. First, trading in our securities on these markets takes place in different currencies (USD on Nasdaq and ILS on the TASE). In addition, the exchanges are open for trade at different times of the day and on different days. For example, Nasdaq opens generally during U.S. business hours, Monday through Friday, while the TASE opens generally during Israeli business hours, Sunday through Thursday. The two exchanges also observe different public holidays. Differences in the trading schedules, as well as volatility in the exchange rate of the two currencies, among other factors, may result in different trading prices for our Common Stock on the two exchanges. Any decrease in the trading price of our Common Stock in one market could cause a decrease in the trading price of such security on the other market.

The dual-listing may adversely affect liquidity and trading prices for our Common Stock on one or both of the exchanges as a result of circumstances that may be outside of our control. For example, transfers by holders of our securities from trading on one exchange to the other could result in increases or decreases in liquidity and/or trading prices on either or both of the exchanges. In addition, holders could seek to sell or buy our Common Stock to take advantage of any price differences between the two markets through a practice referred to as arbitrage. Any arbitrage activity could create unexpected volatility in both the prices of and volumes of our Common Stock available for trading on either exchange.

The existing mechanism for the dual-listing of securities on Nasdaq and the TASE may be eliminated or otherwise altered such that we may be subject to additional regulatory burden and additional costs.

The existing Israeli regulatory regime provides a mechanism for the dual-listing of securities traded on Nasdaq and the TASE that does not impose any significant regulatory burden or significant costs on us. If this dual-listing regime is eliminated or otherwise altered such that we are unable or unwilling to comply with the regulatory requirements, we may incur additional costs and we may consider delisting of our Common Stock from the TASE.

Our NAV is an estimate of the fair value of our assets and may not necessarily reflect realizable value.

The determination of estimated NAV involves a number of subjective assumptions, estimates and judgments that may not be accurate or complete. Neither the Financial Industry Regulatory Authority nor the SEC provides rules on the methodology we must use to determine our estimated NAV per share. We believe there is no established practice among public REITs for calculating estimated NAV. Different firms using different property-specific, general real estate, capital markets, economic and other assumptions, estimates and judgments could derive an estimated NAV that is significantly different from our estimated NAV.

Our estimated NAV, as determined by us from time to time, is calculated by relying in part on appraisals of our real estate assets and the assets of our lending segment. However, valuations of these assets do not necessarily represent the price at which a willing buyer would purchase such assets; therefore, there can be no assurance that we would realize the values underlying our estimated NAVs if we were to sell our assets and distribute the net proceeds to our stockholders. The values of our assets and liabilities, and therefore our NAV, are likely to fluctuate over time based on changes in value, investment activities, capital activities, indebtedness levels, and other various activities.

General Risk Factors

We may be unable to pay or maintain cash distributions or increase distributions to stockholders over time.

Several factors may affect the availability and timing of cash distributions on our Common Stock or Preferred Stock. Distributions are based primarily on anticipated cash flow from operations over time. The amount of cash available for distributions is affected by many factors, including the performance of our existing assets, including the selection of tenants and the amount of rental income, our operating expense levels, opportunities for acquisition identified by our Operator, the availability of financing arrangements as well as many other variables. We may not always be in a position to pay distributions on our Common Stock or Preferred Stock and the amount of any distributions we do make may not increase over time. In addition, our actual results may differ significantly from the assumptions used by our Board of Directors in establishing our distribution policy. There also is a risk that we may not have sufficient cash flow from operations to fund distributions required to qualify as a REIT or maintain our REIT status.

We have paid, and may in the future pay, some or all of our distributions on our Common Stock or Preferred Stock from sources other than cash flow from operations, including borrowings, proceeds from asset sales or the sale of our securities, which may reduce the amount of capital we ultimately deploy in our real estate operations and may negatively impact the value of our Common Stock.

To the extent that cash flow from operations has been or is insufficient to fully cover our distributions on our Common Stock or Preferred Stock, we have paid, and may in the future pay, some or all of our distributions from sources other than cash flow from operations. Such sources may include borrowings, proceeds from asset sales or the sale of our securities. We have no limits on the amounts we may use to pay distributions from sources other than cash flow from operations. The payment of distributions from sources other than cash provided by operating activities may reduce the amount of proceeds available for acquisitions and operations or cause us to incur additional interest expense as a result of borrowed funds. This may negatively impact the market price of our Common Stock.

Distributions at any point in time may not reflect the current performance of our properties or our current operating cash flow.

We may make distributions from any source, including the sources described in the risk factor above. Because the amount we pay in distributions may exceed our earnings and our cash flow from operations, distributions may not reflect the current performance of our properties or our current operating cash flow.

Changes in accounting standards may adversely impact our financial condition and/or results of operations.

We are subject to the rules and regulations of the U.S. Financial Accounting Standards Board (the "FASB") related to generally accepted accounting principles in the United States ("GAAP"). Various changes to GAAP are constantly being considered, some of which could materially impact our reported financial condition and/or results of operations. Also, to the extent publicly traded companies in the United States would be required in the future to prepare financial statements in accordance with International Financial Reporting Standards instead of the current GAAP, this change in accounting standards could materially affect our financial condition or results of operations.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

The Company's Cybersecurity Risk Management Approach

The Company utilizes and relies on CIM Group for its IT and IT administration. CIM Group's cybersecurity strategy prioritizes detection, analysis and response to known, anticipated or unexpected threats, effective management of security risks and resiliency against incidents. CIM Group's cybersecurity risk management policies and procedures include, among other things: enterprise-wide hardware and software management and security controls; employee training; security assessments; penetration testing; security audits and ongoing risk assessments; due diligence on, and monitoring and oversight of, key third-party providers; vulnerability management; and management oversight to assess, identify and manage material risks from cybersecurity threats. CIM Group's controls leverage the National Institute of Standards and Technology Cybersecurity

Framework. CIM Group also utilizes industry and government associations, the results from regular internal and third-party audits and other similar resources to inform its cybersecurity processes and to allocate resources.

In addition, all employees of the Company and CIM Group receive mandatory training on cybersecurity matters upon hiring and annually thereafter, periodic training and information updates that address new cybersecurity threats and trends, and quarterly "phishing" and social engineering testing to evaluate the effectiveness of the cybersecurity training program and raise employee awareness of cybersecurity threats.

In 2023, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, despite our efforts, we cannot eliminate all risks from cybersecurity threats, or provide assurances that we have not experienced undetected cybersecurity incidents.

For further discussion of cybersecurity risks, see ***"Item 1A. Risk Factors—Cybersecurity risks and cybersecurity incidents may adversely affect our business by causing a disruption to our operations, a compromise or corruption of our confidential information, and/or damage to our business relationships, all of which could negatively impact our financial results."***

Management Oversight of Cybersecurity Risk Management

CIM Group's internal processes require escalation of material cybersecurity risks to its management and its Cybersecurity Committee (the "Committee") for evaluation. The Committee consists of CIM Group's Chief Technology Officer (the "CTO"), CIM Group's Chief Compliance Officer (the "CCO") and representatives from CIM Group's operations, compliance and accounting departments. The Committee is responsible for CIM Group's cybersecurity policy and overseeing the activities of CIM Group's cybersecurity practices, including assessing CIM Group's risks and controls. The Committee is chaired by the CTO and has more than 30 years of experience in the fields of information technology, cybersecurity and adjacent roles, including serving on cybersecurity advisory councils. In addition, members of the Committee has relevant industry experience in enterprise risk management and compliance. The team responsible for developing and implementing our cybersecurity program collectively holds an MS in Cybersecurity and Information Assurance and have multiple cybersecurity certifications, including CRISC, CISM, CISA, NCSP-NIST, CISSP, CASP+, CySA+ and Security+.

The Committee has established a Cybersecurity Subcomittee (the "Subcommittee"). The Subcommittee consists of, among other individuals, the CCO, the CTO, the chief financial officers of public companies that are subject to the SEC's cybersecurity rule adopted in 2023 and are managed by CIM Group, including our Chief Financial Officer. The Subcommittee is tasked with assisting CIM Group-managed public companies (that are subject to the SEC's cybersecurity rules adopted in 2023), including us, in complying with such cybersecurity rules.

The Committee and Subcommittee each conduct both regular quarterly and as-needed meetings throughout the year during which members of the CIM Group's IT Department provide updates and report on meaningful cybersecurity risks, threats, incidents and vulnerabilities in accordance with the Committee's and the Subcommittee's respective reporting frameworks, as well as related priorities, mitigation and remediation activities, financial and employee resource levels, regulatory compliance, technology trends and third-party provider risks. To help inform this reporting framework, CIM Group maintains incident response plans and other policies and procedures designed to respond to, mitigate and remediate cybersecurity incidents based on the potential impact to CIM Group's business, IT systems, network or data, including data held by third parties, or to the IT or other critical services provided by third-party vendors and service providers.

CIM Group's personnel responsible for cybersecurity policy comprises of individuals with either formal education and degrees in IT or cybersecurity, or with experience working in IT and cybersecurity, including relevant industry experience in security related industries.

We believe that the processes, policies and procedures established by the Committee and the Subcommittee provide guidance for consistent and effective incident handling and response and set standards for internal notifications and escalations, as well as external notification considerations with respect to a cybersecurity event or incident requiring disclosure or notification in accordance with applicable laws.

Board of Directors Oversight of Cybersecurity Risk Management

The Audit Committee of our Board of Directors has oversight of our cybersecurity risks. The Audit Committee receives quarterly updates from CIM Group with respect to the effectiveness of its cyber readiness and cybersecurity program. This oversight includes briefing and a report by the CTO or CIM Group's Head of Operations, as well as a discussion of any cybersecurity breaches detected by CIM Group and a summary of, among other things, the current cybersecurity threat landscape, defensibility measures implemented by CIM Group, the health of CIM Group's information security system,

effectiveness of CIM Group's cybersecurity controls and recoverability and business continuity testing. Pursuant to the Company's cybersecurity policy, the Audit Committee will be promptly notified of any material cybersecurity incident required to be disclosed under Item 1.05 on a Current Report on Form 8-K and shall oversee the Company's response to such matter.

Item 2. Properties

As of December 31, 2023, our real estate portfolio consisted of 27 assets, all of which were fee-simple properties and five of which we own through investments in Unconsolidated Joint Ventures. Our Unconsolidated Joint Ventures contain two office properties (one of which is being partially converted into multifamily units), one multifamily site currently under development, one multifamily property and one commercial development site. As of December 31, 2023, our 13 office properties, totaling approximately 1.3 million rentable square feet, were 83.8% occupied, and our one hotel with an ancillary parking garage, which has a total of 503 rooms, had RevPAR of $145.80 for the year ended December 31, 2023, and our three multifamily properties were 79.3% occupied. Additionally, as of December 31, 2023, we had nine development sites (three of which were being used as parking lots).

Office Portfolio Detail by Classification, Address, Market, and Submarket as of December 31, 2023

Classification / Market / Address	Sub-Market	Rentable Square Feet	% Occupied	% Leased [1]	Annualized Rent (in thousands)	Annualized Rent Per Occupied Square Foot
Consolidated Office Portfolio						
Oakland, CA						
1 Kaiser Plaza	Lake Merritt	537,339	83.2 %	83.2 %	$ 23,068	$ 51.59
San Francisco, CA						
1130 Howard Street	South of Market	21,194	61.1 %	61.1 %	1,235	95.41
Los Angeles, CA						
11620 Wilshire Boulevard	West Los Angeles	196,928	78.8 %	79.9 %	7,854	50.61
11600 Wilshire Boulevard	West Los Angeles	56,881	88.1 %	88.1 %	3,058	61.02
9460 Wilshire Boulevard	Beverly Hills	97,655	93.7 %	93.7 %	10,093	110.33
8944 Lindblade Street [2]	West Los Angeles	7,980	100.0 %	100.0 %	550	68.92
8960 & 8966 Washington Boulevard [2]	West Los Angeles	24,448	100.0 %	100.0 %	1,480	60.54
1037 N Sycamore Avenue	Hollywood	5,031	100.0 %	100.0 %	293	58.24
Austin, TX						
3601 S Congress Avenue [3]	South	228,545	80.6 %	82.0 %	9,196	49.92
1021 E 7th Street [4]	East	11,180	100.0 %	100.0 %	602	53.85
1007 E 7th Street [5]	East	1,352	100.0 %	100.0 %	69	51.04
Total Consolidated Office Portfolio		**1,188,533**	**83.4 %**	**83.8 %**	**57,498**	**58.01**
Unconsolidated Office Portfolio						
Los Angeles, CA						
4750 Wilshire Boulevard - 20% [6]	Mid-Wilshire	30,335	100.0 %	100.0 %	1,619	53.37
1910 Sunset Boulevard - 44% [7]	Echo Park	107,524	83.4 %	86.1 %	4,407	49.13
Total Unconsolidated Office Portfolio		**137,859**	**87.1 %**	**89.2 %**	**6,026**	**50.19**
Total Office Portfolio		**1,326,392**	**83.8 %**	**84.4 %**	**63,524**	**57.17**
Total Office Portfolio - CMCT Share of Annualized Rent					**59,768**	
Development Pipeline Properties						
Oakland, CA						
2 Kaiser Plaza [8]	Lake Merritt	N/A	N/A	N/A	N/A	N/A
Los Angeles, CA						
4750 Wilshire Boulevard (Backlot) [9]	Mid-Wilshire	N/A	N/A	N/A	N/A	N/A
1015 Mansfield - 29% [10]	Hollywood	N/A	N/A	N/A	N/A	N/A
Total Development Pipeline Properties		**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Total Office and Development Portfolio		**1,326,392**	**83.8 %**	**84.4 %**	**$ 63,524**	**$ 57.17**

(1) Based on leases signed as of December 31, 2023.

(2) The three buildings making up 8960 & 8966 Washington Boulevard and 8944 Lindblade Street were formerly known as Lindblade Media Center.

(3) 3601 S Congress Avenue consists of twelve buildings. The Company is evaluating different development options including multifamily development.

(4) The Company is evaluating different development options including multifamily development.

(5) The property is located on a land site of approximately 7,450 square feet. The Company intends to complete pre-development and entitlement work to provide optionality for future multifamily development.

(6) In connection with the 4750 Wilshire Project (as defined below), the Company is no longer classifying approximately 110,000 square feet of vacant space at its property at 4750 Wilshire Boulevard in Los Angeles, California as rentable office square footage as of December 31, 2023. We sold 80% of our interest in 4750 Wilshire Boulevard to three co-investors (the "4750 Wilshire JV Partners") in February 2023 with our remaining 20% interest now invested in a newly-formed joint venture with the JV Partners. The 4750 Wilshire Project is in the process of converting two out of the building's three floors into 68 for-lease multifamily units.

(7) CMCT and a CIM-managed separate account purchased the property in February 2022 through a joint venture. CMCT owns approximately 44% of the property. The amounts shown in the table represent 100% of the property.

(8) 2 Kaiser Plaza Parking Lot is a 44,642 square foot parcel of land currently being used as a surface parking lot. We are entitled to develop an office building with a maximum of 800,000 rentable square feet. Alternatively, we are also evaluating a multifamily development.

(9) The Company owns 100% of the 4750 Wilshire Boulevard backlot land parcel. The site is being evaluated for potential multifamily development and currently is being utilized as a surface parking lot.

(10) The Company owns approximately 29% of the property. The amounts shown in the table represent 100% of the property. The property has a site area of approximately 44,141 square feet and currently contains a parking garage which is being leased to a third party. The site is being evaluated for different development options, including creative office space or other commercial space.

Classification / Market / Address	Sub-Market	Units	% Occupied	Annualized Rent (in thousands)	Monthly Rent Per Occupied Unit [1]
Consolidated Multifamily Portfolio					
Oakland, CA					
Channel House	Jack London District	333	71.8 %	$ 9,192	$ 3,205
1150 Clay	Downtown	288	85.4 %	$ 7,980	$ 2,703
Total Consolidated Multifamily Portfolio		**621**	**78.1 %**	**$ 17,172**	**$ 2,951**
Unconsolidated Multifamily Portfolio					
Los Angeles, CA					
1902 Park Avenue - 50% [2]	Echo Park	75	89.3 %	$ 1,407	$ 1,749
Total Unconsolidated Multifamily Portfolio		**75**	**89.3 %**	**$ 1,407**	**$ 1,749**
Total Multifamily Portfolio		**696**	**79.3 %**	**$ 18,579**	**$ 2,805**
Total Multifamily Portfolio - CMCT Share of Annualized Rent				**17,876**	
Development Pipeline Properties					
Los Angeles, CA					
3101 S. Western Avenue [3]	Jefferson Park	N/A	N/A	N/A	N/A
3022 S. Western Avenue [3]	Jefferson Park	N/A	N/A	N/A	N/A
3109 S. Western Avenue [4]	Jefferson Park	N/A	N/A	N/A	N/A
1915 Park Avenue - 44% [5]	Echo Park	N/A	N/A	N/A	N/A
Oakland, CA					
F3 Land Site [6]	Jack London District	N/A	N/A	N/A	N/A
466 Water Street Land Site [7]	Jack London District	N/A	N/A	N/A	N/A
Total Multifamily and Development Portfolio		**696**	**79.3 %**	**$ 18,579**	**$ 2,805**

(1) Represents gross monthly base rent under leases commenced as of December 31, 2023, divided by occupied units.

(2) The Company owns 50% of the property. The amounts shown in the table represent 100% of the property. The property is a 75-unit four-story building.

(3) The Company intends to develop a total of approximately 160 residential units across both properties.

(4) The Company intends to redevelop approximately seven commercial units totaling 5,635 rentable square feet and six parking stalls starting in 2024.

(5) The Company owns approximately 44% of the property. The 1910 Sunset JV plans to build 36 multifamily units on the 1915 Park Avenue land parcel adjacent to the 1910 Sunset Boulevard office building, for which the 1910 Sunset JV has received all necessary entitlements.

(6) Currently being utilized as a parking lot. The Company is evaluating future development options, including hotel development.

(7) The Company is evaluating the property for potential future multifamily development.

Hotel Portfolio Summary as of December 31, 2023

Property	Market	Rooms	% Occupied [1]	Revenue Per Available Room
Sheraton Grand Hotel [2]	Sacramento, CA	503	75.1 %	$ 145.80
Total Hotel (1 Property)		**503**	**75.1 %**	**$ 145.80**

Other Ancillary Property within Hotel Portfolio

Property	Market	Rentable Square Feet (Retail)	% Occupied (Retail)	% Leased (Retail) [3]	Annualized Rent (Parking and Retail) (in thousands)
Sheraton Grand Hotel Parking Garage & Retail [4]	Sacramento, CA	9,453	69.3 %	69.3 %	$ 567
Total Ancillary Property (1 Property)		**9,453**	**69.3 %**	**69.3 %**	**$ 567**

(1) Represents trailing 12-month occupancy as of December 31, 2023, calculated as the number of occupied rooms divided by the number of available rooms.

(2) The Sheraton Grand Hotel is part of the Sheraton franchise and is managed by Sheraton Operating Corporation, a subsidiary of Marriott International, Inc.

(3) Based on leases commenced as of December 31, 2023.

(4) The Company is evaluating the property for potential future development options including multifamily development over the existing parking garage.

Office Portfolio—Top 5 Tenants by Annualized Rental Revenue as of December 31, 2023

Tenant	Property	Credit Rating (S&P / Moody's / Fitch)	Lease Expiration	Annualized Rent (in thousands)	% of Annualized Rent	Rentable Square Feet	% of Rentable Square Feet
Kaiser Foundation Health Plan, Inc.	1 Kaiser Plaza	AA- / - / AA-	2024, 2025, 2027[1]	$ 18,250	28.7 %	366,777	27.7 %
U.S. Bank, N.A.	9460 Wilshire Boulevard	A+ / Aa3 / A+	2029	4,027	6.3 %	27,569	2.1 %
3 Arts Entertainment, Inc.	9460 Wilshire Boulevard	- / - / -	2026	2,848	4.5 %	27,112	2.0 %
F45 Training Holdings, Inc.	3601 S Congress Avenue	- / - / -	2030	2,492	3.9 %	44,171	3.3 %
Westwood One, Inc.	Lindblade Media Center	- / - / -	2025	2,030	3.2 %	32,428	2.4 %
Total for Top Five Tenants				**29,647**	**46.6 %**	**498,057**	**37.5 %**
All Other Tenants				33,877	53.4 %	613,034	46.3 %
Vacant				—	— %	215,301	16.2 %
Total Office Portfolio				**$ 63,524**	**100.0 %**	**1,326,392**	**100.0 %**

Note: Represents 100% of the consolidated and unconsolidated office portfolios, regardless of our ownership percentage.

(1) We have commenced lease negotiations with the tenant to sign a long-term lease for 236,692 of the existing 366,777 rentable square feet. There can be no guarantee that a lease extension will be executed. Taking into account the early termination right exercised by the tenant in 2023, 130,085 rentable square feet will expire on July 31, 2024, 152,966 rentable square feet will expire on February 28, 2025 and 83,696 rentable square feet will expire on February 28, 2027. With respect to the 83,696 rentable square feet that will expire in 2027, from and after February 28, 2025, the tenant has the right to terminate all or any portions of its lease with us, effective as of any date specified by the tenant in a written notice given to us at least 15 months prior to the termination, in exchange for a termination penalty.

Office Portfolio—Diversification by Industry as of December 31, 2023

Industry	Annualized Rent (in thousands)	% of Annualized Rent	Rentable Square Feet	% of Rentable Square Feet
Health Care and Social Assistance	$ 25,288	39.8 %	484,497	36.6 %
Professional, Scientific, and Technical Services	9,673	15.2 %	158,296	11.9 %
Arts, Entertainment, and Recreation	6,132	9.7 %	88,457	6.7 %
Finance and Insurance	5,946	9.4 %	61,736	4.7 %
Real Estate and Rental and Leasing	4,097	6.4 %	78,478	5.9 %
Other Services (except Public Administration)	3,545	5.6 %	51,813	3.9 %
Public Administration	2,359	3.7 %	50,073	3.8 %
Retail Trade	1,930	3.0 %	42,555	3.2 %
Information	1,849	2.9 %	34,313	2.6 %
Other	2,705	4.3 %	60,873	4.5 %
Vacant	—	— %	215,301	16.2 %
Total Office	**$ 63,524**	**100.0 %**	**1,326,392**	**100.0 %**

Note: Represents 100% of the consolidated and unconsolidated office portfolios, regardless of our ownership percentage.

Office Portfolio—Lease Expiration as of December 31, 2023

Year of Lease Expiration	Square Feet of Expiring Leases	% of Square Feet Expiring	Annualized Rent (in thousands)	% of Annualized Rent Expiring	Annualized Rent Per Occupied Square Foot
2024 [(1)]	206,236	18.6 %	10,330	16.3 %	50.09
2025	330,042	29.7 %	17,774	28.0 %	53.85
2026	126,183	11.4 %	7,874	12.4 %	62.40
2027	164,257	14.8 %	8,860	13.9 %	53.94
2028	55,837	5.0 %	3,165	5.0 %	56.68
2029	53,985	4.9 %	5,624	8.9 %	104.18
2030	91,757	8.3 %	4,721	7.4 %	51.45
2031	26,409	2.4 %	1,177	1.9 %	44.57
2032	25,845	2.3 %	1,427	2.2 %	55.21
Thereafter	30,540	2.6 %	2,572	4.0 %	84.22
Total Occupied	**1,111,091**	**100.0 %**	**$ 63,524**	**100.0 %**	**$ 57.17**
Vacant	215,301				
Total Office	**1,326,392**				

Note: Represents 100% of the consolidated and unconsolidated office portfolios, regardless of our ownership percentage.

(1) Includes 8,286 square feet of month-to-month leases as of December 31, 2023.

Property Indebtedness as of December 31, 2023

Property	Outstanding Principal Balance (in thousands)	Interest Rate	Maturity Date	Balance Due At Maturity Date (in thousands)
1 Kaiser Plaza (1)	$ 97,100	4.14%	7/1/2026	$ 97,100
Channel House	87,000	SOFR + 3.36%	7/7/2025	87,000
1150 Clay	66,600	6.25%	6/7/2024	66,600
1910 Sunset Boulevard (2)	23,925	SOFR + 2.95%	9/13/2025	23,925
4750 Wilshire Boulevard (3)	18,353	SOFR + 3.11%	4/1/2026	18,353
1902 Park Avenue (4)	9,580	SOFR + 2.86%	3/1/2026	9,580
Total	**$ 302,558**			**$ 302,558**

(1) Loan is generally not prepayable prior to April 1, 2026.

(2) CMCT owns 44.2% of the property through its investment in an Unconsolidated Joint Venture. The outstanding principal balance shown here represents 100% of the Unconsolidated Joint Venture's balance.

(3) CMCT owns 20.0% of the property through its investment in an Unconsolidated Joint Venture. The outstanding principal balance shown here represents 100% of the Unconsolidated Joint Venture's balance.

(4) CMCT owns 50.0% of the property through its investment in an Unconsolidated Joint Venture. The outstanding principal balance shown here represents 100% of the Unconsolidated Joint Venture's balance.

Item 3. Legal Proceedings

We are not currently involved in any material pending or threatened legal proceedings nor, to our knowledge, are any material legal proceedings currently threatened against us, other than routine litigation arising in the ordinary course of business. In the normal course of business, we are periodically party to certain legal actions and proceedings involving matters that are generally incidental to our business. While the outcome of these legal actions and proceedings cannot be predicted with certainty, in management's opinion, the resolution of these legal proceedings and actions will not have a material adverse effect on our business, financial condition, results of

operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market For Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Marketplace Designation, Sales Price Information and Holders

Shares of our Common Stock trade on Nasdaq, under the ticker symbol "CMCT", and on the TASE, under the ticker symbol "CMCT."

On March 21, 2024, there were approximately 335 holders of record of our Common Stock, excluding stockholders whose shares were held by brokerage firms, depositories and other institutional firms in "street name" for their customers. The closing price of our Common Stock on March 21, 2024 was $3.71 as reported on Nasdaq.

Approximately 54.3% of our Common Stock as of March 21, 2024 was held by stockholders that are not our affiliates.

Holders of our Common Stock are entitled to receive dividends, if, as and when authorized by the Board of Directors and declared by us out of legally available funds. In determining our dividend policy, the Board of Directors considers many factors including the amount of cash resources available for dividend distributions, capital spending plans, cash flow, our financial position, applicable requirements of the MGCL, any applicable contractual restrictions, and future growth in NAV and cash flow per share prospects. Consequently, the dividend rate on a quarterly basis does not necessarily correlate directly to any individual factor. There can be no assurance that the future dividends declared by our Board of Directors will not differ materially from historical dividend levels. Risks inherent in our ability to pay dividends are further described in "Item 1A—Risk Factors" of this Annual Report on Form 10-K.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information as of December 31, 2023 with respect to shares of our Common Stock, either under options or in respect of restricted stock awards that may be issued under existing equity compensation plans, all of which have been approved by our stockholders.

Plan Category	Number of shares of Common Stock to be issued upon exercise of outstanding options	Weighted average exercise price of outstanding options	Number of shares of Common Stock remaining available for future issuances under equity compensation plans (all in restricted shares of Common Stock)
Equity incentive plan	—	N/A	369,898

Recent Sales of Unregistered Securities and Use of Proceeds

On December 20, 2022, we issued to the Operator an aggregate of 36,663 shares of our Series A1 Preferred Stock as payment, in lieu of cash, for $916,575 of asset management fees owed to the Operator under the Investment Management Agreement for the third quarter of 2022. Such securities were issued pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act. Shares of Series A1 Preferred Stock may be redeemed at our option or at the option of the holder for a redemption price payable in cash or shares of Common Stock as described in Note 11 to the consolidated financial statements included in this Annual Report on Form 10-K.

In December 2022, the Company announced the redemption of all outstanding shares of its Series L Preferred Stock. In January 2023, the Company completed such previously-announced redemption of all outstanding shares of its Series L Preferred Stock in cash at its stated value of $28.37 per share (plus accrued and unpaid dividends of $1.56 per share, or $4.6 million in the aggregate). The total cost to complete the Series L Redemption, including transaction costs of $93,000 (or $0.03 per share), was $83.8 million.

Item 6. Reserved

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This section includes many forward-looking statements. For cautions about relying on such forward-looking statements, please see "Forward-Looking Statements" at the beginning of this report immediately prior to "Item 1—Business" *in this Annual Report on Form 10-K.*

Overview

The following discussion focuses on recent developments expected to have material current and future impacts on the results of our business, trends and uncertainties within our industry and business model that may impact our financial results, our recent results of operations, and our liquidity and capital resources.

You should read the following discussion in conjunction with the consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 10-K. For a discussion of the year ended December 31, 2021, see "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 16, 2022.

Executive Summary

Business Overview

Creative Media & Community Trust Corporation is a Maryland corporation and REIT. We primarily acquire, develop, own and operate both premier multifamily properties situated in vibrant communities throughout the United States and Class A and creative office real assets in markets with similar business and employment characteristics to our multifamily investments. We seek to apply the expertise of CIM Group to the acquisition, development and operation of premier multifamily properties and creative office assets that cater to rapidly growing industries such as technology, media and entertainment. All of our real estate assets are and will generally be located in communities qualified by CIM Group as described further below. These communities are located in areas that include traditional downtown areas and suburban main streets, which have high barriers to entry, high population density, positive population trends and a propensity for growth. We believe that the critical mass of redevelopment in such areas creates positive externalities, which enhance the value of real estate assets in the area. We believe that these assets will provide greater returns than similar assets in other markets, as a result of the population growth, public commitment and significant private investment that characterize these areas.

CIM is headquartered in Los Angeles, CA, with offices in Atlanta, GA, Chicago, IL, Dallas, TX, London, UK, New York, NY, Orlando, FL, Phoenix, AZ, and Tokyo, Japan. CIM also maintains additional offices across the United States and in South Korea to support its platform.

Properties

As of December 31, 2023, our real estate portfolio consisted of 27 assets, all of which were fee-simple properties and five of which we own through investments in Unconsolidated Joint Ventures. As of December 31, 2023, our 13 office properties, totaling approximately 1.3 million rentable square feet, were 83.8% occupied and our one 503-room hotel with an ancillary parking garage, had RevPAR of $145.80 for the year ended December 31, 2023 and our three multifamily properties were 79.3% occupied. Additionally, as of December 31, 2023, we had nine development sites (three of which were being used as parking lots).

Rental Rate Trends

Office Statistics: The following table sets forth occupancy rates and annualized rent per occupied square foot across our office portfolio as of the specified periods (includes 100% of our properties partially owned through Unconsolidated Joint Ventures):

	As of December 31,	
	2023	2022
Occupancy [(1)(2)]	83.8 %	77.7 %
Annualized rent per occupied square foot [(1)(3)]	$ 57.17	$ 52.57

(1) The information presented in this table represents historical information as of the date indicated without giving effect to any property sales occurring thereafter.

(2) In connection with the 4750 Wilshire Project (as defined later), the Company no longer classified approximately 110,000 square feet of vacant space at its property at 4750 Wilshire Boulevard in Los Angeles, California as rentable office square footage as of December 31, 2022. We sold 80% of our interest in 4750 Wilshire Boulevard to the JV Partners in February 2023 with our remaining 20% interest now invested in a newly-formed joint venture with the JV Partners. We are in the process of converting two out of the building's three floors into for-lease multifamily units.

(3) Represents gross monthly base rent under leases commenced as of the specified periods, multiplied by twelve. This amount reflects total cash rent before abatements. Total abatements, representing lease incentives in the form of free

rent, for the years ended December 31, 2023 and 2022 were $3.0 million and $2.8 million, respectively. Where applicable, annualized rent has been grossed up by adding annualized expense reimbursements to base rent. Annualized rent for certain office properties includes rent attributable to retail.

Over the next four quarters, we expect to see expiring cash rents as set forth in the table below (includes 100% of our properties partially owned through Unconsolidated Joint Ventures):

	For the Three Months Ended			
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024
Expiring Cash Rents:				
Expiring square feet [1]	33,236	25,456	142,333	5,211
Expiring rent per square foot [2]	$ 60.03	$ 47.42	$ 47.89	$ 59.68

(1) Month-to-month tenants occupying a total of 8,286 square feet are included in the expiring leases in the first quarter listed.

(2) Represents gross monthly base rent, as of December 31, 2023, under leases expiring during the periods above, multiplied by twelve. This amount reflects total cash rent before abatements. Where applicable, annualized rent has been grossed up by adding annualized expense reimbursements to base rent.

During the year ended December 31, 2023, we executed leases with terms longer than 12 months totaling 140,670 square feet. The table below sets forth information on certain of our executed leases during the year ended December 31, 2023, excluding space that was vacant for more than one year, month-to-month leases, leases with an original term of less than 12 months, related party leases, and space where the previous tenant was a related party:

	Number of Leases [1]	Rentable Square Feet	New Cash Rents per Square Foot [2]	Expiring Cash Rents per Square Foot [2]
Twelve Months Ended December 31, 2023	31	106,454	$ 48.82	$ 49.71

(1) Based on the number of tenants that signed leases.

(2) Cash rents represent gross monthly base rent, multiplied by twelve. This amount reflects total cash rent before abatements. Where applicable, annualized rent has been grossed up by adding annualized expense reimbursements to base rent.

Fluctuations in submarkets, buildings and terms of leases cause large variations in these numbers and make predicting the changes in rent in any specific period difficult. Our rental and occupancy rates are impacted by general economic conditions, including the pace of regional and economic growth, and access to capital. Therefore, we cannot give any assurance that leases will be renewed or that available space will be re-leased at rental rates equal to or above the current market rates. Additionally, decreased demand and other negative trends or unforeseeable events that impair our ability to timely renew or re lease space could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

Multifamily Statistics: The following table sets forth occupancy rates and the monthly rent per occupied unit across our multifamily portfolio for the specified periods (includes 100% of our property partially owned through an Unconsolidated Joint Venture):

	As of December 31,	
	2023	2022
Occupancy	79.3 %	N/A
Monthly rent per occupied unit (1)	$ 2,805	N/A

(1) Represents gross monthly base rent under leases commenced as of the specified period, divided by occupied units. This amount reflects total cash rent before concessions.

Hotel Statistics: The following table sets forth the occupancy, ADR and RevPAR for our hotel in Sacramento, California for the specified periods:

	For the Year Ended December 31,	
	2023	2022
Occupancy	75.1 %	73.0 %
ADR	$ 194.12	$ 172.95
RevPAR	$ 145.80	$ 126.19

Seasonality

Our revenues and expenses for our hotel property are subject to seasonality during the year. Generally, our hotel revenues are greater in the first and second quarters than the third and fourth quarters. This seasonality can be expected to cause quarterly fluctuations in revenues, segment net operating income, net income and cash provided by operating activities. In addition, the hotel industry is cyclical and demand generally follows, on a lagged basis, key macroeconomic factors.

Lending Segment

Through our loans originated under the SBA 7(a) Program, we are a national lender that primarily originates loans to small businesses. We identify loan origination opportunities through personal contacts, internet referrals, attendance at trade shows and meetings, direct mailings, advertisements in trade publications and other marketing methods. We also generate loans through referrals from real estate and loan brokers, franchise representatives, existing borrowers, lawyers and accountants.

The SBA 7(a) Loan Program is the SBA's most common loan program. The maximum loan amount for an SBA 7(a) loan is $5.0 million. Key eligibility factors are based on what the business does to generate its income, its credit history, the liquidity of the borrower, size standards and where the business operates. We work with potential borrowers to identify the type of loan that would be appropriate for each such borrower's needs. Our SBA 7(a) term loans have monthly repayment terms of principal and interest and are originated with variable interest rates based on the prime rate. Most of our SBA 7(a) loans have maturities of approximately 25 years.

While we have focused on originating real estate loans almost exclusively to the limited service and mid-scale hospitality industry, we intend to increase our efforts to originate other real estate collateralized loans. These loans are anticipated to be primarily concentrated in industries in which we previously had positive experience, including convenience store, RV park and single purpose building owner-occupied restaurant operations and may include owner-occupied industrial operations/warehouse buildings.

2023 Results of Operations

Net (Loss) Income and FFO

	Year Ended December 31,		Change	
	2023	2022	$	%
	(dollars in thousands)			
Total revenues	$ 119,258	$ 101,906	$ 17,352	17.0 %
Total expenses	$ 170,163	$ 94,994	$ 75,169	79.1 %
Net (loss) income	$ (51,456)	$ 5,945	$ (57,401)	N/A

The Company had a net loss of $51.5 million for the year ended December 31, 2023, representing a decrease of $57.4 million compared to net income of $5.9 million for the year ended December 31, 2022. The decrease was primarily due to an increase of $32.1 million in depreciation and amortization expense (primarily due to an increase in acquired in-place lease intangible assets amortization at multifamily properties located in Oakland, California acquired during the first quarter of 2023 and which were fully amortized as of December 31, 2023) and an increase in interest expense not allocated to our operating segments of $22.4 million.

Funds from Operations

We believe that funds from operations ("FFO"), a non-GAAP measure, is a widely recognized and appropriate measure of the performance of a REIT and that it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO represents net income (loss) attributable to common stockholders, computed in accordance with GAAP, which reflects the deduction of redeemable preferred stock dividends accumulated, excluding gains (or losses) from sales of real estate, impairment of real estate, and real estate depreciation and amortization. We calculate FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts (the "NAREIT").

Like any metric, FFO should not be used as the only measure of our performance because it excludes depreciation and amortization and captures neither the changes in the value of our real estate properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effect and could materially impact our operating results. Other REITs may not calculate FFO in accordance with the standards established by the NAREIT; accordingly, our FFO may not be comparable to the FFOs of other REITs. Therefore, FFO should be considered only as a supplement to net income (loss) as a measure of our performance and should not be used as a supplement to or substitute measure for cash flows from operating activities computed in accordance with GAAP. FFO should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends.

The following table sets forth a historical reconciliation of net (loss) attributable to common stockholders to FFO attributable to holders of common stockholders:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Net loss attributable to common stockholders [1]	$ (75,727)	$ (25,785)
Depreciation and amortization	52,484	20,348
Noncontrolling interests' proportionate share of depreciation and amortization	(2,090)	—
Gain on sale of real estate	(1,104)	—
FFO attributable to common stockholders [1]	$ (26,437)	$ (5,437)

(1) During the years ended December 31, 2023 and 2022, we recognized $1.5 million and $13.1 million, respectively, of redeemable preferred stock redemptions on our consolidated statements of operations and $0 and $19,000 respectively, of redeemable preferred stock deemed dividends on our consolidated statements of operations. Of the $13.1 million of redeemable preferred stock redemptions recognized during the year ended December 31, 2022, $12.7 million resulted from amounts recognized in connection with the Series L Repurchase and Series L Redemption (defined below). Such amounts are included in, and have the effect of increasing the net loss attributable to common stockholders and FFO attributable to common stockholders because redeemable preferred stock redemptions are not an adjustment prescribed by NAREIT.

FFO attributable to common stockholders was $(26.4) million for the year ended December 31, 2023, a decrease of $21.0 million compared to $(5.4) million for the year ended December 31, 2022. The decrease in FFO was primarily attributable to an increase in interest expense not allocated to our operating segments of $22.4 million and an increase in redeemable preferred stock dividends of $7.2 million. These were partially offset by a decrease in the consolidated statement of operations impact of redeemable preferred stock redemptions of $11.6 million (primarily resulting from $12.7 million recognized in connection with the Series L Repurchase and Series L Redemption during the year ended December 31, 2022).

Summary Segment Results

During the years ended December 31, 2023 and 2022, we operated in four segments: office, hotel and multifamily properties and lending. Set forth and described below are summary segment results for our operating segments.

	Year Ended December 31,		Change	
	2023	2022	$	%
	(dollars in thousands)			
Revenues:				
Office	$ 55,033	$ 55,928	$ (895)	(1.6)%
Hotel	$ 41,096	$ 35,213	$ 5,883	16.7 %
Multifamily	$ 11,224	$ —	$ 11,224	N/A
Lending	$ 11,458	$ 10,765	$ 693	6.4 %
Expenses:				
Office	$ 26,075	$ 26,762	$ (687)	(2.6)%
Hotel	$ 27,992	$ 24,099	$ 3,893	16.2 %
Multifamily	$ 9,464	$ —	$ 9,464	N/A
Lending	$ 7,899	$ 4,385	$ 3,514	80.1 %
(Loss) Income From Unconsolidated Entities				
Office	$ (582)	$ 164	$ (746)	N/A
Multifamily	$ 155	$ —	$ 155	N/A
Non-Segment Revenue and Expenses:				
Interest and other income	$ 447	$ —	$ 447	N/A
Asset management and other fees to related parties	$ (2,627)	$ (3,570)	$ 943	(26.4)%
Expense reimbursements to related parties—corporate	$ (2,342)	$ (1,925)	$ (417)	21.7 %
Interest expense	$ (31,406)	$ (9,052)	$ (22,354)	NM*
General and administrative	$ (5,453)	$ (4,630)	$ (823)	17.8 %
Transaction costs	$ (4,421)	$ (223)	$ (4,198)	NM*
Depreciation and amortization	$ (52,484)	$ (20,348)	$ (32,136)	NM*
Gain on sale of real estate	$ 1,104	$ —	$ 1,104	N/A
Provision for income taxes	$ (1,228)	$ (1,131)	$ (97)	8.6 %

(*) Percentage changes in excess of 100% are deemed to be not meaningful (“NM”)

Revenues

Office Revenue: Office revenue includes rental revenue, expense reimbursements and lease termination income from office properties. Office revenue decreased by 1.6% to $55.0 million for the year ended December 31, 2023 compared to $55.9 million for the year ended December 31, 2022. The decrease is primarily due to the disposition of an 80% interest in an office property in Los Angeles, California in February 2023. This was partially offset by higher rental revenues at an office property in Beverly Hills, California due to higher occupancy.

Hotel Revenue: Hotel revenue increased by 16.7% to $41.1 million for the year ended December 31, 2023, compared to $35.2 million for the year ended December 31, 2022. The increase is due to an increase in occupancy and average daily rate during 2023 as compared to the prior year.

Multifamily Revenue: Multifamily revenue was $11.2 million for the year ended December 31, 2023. As our multifamily properties were acquired during the year ended December 31, 2023, there was no comparable revenue for the year ended December 31, 2022.

Lending Revenue: Lending revenue represents revenue from our lending subsidiaries, including interest income on loans and other loan related fee income. Lending revenue increased by 6.4% to $11.5 million for the year ended December 31, 2023 compared to $10.8 million for the year ended December 31, 2022. The increase is due to increased interest income from higher interest rates, partially offset by decreased premium income as a result of lower loan sale volume during the year ended December 31, 2023, compared to the year ended December 31, 2022. Also partially offsetting the increase was a decrease in loan servicing income as a result of lower loan origination volume and higher loan payoff volume.

Income (Loss) From Unconsolidated Office Entities: Income from our office Unconsolidated Joint Ventures included in office segment net operating income decreased to a loss of $582,000 for the year ended December 31, 2023 compared to income of $164,000 for the year ended December 31, 2022. The decrease was primarily due to an unrealized loss on the value of real estate at one of our office Unconsolidated Joint Ventures recognized during the year ended December 31, 2023 and an increase in mortgage interest expense at both of our office Unconsolidated Joint Ventures during the year ended December 31, 2023. These were partially offset by an unrealized gain on the value of real estate related to another one of our office Unconsolidated Joint Ventures recognized during the year ended December 31, 2023.

Income From Unconsolidated Multifamily Entity: The income from our Unconsolidated Joint Venture included in multifamily segment net operating income was $155,000 for the year ended December 31, 2023. As our unconsolidated multifamily property was acquired during the year ended December 31, 2023, there was no comparable income for the year ended December 31, 2022.

Expenses

Office Expenses: Office expenses decreased by 2.6% to $26.1 million for the year ended December 31, 2023 compared to $26.8 million for the year ended December 31, 2022. The decrease is primarily a result of the disposition of an 80% interest in an office property in Los Angeles, California in February 2023. Additionally contributing to the decrease is a decrease in operating expenses at an office property in Austin, Texas, as a result of lower real estate tax expenses.

Hotel Expenses: Hotel expenses increased by 16.2% to $28.0 million for the year ended December 31, 2023 compared to $24.1 million for the year ended December 31, 2022, as a result of increased occupancy at the hotel.

Multifamily Expenses: Multifamily expenses were $9.5 million for the year ended December 31, 2023. As our multifamily properties were acquired during the year ended December 31, 2023, there were no comparable expenses for the nine months ended December 31, 2022.

Lending Expenses: Lending expenses represent expenses from our lending subsidiaries, including interest expense, general and administrative expenses and fees to related parties. Lending expenses increased by 80.1% to $7.9 million for the year ended December 31, 2023 compared to $4.4 million for the year ended December 31, 2022. The increase was primarily due to an increase in interest expense related to the issuance of new SBA 7(a) loan-backed notes in connection with the securitization that closed in March 2023.

Asset Management and Other Fees to Related Parties: Asset management fees and other fees to related parties, which have not been allocated to our operating segments decreased by 26.4% to $2.6 million for the year ended December 31, 2023 compared to $3.6 million for the year ended December 31, 2022. The lower fees reflect a decrease in the adjusted fair value of the Company’s assets in the year ended December 31, 2023 as compared to the year ended December 31, 2022 due to a decrease in the aggregate fair value of the Company’s investments in real estate resulting from valuation changes at the end of 2022 and 2023.

Expense Reimbursements to Related Parties—Corporate*:* The Administrator receives reimbursement for performing certain services for the Company and its subsidiaries. Expense reimbursements to related parties—corporate increased by 21.7% to $2.3 million for the year ended December 31, 2023 compared to $1.9 million for the year ended December 31, 2022, primarily due to increases in allocated payroll from transactions that occurred during the year ended December 31, 2023.

Interest Expense: Interest expense, which has not been allocated to our operating segments, increased to $31.4 million for the year ended December 31, 2023 compared to $9.1 million for the year ended December 31, 2022. The increase was attributable to two variable-rate mortgages assumed in connection with our multifamily acquisitions during the first quarter of 2023, higher outstanding principal balances on our 2022 Credit Facility Revolver (as defined below) for the year ended December 31, 2023 compared to our 2018 revolving line of credit facility for the year ended December 31, 2022, and increases in the SOFR components of interest rates on our variable-rate debt for the year ended December 31, 2023 compared to the year ended December 31, 2022.

General and Administrative Expenses: General and administrative expenses, which have not been allocated to our operating segments, were $5.5 million for the year ended December 31, 2023, compared to $4.6 million for the year ended

December 31, 2022, an increase of 17.8%. The increase was primarily due to an increase in state and local tax expenses, legal fees, and certain nonrecurring consulting services.

Transaction Costs: Transaction costs were $4.4 million for the year ended December 31, 2023 compared to $223,000 for the year ended December 31, 2022. The increase is primarily due to related transfer tax expenses in connection with the acquisition of two multifamily properties in Oakland, California in the first quarter of 2023 as well as incremental non-recurring expenses related to potential real estate acquisitions.

Depreciation and Amortization Expense: Depreciation and amortization expense increased to $52.5 million for the year ended December 31, 2023 compared to $20.3 million for the year ended December 31, 2022. The increase is due to an increase in acquired in-place lease intangible assets amortization at multifamily properties located in Oakland, California acquired during the first quarter of 2023 (which were fully amortized as of December 31, 2023), as well as incremental increases to fixed asset depreciation expense related to such acquired properties.

Gain on Sale of Real Estate: Gain on sale of real estate of $1.1 million for the year ended December 31, 2023 was related to the sale of 80% of our interest in an office property in Los Angeles, California. There were no dispositions during the year ended December 31, 2022.

Provision for Income Taxes: Provision for income taxes increased by 8.6% to $1.2 million for the year ended December 31, 2023 compared to $1.1 million for the year ended December 31, 2022. The increase is primarily due to higher taxable income at our taxable REIT subsidiaries during the year ended December 31, 2023 as compared to the year ended December 31, 2022.

Cash Flow Analysis

Our cash flows from operating activities are primarily dependent upon the real estate assets owned, occupancy level of our real estate assets, the rental rates achieved through our leases, the occupancy and ADR of our hotel, the collectability of rent and recoveries from our tenants, and loan related activity. Our cash flows from operating activities are also impacted by fluctuations in operating expenses and other general and administrative costs. Net cash provided by operating activities decreased by $20.4 million for the year ended December 31, 2023, as compared to the same period in 2022. The decrease was primarily due to a decrease in net income adjusted for depreciation and amortization expense and other non-cash items of $25.7 million and a $2.0 million increase resulting from a lower level of net working capital used, partially offset by a $1.5 million increase in net proceeds from the sale of loans, and a $1.2 million increase in return on investment from Unconsolidated Joint Ventures compared to the same period in 2022.

Our cash flows from investing activities are primarily related to property acquisitions and dispositions, expenditures for the development or repositioning of properties, capital expenditures and cash flows associated with loans originated at our lending segment. Net cash used in investing activities increased by $66.4 million to $88.7 million for the year ended December 31, 2023 compared to $22.3 million for the year ended December 31, 2022. The increase in cash used in investing activities was primarily due to a $85.9 million increase in acquisitions of real estate, a $10.3 million decrease in distributions from Unconsolidated Joint Ventures, a $5.7 million decrease in principal collected on loans, and a $4.5 million increase in capital expenditures compared to the same period in 2022. Partially offsetting net cash used in investing activities are $33.3 million in proceeds from the sale of 80% of our interest in 4750 Wilshire to an Unconsolidated Joint Venture during the year ended December 31, 2023 and a decrease in cash outlays of $8.4 million related to our investments in the Unconsolidated Joint Ventures compared to the same period in 2022.

Our cash flows from financing activities are generally impacted by borrowings and capital activities. Net cash provided by financing activities for the year ended December 31, 2023 was $63.4 million compared to cash provided by financing activities of $13.7 million for the year ended December 31, 2022. The increase of $49.8 million was primarily due to $56.5 million of net proceeds from our 2022 Credit Facility and mortgages during the year ended December 31, 2023 compared to $16.5 million of net paydowns during the year ended December 31, 2022, the issuance of unguaranteed SBA 7(a) loan-backed notes of approximately $54.1 million, and a $72.1 million decrease of cash used in the repurchase of Series L Preferred Stock and Common Stock during the year ended December 31, 2023 compared to the same period in 2022. The aforementioned amounts of increasing net cash provided by financing activities were partially offset by an increase in $97.6 million of redemption of preferred stock during the year ended December 31, 2023, a $44.8 million decrease in net proceeds from issuance of Preferred Stock, as well as a $5.2 million increase in preferred dividend payments.

Liquidity and Capital Resources

General

On a short-term basis, our principal demands for funds will be for the acquisition of assets, development or repositioning of properties (as further described below) (including pre-construction costs such as obtaining entitlements and

permits and architectural work), or re-leasing of space in existing properties, capital expenditures, paying interest and principal on current and any future debt financings, SBA 7(a) loan originations, paying distributions on our Preferred Stock and Common Stock and making redemption payments on our Preferred Stock (of which $49.8 million could be redeemed without any redemption fee as of December 31, 2023 in cash and/or in shares of Common Stock in our sole discretion). We may finance our future activities through one or more of the following methods: (i) offerings of shares of Common Stock, preferred stock or other equity and/or debt securities of the Company; (ii) issuance of interests in our operating partnership in exchange for properties; (iii) credit facilities and term loans; (iv) the addition of senior recourse or non-recourse debt using target acquisitions as well as existing assets as collateral; (v) the sale of existing assets; (vi) partnering with co-investors; and/or (vii) cash flows from operations. In December 2022, we completed a refinancing of our 2018 credit facility, which was set to mature in October 2023, replacing it with a new facility (the "2022 Credit Facility"). The 2022 Credit Facility includes a $56.2 million term loan as well as a revolver allowing the Company to borrow up to $150.0 million, both of which are collectively subject to a borrowing base calculation. The 2022 Credit Facility matures in December 2025 and provides for two one-year extension options, subject to certain conditions being satisfied. In January 2023, the Company completed the previously-announced redemption of all outstanding shares of its Series L Preferred Stock in cash at its stated value of $28.37 (plus accrued and unpaid dividend of $1.56 per share, or $4.6 million in the aggregate). The total cost to complete the Series L Redemption, including transaction costs, was $83.8 million. The redemption was funded by a combination of proceeds from the sale of our Series A1 Preferred Stock, draws on our 2022 Credit Facility, and cash on hand.

Our long-term liquidity needs will consist primarily of funds necessary for acquisitions of assets, development or repositioning (pre-construction costs) of properties (as further described below), or re-leasing of space in existing properties, capital expenditures, paying interest and principal on debt financings, refinancing of indebtedness, SBA 7(a) loan originations, paying distributions on our Preferred Stock or any other preferred stock we may issue, any future repurchase of Common Stock and/or redemption of our Preferred Stock (if we choose, or are required, to pay the redemption price in cash instead of in shares of our Common Stock) and distributions on our Common Stock. Additionally, our outstanding commitments to fund loans were $12.6 million as of December 31, 2023, substantially all of which reflect prime-based loans to be originated by our subsidiary engaged in SBA 7(a) Small Business Loan Program lending. A majority of these commitments have government guarantees of 75% (as the government guarantee has now reverted to 75%) and we believe that we will be able to sell the guaranteed portion of these loans in a liquid secondary market upon fully funding these loans. Since some commitments are expected to expire without being drawn upon, total commitment amounts do not necessarily represent future cash requirements. Further, we are evaluating development of our development sites. To the extent we decide to proceed with development work on any of our development sites (in addition to those discussed below), we will have increased liquidity needs.

We own a 20% interest in an Unconsolidated Joint Venture (the "4750 Wilshire JV") that is in the process of converting a portion of an office building in Los Angeles, California from office space into luxury for-rent residential units (the "4750 Wilshire Project"). The total cost of the 4750 Wilshire Project is expected to be approximately $31.0 million, which will be financed by a combination of equity contributions from us and co-investors as well as a mortgage loan from a third-party lender. In connection with the 4750 Wilshire JV, we received cash sales proceeds from our joint venture partners. Further, we have earned and will continue to earn management fees from co-investors in connection with their co-investment in the 4750 Wilshire Project.

In addition to the 4750 Wilshire Project, our long-term liquidity needs include our plan to renovate the Sheraton Grand Hotel in Sacramento, California, which renovation is expected to cost approximately $20.9 million, as well as the plan of one of the Unconsolidated Joint Ventures, in which we have a 50% ownership interest, to develop a multifamily apartment building at 1915 Park Avenue in Los Angeles, California, which development is expected to cost approximately $19.3 million (our share of which will be $9.7 million).

We may not have sufficient funds on hand or may not be able to obtain additional financing to cover all of our long-term cash requirements. The nature of our business, and the requirements imposed by REIT rules that we distribute a substantial majority of our REIT taxable income on an annual basis in the form of dividends, may cause us to have substantial liquidity needs over the long-term. While we will seek to satisfy such needs through one or more of the methods described in the first paragraph of this section, our ability to take such actions is highly uncertain and cannot be predicted, and could be affected by various risks and uncertainties, including, but not limited to, the risks detailed in "Item 1A—Risk Factors" of this Annual Report on Form 10-K. If we cannot obtain funding for our long-term liquidity needs, our assets may generate lower cash flows or decline in value, or both, which may cause us to sell assets at a time when we would not otherwise do so which could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Common Stock or Preferred Stock.

Sources and Uses of Funds

Mortgages

We have mortgage loan agreements with outstanding balances of $250.7 million as of December 31, 2023 in the aggregate. Our mortgage loans mature on various dates from June 7, 2024 through July 1, 2026. We expect to exercise the extension option or refinance our fixed rate mortgage loan maturing on June 7, 2024 prior to maturity.

Revolving Credit Facilities

In October 2018, we entered into our 2018 revolving credit facility that, as amended, allowed us to borrow up to $209.5 million, subject to a borrowing base calculation. Our 2018 revolving credit facility was secured by properties in the Company's real estate portfolio: eight office properties and one hotel property. In December 2022, the Company refinanced its 2018 credit facility and replaced it with a new 2022 Credit Facility, entered into with a bank syndicate, that includes a $56.2 million term loan (the "2022 Credit Facility Term Loan") as well as a revolver allowing the Company to borrow up to $150.0 million (the "2022 Credit Facility Revolver"), both of which are collectively subject to a borrowing base calculation. The 2022 Credit Facility is secured by properties in the Company's real estate portfolio: six office properties and one hotel property (as well as the hotel's adjacent parking garage and retail property). The 2022 Credit Facility bears interest at (A) the base rate plus 1.50% or (B) SOFR plus 2.60%. As of December 31, 2023, the variable interest rate was 7.96%. The 2022 Credit Facility Revolver is also subject to an unused commitment fee of 0.15% or 0.25% depending on the amount of aggregate unused commitments. The 2022 Credit Facility is guaranteed by the Company and the Company is subject to certain financial maintenance covenants. The 2022 Credit Facility matures in December 2025 and provides for two one-year extension options, subject to certain conditions being satisfied, including providing notice of the election and paying an extension fee of 0.15% of each lender's commitment being extended on the effective date of such extension. As of March 21, 2024, December 31, 2023, and December 31, 2022, $158.2 million, $153.2 million, and $56.2 million, respectively, was outstanding under the 2022 Credit Facility and approximately $48.0 million and $53.0 million, and $150.0 million, respectively, was available for future borrowings.

Other Financing Activity

On March 9, 2023, our lending division completed a securitization of the unguaranteed portion of certain of our SBA 7(a) loans receivable with the issuance of $54.1 million of unguaranteed SBA 7(a) loan-backed notes (with net proceeds of approximately $43.3 million, after payment of fees and expenses in connection with the securitization and the funding of a reserve account and an escrow account). The SBA 7(a) loan-backed notes are collateralized by the right to receive payments and other recoveries attributable to the unguaranteed portions of certain of our SBA 7(a) loans receivable. The SBA 7(a) loan backed notes mature on March 20, 2048, with monthly payments due as payments on the collateralized loans are received. The SBA 7(a) loan-backed notes bear interest at a per annum rate equal to the lesser of (i) 30-Day average compounded SOFR plus 2.90% and (ii) prime rate minus 0.35%. As of December 31, 2023, the variable interest rate was 8.15%. We reflect the SBA 7(a) loans receivable as assets on our consolidated balance sheet and the SBA 7(a) loan-backed notes as debt on our consolidated balance sheet.

We have junior subordinated notes with a variable interest rate that resets quarterly based on the three-month SOFR plus 3.51%, with quarterly interest-only payments. The junior subordinated balance is due at maturity on March 30, 2035. The junior subordinated notes may be redeemed at par at our option. The aggregate principal balance of the junior subordinated notes was $27.1 million as of December 31, 2023.

Securities Offerings

We conducted a continuous public offering of Series A Preferred Stock from October 2016 through January 2020, where one Series A Preferred Warrant was issued along with each issued share of Series A Preferred Stock. During the tenure of the offering, we issued 4,603,287 Series A Preferred Stock and Series A Preferred Warrants and received aggregate net proceeds of $105.2 million after commissions, fees and allocated costs.

The Series A Preferred Warrants are exercisable beginning on the first anniversary of the date of their original issuance until and including the fifth anniversary of the date of such issuance. At the time of issuance, the exercise price of each Series A Preferred Warrant was equal to a 15.0% premium to the per share estimated NAV of our Common Stock most recently published and designated as the applicable NAV by us at the time of issuance. However, in accordance with the terms of the Series A Preferred Warrants, the exercise price of each Series A Preferred Warrant issued prior to the reverse stock split in 2019 (the "Reverse Stock Split") was automatically adjusted to reflect the effect of the Reverse Stock Split and, in the discretion of our Board of Directors, the exercise price and the number of shares issuable upon exercise of each Series A Preferred Warrant

issued prior to the special dividend in 2019 was adjusted to reflect the effect of the Special Dividend. As of December 31, 2023, there were 1,749,732 Series A Preferred Warrants to purchase 449,382 shares of Common Stock outstanding.

From February 2020 through June 2022, we conducted a continuous public offering of our Series A Preferred Stock and Series D Preferred Stock. In June 2022, we concluded the offering of our Series A Preferred Stock and Series D Preferred Stock and have since conducted a continuous public offering of our Series A1 Preferred Stock of up to approximately $692.3 million. We intend to use the net proceeds from the offerings for general corporate purposes, acquisitions of shares of our Common Stock and Preferred Stock, whether through one or more tender offers, share repurchases or otherwise, and acquisitions consistent with our acquisition and asset management strategies. As of December 31, 2023, we had issued 10,273,369 shares of Series A1 Preferred Stock, 8,251,657 shares of Series A Preferred Stock and 56,857 shares of Series D Preferred Stock and received aggregate net proceeds of $420.0 million after commissions, fees and allocated costs.

Dividends on and Redemptions of Preferred Stock

Holders of Series A1 Preferred Stock, Series A Preferred Stock and Series D Preferred Stock are entitled to receive, if, as and when authorized by our Board of Directors, and declared by us out of legally available funds, cumulative cash dividends on each share as follows: (1) at the of greater of (i) an annual rate of 6.0% of the Series A1 Preferred Stock Stated Value (i.e., the equivalent of $0.3750 per share per quarter) and (ii) the Federal Funds (Effective) Rate for such quarter and plus 2.5% of the Series A1 Preferred Stock Stated Value divided by four, up to a maximum of 2.5% of the Series A1 Preferred Stock Stated Value per quarter, (2) 5.50% of the Series A Preferred Stock Stated Value (i.e., the equivalent of $0.34375 per share per quarter), and (3) 5.65% of the Series D Preferred Stock Stated Value (i.e., the equivalent of $0.35313 per share per quarter), respectively.

We expect to pay dividends on the Series A1 Preferred Stock, Series A Preferred Stock and Series D Preferred Stock in arrears on a monthly basis, unless our results of operations, our general financing conditions, general economic conditions, applicable requirements of the MGCL or other factors make it imprudent to do so. The timing and amount of dividends declared and paid on our Preferred Stock will be determined by our Board of Directors, in its sole discretion, and may vary from time to time.

Holders of our Common Stock are entitled to receive dividends, if, as and when authorized by the Board of Directors and declared by us out of legally available funds. In determining our dividend policy, the Board of Directors considers many factors including the amount of cash resources available for dividend distributions, capital spending plans, cash flow, our financial position, applicable requirements of the MGCL, any applicable contractual restrictions, and future growth in NAV and cash flow per share prospects. Consequently, the dividend rate on a quarterly basis does not necessarily correlate directly to any individual factor.

From the date of issuance until the fifth anniversary of the date of issuance, holders of Series A Preferred Stock and Series D Preferred Stock may require us to redeem such shares at a discount to the Series A1 Preferred Stock, Series A Preferred Stated Value and Series D Preferred Stated Value, respectively. From and after the fifth anniversary of the date of original issuance of any share of our Preferred Stock, we generally (subject to certain conditions) have the right (but not the obligation) to redeem, and the holder of such share may require us to redeem, such share at a redemption price equal to 100% of the stated value of such share, plus any accrued but unpaid dividends in respect of such share as of the effective date of the redemption. The redemption price in respect of any share of Preferred Stock, whether redeemed at our option or at the option of a holder, may be paid in cash or in shares of Common Stock in our sole discretion. As of December 31, 2023, we redeemed 1,388,499 shares of Series A Preferred Stock, 95,026 shares of Series A1 Preferred Stock, and 8,410 of Series D Preferred Stock.

On September 15, 2022, we repurchased 2,435,284 shares of our Series L Preferred Stock in a privately negotiated transaction (the “Series L Repurchase”). The shares were repurchased at a purchase price of $27.40 per share (a 3.4% discount to the stated value of $28.37 per share) plus $1.12 per share of accrued and unpaid dividends (or $2.7 million of accrued and unpaid dividends in aggregate). The total cost to complete the Series L Repurchase, including transactions costs of $700,000, was $70.1 million. In connection with the Series L Repurchase, we recognized redeemable preferred stock redemptions of $4.8 million on our consolidated statement of operations for the year ended December 31, 2022.

In December 2022, we announced the redemption of all outstanding shares of our Series L Preferred Stock. In January 2023, we completed such previously-announced redemption of all outstanding shares of our Series L Preferred Stock in cash at its stated value of $28.37 per share (plus accrued and unpaid dividend of $1.56 per share, or $4.6 million in the aggregate) (the “Series L Redemption”). The total cost to complete the Series L Redemption, including transaction costs of $93,000, was $83.8 million.

Off Balance Sheet Arrangements

As of December 31, 2023, we did not have any off-balance sheet arrangements.

Critical Accounting Policies and Estimates and Recently Issued Accounting Pronouncements

The discussion and analysis of our historical financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. While we believe that our estimates are based on reasonable assumptions and judgments at the time they are made, some of our assumptions, estimates and judgments will inevitably prove to be incorrect. As a result, actual results could differ from our estimates, and those differences could be material.

We believe the following critical accounting policy, among others, affects our more significant estimates and assumptions used in preparing our consolidated financial statements. For a discussion of recently issued accounting literature, see Note 2 to our consolidated financial statements included in this Annual Report on Form 10-K.

Recoverability of Investments in Real Estate

As described in Note 2 to the consolidated financial statements included in this Annual Report on Form 10-K, investments in real estate are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If, and when, such events or changes in circumstances are present, the recoverability of assets to be held and used is measured by a comparison of the carrying amount to the future undiscounted cash flows expected to be generated by the assets and its eventual disposition. If the undiscounted cash flows are less than the carrying amount of the assets, an impairment is recognized to the extent the carrying amount of the assets exceeds the estimated fair value of the assets. Assets held for sale are reported at the lower of the asset’s carrying amount or fair value, less cost to sell.

Our process for evaluating real estate impairment requires management to make significant assumptions related to certain inputs, including rental rates, lease-up period, occupancy, estimated holding periods, capital expenditures, growth rates, market discount rates and terminal capitalization rates. These inputs require a subjective evaluation based on the specific property and market. Changes in the assumptions could have a significant impact on either the fair value, the amount of impairment charge, if any, or both.

FINRA Estimated Per Share Value

We have prepared an estimate of the per share value of each of our Series A Preferred Stock, Series A1 Preferred Stock and Series D Preferred Stock as of December 31, 2023 in order to assist broker-dealers that are participating in our public offering of Series A1 Preferred Stock and broker-dealers that participated in our public offering of Series A Preferred Stock and Series D Preferred Stock in meeting their obligations under applicable FINRA rules. This estimate utilizes the fair values of our investments in real estate and certain lending assets as well as the carrying amounts of our other assets and liabilities, in each case as of December 31, 2023 (the “Calculated Assets and Liabilities”). Specifically, we divided (i) the fair values of our investments in real estate and certain lending assets and the carrying amounts of our other assets less the carrying amounts of our liabilities, in each case as of December 31, 2023, by (ii) the number of shares of Series A Preferred Stock, Series A1 Preferred Stock and Series D Preferred Stock outstanding as of that date. The fair values of our investments in real estate and certain lending assets were determined with material assistance from third-party appraisal firms engaged to value our investments in real estate and certain lending assets, in each case in accordance with standards set forth by the American Institute of Certified Public Accountants. We believe our methodology of determining the Calculated Assets and Liabilities conforms to standard industry practices and is reasonably designed to ensure it is reliable.

The terms of the Series A Preferred Stock, Series A1 Preferred Stock and Series D Preferred Stock expressly provide that the amount that a holder of Series A Preferred Stock, Series A1 Preferred Stock or Series D Preferred Stock, as the case may be, would be entitled to receive upon the redemption of the Series A Preferred Stock, Series A1 Preferred Stock or Series D Preferred Stock, as the case may be, or our liquidation would be equal to the Series A Preferred Stock Stated Value, Series A1 Preferred Stated Value or Series D Preferred Stock Stated Value, as the case may be, plus, in each case, all accumulated, accrued and unpaid dividends thereon (the “Maximum Value”), subject to any applicable redemption fee in the case of a redemption by such holder. As a result, in no event would a holder of Series A Preferred Stock, Series A1 Preferred Stock or Series D Preferred Stock, as the case may be, be entitled to receive an amount greater than the Maximum Value upon the redemption of such shares or our liquidation. Accordingly, although the estimated value of the Series A Preferred Stock, Series A1 Preferred Stock and Series D Preferred Stock, calculated based on the Calculated Assets and Liabilities as described above,

exceeded the Maximum Value, we determined that the estimated value of each of the Series A Preferred Stock, the Series A1 Preferred Stock and Series D Preferred Stock, as of December 31, 2023, was equal to $25.00 per share, plus accrued and unpaid dividends.

Dividends

As of December 31, 2023, there were 10,473,369 and 10,378,343 shares of Series A1 Preferred Stock issued and outstanding, respectively, 8,820,338 and 7,431,839 shares of Series A Preferred Stock issued and outstanding, respectively, 56,857 and 48,447 shares of Series D Preferred Stock issued and outstanding, respectively, and 22,786,741 shares of Common Stock issued and outstanding. Additionally as of December 31, 2023, there were no shares of Series L Preferred Stock outstanding, all of which had been either repurchased during 2022 or reclassified to a liability on our consolidated balance sheet as of December 31, 2023 in connection with the Series L Redemption.

Holders of Preferred Stock are entitled to receive, if, as and when authorized by our Board of Directors, and declared by us out of legally available funds, cumulative cash dividends as follows:

	Annual Rate of Dividend (as a % of stated value)
Series A1 Preferred Stock [1]	6.00%
Series A Preferred Stock	5.50%
Series D Preferred Stock	5.65%
Series L Preferred Stock	5.50%

(1) The terms of the Series A1 Preferred Stock provide for cumulative cash dividends (if, as and when authorized by the Board of Directors) on each share of Series A1 Preferred Stock at a quarterly rate of the greater of (i) an annual rate of 6.00% of the Series A1 Stated Value, divided by four (4) and (ii) the Federal Funds (Effective) Rate on the dividend determination date, plus 2.50%, of the Series A1 Stated Value, divided by four (4), up to a maximum of 2.50% of the Series A1 Stated Value per quarter. The annual rate of dividend of the Series A1 Preferred Stock during the first quarter of 2024 is 7.83%.

Dividends on each share of Preferred Stock begin accruing on, and are cumulative from, the date of issuance. We expect to timely pay dividends on the Preferred Stock in arrears on a monthly basis, unless our results of operations, our general financing conditions, general economic conditions, applicable requirements of the MGCL or other factors make it imprudent to do so. The timing and amount of dividends declared and paid on our Preferred Stock will be determined by our Board of Directors, in its sole discretion, and may vary from time to time.

Holders of the Company’s Common Stock are entitled to receive dividends, if, as and when authorized by the Board of Directors and declared by the Company out of legally available funds. In determining the Company’s dividend policy, the Board of Directors considers many factors including the amount of cash resources available for dividend distributions, capital spending plans, cash flow, the Company’s financial position, applicable requirements of the MGCL, any applicable contractual restrictions, and future growth in NAV and cash flow per share prospects. Consequently, the dividend rate on a quarterly basis does not necessarily correlate directly to any individual factor.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Our future income, cash flow and fair values relevant to financial instruments are dependent upon prevalent market interest rates. Market risk refers to the risk of loss from adverse changes in market prices and interest rates. We are exposed to market risk in the form of changes in interest rates and the potential impact such changes may have on the cash flows from our floating rate debt or the fair values of our fixed rate debt. As of December 31, 2023 and 2022 (including our variable rate mortgage payable subject to an interest rate cap agreement and excluding premiums, discounts, and deferred loan costs), $250.7 million (or 52.7%) and $97.1 million (or 52.1%) of our debt, respectively, was fixed rate borrowings. As of December 31, 2023 and 2022 (excluding our variable rate mortgage payable subject to an interest rate cap agreement as well as premiums, discounts and deferred loan costs), $224.7 million (or 47.3%) and $89.3 million (or 47.9%), respectively, was floating rate borrowings. Based on the level of floating rate debt outstanding as of December 31, 2023 and 2022, a 50 basis point change in SOFR would result in an annual impact to our earnings of approximately $1.1 million and $446,000, respectively. We calculate interest rate sensitivity by multiplying the amount of floating rate debt by the respective change in rate.

As of December 31, 2023, we had one interest rate cap agreement outstanding with an aggregate notional amount of $87.0 million and an aggregate fair value of the net derivative assets of $491,000. As of December 31, 2023, an increase or decrease of 50 basis points in interest rates would not result in a significant change to the fair value of the derivative asset.

Item 8. Financial Statements and Supplementary Data

The information required by this Item is incorporated herein by reference to the Financial Statements and Auditors' Report beginning on page F-1.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of December 31, 2023, we carried out an evaluation, under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, regarding the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) at the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded, as of that time, that our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in the reports that we file or submit to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms and include controls and procedures designed to ensure the information required to be disclosed by us in such reports is accumulated and communicated to management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. We reviewed the results of management's assessment with the Audit Committee of the Board of Directors.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2023. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control—Integrated Framework (2013)*. Based on their assessment, management determined that as of December 31, 2023, our internal control over financial reporting was effective based on those criteria.

The effectiveness of our internal control over financial reporting as of December 31, 2023 has been audited by Deloitte & Touche, LLP, an independent registered public accounting firm as stated in their report which appears herein.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Creative Media & Community Trust Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Creative Media & Community Trust Corporation (the "Company") as of December 31, 2023, based on criteria established in Internal Control — *Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control — *Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2023, of the Company and our report dated March 28, 2024, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Tempe, Arizona
March 28, 2024

Limitations on the Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls or our internal controls will prevent all errors and fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with associated policies or procedures. Because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None of our officers or directors had any contract, instruction, or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement" in effect at any time during the three months ended December 31, 2023.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Board of Directors

Our Board of Directors (the "Board of Directors" or the "Board") consists of seven directors. Each was appointed or elected to serve for a one-year term and until his or her successor is elected and qualifies, or until his or her earlier death, resignation or removal from office.

Set forth below are the names of the persons nominated as directors, their ages, their offices in the Company, if any, their principal occupations or employment for at least the past five years, the length of their tenure as directors of the Company and the names of other public companies in which such persons hold or have held directorships during the past five years.

Name	Age	Position
Douglas Bech	78	Director (independent)
John Hope Bryant	58	Director (independent)
Marcie Edwards	67	Director (independent)
Shaul Kuba	61	Director
Richard Ressler	65	Director and Chairman of the Board
Avraham Shemesh	62	Director
Elaine Wong	44	Director (independent)

Douglas Bech has served as a director of the Company since March 2014, and since 1997 as founder and Chief Executive Officer of Raintree Resorts International, a private enterprise engaged in vacation ownership and resort operations in Mexico, the United States and Canada. Prior to founding Raintree, Mr. Bech practiced securities and corporate finance law from 1970 to 1997. Mr. Bech also served as a director of J2 Global, Inc. from November 2000 to October 2021 and from August 1988 through November 2000, he served as a director of eFax.com, a company J2 Global, Inc. acquired in November 2000. In October 2021 Mr. Bech was appointed non-executive chairman of the board of directors of Consensus Cloud Solutions, Inc., a company which was spun off to the J2 (now renamed Ziff-Davis) shareholders. Mr. Bech also served as presiding independent director of HollyFrontier Corporation from July 2011 until May 2021, when Mr. Bech retired from its board of directors. Mr. Bech had previously served as a director of Frontier Oil Corporation from 1993 until its merger with Holly Corporation in July 2011. Mr. Bech also served, from 2014 until February 1, 2016, as an independent trust manager of Moody National REIT II, Inc., a registered, non-traded real estate investment trust that acquires limited service hotels in the United States. Mr. Bech's previous work as a securities and corporate finance lawyer, as a director of other diverse public companies, and his experience as a chief executive officer of a multi-national enterprise provides expertise on corporate governance, legal matters and finance, as well as a general business management perspective to the Board.

John Hope Bryant has served as a director of the Company since November 2022. Mr. Bryant is chairman and chief executive officer of Bryant Group Ventures and The Promise Homes Company ("TPHC"), the largest for-profit minority controlled owner of institutional-quality, single-family residential rental homes in the U.S. Bryant founded TPHC as a start-up idea in the summer of 2017, and, by the summer of 2021, it had become the largest minority controlled single family home rental company in the nation. Further, Mr. Bryant has served as a director of Nextdoor Holdings, Inc. since November 2021 and currently serves on its Nominating, Corporate Governance, and Corporate Responsibility Committee. Mr. Bryant is also the Founder, Chairman, and Chief Executive Officer of Operation HOPE, Inc., the largest not-for-profit and best-in-class provider of financial literacy, financial inclusion, and economic empowerment tools and services in the United States for youth and adults. He has served as an advisor to three sitting U.S. presidents from both political parties. Mr. Bryant is a founding member of the Clinton Global Initiative and a member of the World Economic Forum's "The Forum of Young Global Leaders." In addition, he hosts a national podcast series on iHeart and is a regular guest on CNBC's Squawk Box, a columnist for Bloomberg Opinion and a contributor to Huffington Post and Black Enterprise. Mr. Bryant was selected to serve as a director

because of his experience as an entrepreneur and a real estate investor, his leadership skill and his deep connections to the community, all of which are expected to bring valuable insight to the Board.

Marcie Edwards has served as a director of the Company since her appointment by our Board on February 11, 2021. Ms. Edwards served as the General Manager of the Los Angeles Department of Water and Power (LADWP) from 2014 to 2017. In that capacity, she managed a city agency with an annual budget of more than $6 billion and approximately 10,000 employees. As part of her role at LADWP, she served as a member of the board of the Water and Power Employees' Retirement Plan, overseeing more than $12 billion in investments. Prior to her tenure at LADWP, Ms. Edwards was the City Manager of the City of Anaheim from 2013 to 2014, overseeing an annual budget of more than $1 billion with approximately 3,000 employees, including a fire department, a police department, and a public utility company. From 2000 to 2012, Ms. Edwards was the Utility General Manager of Anaheim Public Utilities and, prior to 2000, Ms. Edwards spent almost 25 years with LADWP in a variety of positions. From 2019 to 2021, she was Chair to the California Wildfire Safety Advisory Board as a gubernational appointee. Since 2019, Ms. Edwards has been a board member of S&C Electric Company in Chicago (and a member of the Audit Committee since 2021). In 2019, Ms. Edwards was invited to serve on the Southern California Gas Company's Advisory Safety Council. Ms. Edwards has a Master in Public Administration degree from the University of LaVerne. Ms. Edwards' extensive experience in public administration provides the Board with a strong resource on a variety of important strategic matters.

Shaul Kuba has served as a director of the Company since March 2014 and Chief Investment Officer of the Company since March 2023. Mr. Kuba is a Co-Founder, Principal and President of CIM's Real Asset Services division with more than 30 years of active real estate, infrastructure and lending experience. Since co-founding CIM Group, L.P. in 1994, Mr. Kuba has been an integral part of building CIM Group, L.P.'s platforms. As a Principal and Head of CIM Group, L.P.'s Development Group, he is actively involved in the development, redevelopment and repositioning of CIM Group, L.P.'s real estate assets. Additionally, Mr. Kuba is instrumental in sourcing new opportunities and establishing and maintaining relationships with national and regional retailers, hospitality brands and restaurateurs. He serves on CIM Group, L.P.'s Investment, Allocation and Real Asset Management Committees and provides guidance on the diverse opportunities across CIM's platforms. He also serves as an officer of various affiliates of CIM. Prior to CIM Group, L.P., Mr. Kuba was involved in a number of successful entrepreneurial real estate activities including co-founding Dekel Development, a developer of commercial and multifamily properties in Los Angeles. Mr. Kuba was selected to serve as a director because of his significant experience with the real estate development and sourcing new transactions as a result of his experience with CIM Group, including as Co-Founder thereof, as well as his leadership roles at CIM Group, all of which are expected to bring valuable insight to the Board of Directors.

Richard Ressler has served as director and chairman of the Company since March 2014. Mr. Ressler is the founder and President of Orchard Capital Corporation ("Orchard Capital"), a firm through which Mr. Ressler oversees companies in which Orchard Capital or its affiliates invest. Through his affiliation with Orchard Capital, Mr. Ressler serves in various senior capacities with, among others, CIM Group, L.P. (together with its controlled affiliates, "CIM"), a community-focused real estate and infrastructure owner, operator, lender and developer, Orchard First Source Asset Management, LLC (together with its controlled affiliates, "OFSAM"), which provides personnel staffing to OFS Capital Management, LLC, a registered investment adviser focusing primarily on investments in middle market and broadly syndicated US loans, debt and equity positions in collateralized loan obligations and other structured credit investments, OFS CLO Management, LLC, a registered investment adviser focusing primarily on investments in broadly syndicated US loans, and OCV Management, LLC ("OCV"), an investor, owner and operator of technology companies. Mr. Ressler also serves as a board member for various public and private companies in which Orchard Capital or its affiliates invest. Mr. Ressler served as non-executive chairman of the board of Ziff Davis, Inc. (NASDAQ: ZD), formerly known as j2Global, Inc., from 1997 until May 2022. In addition, he has also served as the Chief Executive Officer and President and as a director of CIM Real Estate Finance Trust, Inc. ("CMFT"), a non-listed REIT operated by an affiliate of CIM that invests in net lease core real estate assets as well as real estate loans and other credit investments, since February 2018, and has served as Chairman of its board of directors since August 2018. Mr. Ressler has served as the chairman of the investment risk management committee of CMFT since April 2022 and served as a member of the nominating and corporate governance committee from August 2018 to March 2022. Mr. Ressler served as the Chief Executive Officer, President and a director of CIM Income NAV, Inc. ("CIM Income NAV") from February 2018 to December

2021 and as Chairman of the board of directors of CIM Income NAV from August 2018 to December 2021 until CIM Income NAV's merger with and into CMFT in December 2021. Mr. Ressler served as the Chief Executive Officer and President and as a director of Cole Office & Industrial REIT (CCIT III), Inc. ("CCIT III") from February 2018 and as chairman of its board of directors from August 2018 until CCIT III's merger with and into CMFT in December 2020. Mr. Ressler also served as a director of Cole Office & Industrial REIT (CCIT II), Inc. ("CCIT II") from January 2019 until CCIT II's merger with Griffin Realty Trust, Inc. ("GRT") in March 2021 and as a director of Cole Credit Property Trust V, Inc. ("CCPT V") from January 2019 to October 2019.

Mr. Ressler co-founded CIM Group, L.P. in 1994 and serves as the Executive Chairman of CIM and as an officer of various affiliates of CIM, including our manager. He chairs CIM's Executive, Investment, Allocation and Real Asset Management Committees. Mr. Ressler co-founded the predecessor of OFSAM in 2001 and chairs its executive committee. Mr. Ressler co-founded OCV in 2016 and chairs its executive committee. Prior to founding Orchard Capital, from 1988 until 1994, Mr. Ressler served as Vice Chairman of Brooke Group Limited, the predecessor of Vector Group, Ltd. (NYSE: VGR) and served in various executive capacities at VGR and its subsidiaries. Prior to VGR, Mr. Ressler was with Drexel Burnham Lambert, Inc., where he focused on merger and acquisition transactions and the financing needs of middle-market companies. Mr. Ressler began his career in 1983 with Cravath, Swaine and Moore LLP, working on public offerings, private placements, and merger and acquisition transactions. Mr. Ressler holds a B.A. from Brown University, and J.D. and M.B.A. degrees from Columbia University. Mr. Ressler was selected to serve as a director because of his extensive real estate, business management and finance experience and expertise, in addition to his leadership roles at several public companies, all of which are expected to bring valuable insight to the Board of Directors.

Avraham Shemesh has served as a director of the Company since March 2014. Mr. Shemesh is a Co-Founder, Principal and President of CIM's Real Asset Management division with more than 30 years of active real estate, infrastructure and lending experience. Since co-founding CIM Group, L.P. in 1994, Mr. Shemesh has been instrumental in building CIM Group, L.P.'s real estate, infrastructure and debt platforms. He serves on CIM Group, L.P.'s Investment, Allocation, Real Assets Management and Valuation Committees as well as the ICCS, providing guidance on the diverse opportunities available across CIM's various platforms. Mr. Shemesh is responsible for CIM's long-time relationships with strategic institutions and oversees teams essential to acquisitions, portfolio management and internal and external communication. He serves as an officer of various affiliates of CIM. In addition, Mr. Shemesh served as a director of CMFT from March 2019 until February 2024. He served as a director of CIM Income NAV from January 2019 to December 2021 when CIM Income NAV merged with CMFT. He also served as the Chief Executive Officer and President and as a director of CCIT II from February 2018, and as Chairman of the board of directors of CCIT II from August 2018 until CCIT II's merger with GRT in March 2021. Until the mergers of such entities with and into CMFT in December 2020, he served as the Chief Executive Officer and as a director of CCPT V beginning in March 2018, as Chairman of the board of directors of CCPT V beginning in August 2018, and as a director of CCIT III beginning in January 2019. Prior to CIM Group, L.P., Mr. Shemesh was involved in a number of successful entrepreneurial real estate activities, including co-founding Dekel Development, a developer of a wide variety of commercial and multifamily properties in Los Angeles. Mr. Shemesh was selected to serve as a director because of his significant experience with the real estate acquisition process and strategic planning as a result of his experience with CIM Group, including as Co-Founder thereof, as well as his leadership roles at CIM and CMFT, all of which are expected to bring valuable insight to the Board of Directors.

Elaine Wong has served as a director of the Company since May 2022. Ms. Wong was a Principal at CIM Group, L.P. and served as its Head of Marketing & Communications from May 2018 until her retirement from CIM at the end of June 2021. Ms. Wong was a member of CIM's Investment Committee from February 2015 to June 2021. From February 2015 to April 2018, Ms. Wong served as CIM's Global Head of Partner & Co-Investor Relations. She served at CIM from February 2012 to January 2015 as 1st Vice President, Global Head of Fundraising and Investor Relations, from February 2010 to January 2012 as Vice President, Fundraising & Investor Relations, and from April 2007 to January 2010 as Associate, Investor Relations. She was also a director of CMFT from October 2019 to December 2021, a director of CIM Income NAV from October 2019 until its merger with CMFT in December 2021, a director of CCPT V from October 2019 until its merger with CMFT in December 2020 and a director of CCIT II from October 2019 until its merger with GRT in March 2021. Prior to joining CIM, Ms. Wong served from May 2005 to March 2007 as an Associate at Perry Capital, LLC, and from July 2001 to April 2005 as an Analyst,

and then Associate in the Equities Division, Financial and Strategic Management, of Goldman Sachs & Co. Ms. Wong received a Bachelor of Science degree in Accounting and Finance from New York University, Leonard N. Stern School of Business. Ms. Wong was selected to serve as a director because of her financial background and experience and expertise in investor relations, marketing and communications strategy, and fundraising, all of which are expected to bring valuable insight to the Board.

Executive Officers

Set forth below are the names of the persons who are our executive officers as of the date hereof, their ages and their positions with the Company. Each executive officer will serve until his successor is duly appointed, or until his earlier death, resignation or removal from office.

Name	Age	Position
David Thompson	59	Chief Executive Officer
Barry N. Berlin	62	Chief Financial Officer and Secretary; Executive Vice President and Treasurer

David Thompson has been Chief Executive Officer of the Company since March 2019. Mr. Thompson served as the Chief Financial Officer of the Company from March 2014 to March 2019. Mr. Thompson is also a Principal, Chief Financial Officer of CIM Group, L.P. and serves on CIM Group, L.P.'s Investment, Valuation Committee and the ICCS. He joined CIM Group, L.P. in 2009. In addition, Mr. Thompson has served as the Chief Executive Officer and Trustee of CIM Real Assets & Credit Fund, a closed-ended interval fund that seeks to invest in a mix of institutional-quality real estate and credit assets, since February 2019. Prior to joining CIM Group, L.P. in 2009, Mr. Thompson spent 15 years with Hilton Hotels Corporation, most recently as Senior Vice President and Controller, where he was responsible for worldwide financial reporting, financial planning and analysis, internal control and technical accounting compliance. Mr. Thompson's experience includes billions of dollars of real estate acquisitions and dispositions in the office, retail, multifamily, hotel, gaming and timeshare sectors, as well as significant capital markets experience. Mr. Thompson began his career as a C.P.A. in the Los Angeles office of Arthur Andersen & Co. Mr. Thompson received a B.S. degree in Accounting from the University of Southern California.

Barry N. Berlin has been Chief Financial Officer and Secretary of the Company since August 2022. Mr. Berlin has been the Executive Vice President and Treasurer of the Company since October 2008 and was Chief Financial Officer of the Company's predecessor from June 1993 to March 2014. He has been Chief Financial Officer of the Company's wholly-owned subsidiary lending business since 1992 and has been the Chief Executive Officer and Chairman of the Board of Directors of that business since 2020. In addition, Mr. Berlin has served in various finance and accounting roles within CIM Group and its affiliates since 2017 and is currently a Managing Director of CIM Group, Chief Financial Officer of CIM Real Assets & Credit Fund, a closed-ended interval fund advised by an affiliate of CIM Group that is registered as an investment company under the Investment Company Act of 1940, as amended, Chief Financial Officer of CIM Capital, LLC, the Company's operator and an investment adviser registered with the Securities and Exchange Commission. Mr. Berlin earned a Bachelor of Science degree in Accounting from the University of Florida and is a certified public accountant. Mr. Berlin began his career in public accounting.

Corporate Governance

Company Leadership Structure; Board Role in Risk Oversight

Leadership Structure. The Board does not have a formal policy regarding the leadership structure of the Company and whether the roles of chairman and chief executive officer should be separated, but instead believes that these matters should be determined based on a number of different factors and circumstances, including the Company's position, history, size, culture, stockholder base, board size and board composition and that, as a result, the appropriate structure may change from time to time as circumstances warrant. Currently, the roles of Chairman of the Board and Chief Executive Officer of the Company are separated. Our Chairman of the Board is Mr. Ressler and our Chief Executive Officer is Mr. Thompson.

Risk Oversight. The Company is exposed to a variety of risks. The entire Board regularly assesses major risks facing the Company and reviews options for their mitigation. The Board may appoint a committee to address a specific risk or to oversee the Company's response to a specific risk. In particular, the Audit Committee of the Board oversees the Company's policies with respect to risk assessment and risk oversight and oversees risk with respect to financial reporting matters. The Board also relies on management to bring significant matters to its attention.

The Board believes that the Company's current leadership structure, including the independent Audit Committee oversight function and the open access of the Board to the Company's executive officers and senior management as the Board determines is appropriate, supports the oversight role of the Board in the Company's risk management.

Statement on Corporate Governance

Governance Principles. The Board has adopted a set of Governance Principles that provides a framework for the governance of the Company. The Company's Governance Principles may be found on the Company's website at https://shareholders.creativemediacommunity.com/corporate-overview/corporate-governance in the section entitled "Governance Documents."

Contacting the Board. The Board welcomes your questions and comments. If you would like to communicate directly with the Board, or if you have a concern related to the Company's business ethics or conduct, financial statements, accounting practices or internal controls, then you may submit your correspondence to the Secretary of the Company, at 5956 Sherry Lane, Suite 700, Dallas, Texas 75225, or you may call the Ethics Hotline at 1-800-292-4496. All communications will be forwarded to the Audit Committee, which in turn may forward certain communications to the entire Board in its discretion.

Code of Ethics. The Board has adopted a Code of Business Conduct and Ethics that applies to all directors, officers and employees of the Company, the Operator (as defined below) and the Administrator (as defined below), including the Company's principal executive officer and principal financial and accounting officer (the "Code of Ethics").

If the Board amends any provisions of the Code of Ethics that applies to the Company's principal executive officer or any other executive officer of the Company or grants a waiver in favor of any such persons, the Company intends to satisfy its disclosure requirements by disclosing the amendment or waiver in a Current Report on Form 8 K filed with the SEC within four business days following such amendment or waiver.

The Company's Code of Business Conduct and Ethics may be found on the Company's website at https://shareholders.creativemediacommunity.com/corporate-overview/corporate-governance in the section entitled "Governance Documents."

Meetings of the Board

The Board held a total of six meetings during the year ended December 31, 2023. Each director attended at least 75 percent of the aggregate number of Board meetings and the meetings of committees on which he or she served during 2023. Directors are encouraged to attend the annual meeting of stockholders of the Company. All members of our Board virtually attended our 2023 annual meeting of stockholders.

Independent Director Meetings

The independent directors have at least one regularly scheduled meeting or executive session per year without the presence of other directors and management. Any independent director can request that an additional executive session be scheduled.

Committees of the Board

The Board has the following standing committees: an audit committee, a compensation committee and a nominating and corporate governance committee.

Audit Committee. The Company has a standing Audit Committee that oversees the accounting and financial reporting processes as well as legal, compliance and risk management matters. The Audit Committee consists of Ms. Wong (chairman), Mr. Bech and Ms. Edwards. The Audit Committee is comprised entirely of directors who meet the independence and financial literacy requirements of Nasdaq and applicable SEC rules. See "—Independence of Directors." In addition, the Board has determined that Ms. Wong qualifies as an "audit committee financial expert" as defined in SEC rules.

The Audit Committee's responsibilities include providing assistance to the Board in fulfilling its responsibilities with respect to oversight of the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications, performance and independence, and the performance of the Company's internal audit function, if any. In accordance with its Audit Committee Charter, the Audit Committee is directly responsible for the appointment and oversight of the independent registered public accounting firm, who reports directly to the Committee, approval of the engagement fee of the independent registered public accounting firm and pre approval of the audit services and any permitted non audit services they may provide to the Company. In addition, the Audit Committee reviews the scope of audits as well as the annual audit plan and evaluates matters relating to the audit and internal controls of the Company. Further, the Audit Committee supervises the Company's compliance with the cybersecurity rule promulgated by the SEC. The Audit Committee holds separate executive sessions, outside the presence of executive management, with the Company's independent registered public accounting firm.

During 2023, the Audit Committee held five meetings.

The charter for the Audit Committee may be found on the Company's website at https://shareholders.creativemediacommunity.com/corporate-overview/corporate-governance in the section entitled "Committee Charters."

Compensation Committee. Our Compensation Committee consists of two of our independent directors: Mr. Bech, who serves as chairman, and Ms. Wong. Our Board has adopted a charter for the Compensation Committee that sets forth its specific functions, powers, duties and responsibilities. Among other things, the Compensation Committee charter calls upon the Compensation Committee to:

- In consultation with senior management, establish the Company's general compensation philosophy and oversee the development, implementation and administration of compensation plans, policies and programs, if any;
- Oversee compliance of all compensation-related disclosure requirements, including producing an annual Compensation Committee Report for inclusion in the Company's proxy statement in accordance with applicable SEC rules and regulations; and
- Review and make recommendations to the Board regarding any changes in compensation for directors.

During 2023, the Compensation Committee held two meetings.

The charter for the Compensation Committee may be found on the Company's website at https://shareholders.creativemediacommunity.com/corporate-overview/corporate-governance in the section entitled "Committee Charters."

Nominating and Corporate Governance Committee. Our Nominating and Corporate Governance Committee is comprised of two of our independent directors: Mr. Bech, who serves as chairman, and Ms. Edwards. The Nominating and Corporate Governance Committee was formed to establish and implement our corporate governance practices and to nominate individuals for election to the Board. Our Nominating and Corporate Governance Committee operates pursuant to a written charter adopted by our Board. Among other things, the committee charter calls upon the Nominating and Corporate Governance

Committee to: (i) periodically review the size and composition of the Board and recommend to the Board such modifications to its size and/or composition as are determined by the Nominating and Corporate Governance Committee to be necessary or desirable; (ii) recommend to the Board the director nominees for the next annual meeting of stockholders; and (iii) develop and recommend to the Board a set of corporate governance principles applicable to the Company.

During 2023, the Nominating and Corporate Governance Committee held two meetings.

The charter for the Nominating and Corporate Governance Committee may be found on the Company's website at https://shareholders.creativemediacommunity.com/corporate-overview/corporate-governance in the section entitled "Committee Charters."

Director Nomination Procedures

Director Qualifications. The Nominating and Corporate Governance Committee believes that each member of the Board must possess high personal and professional ethics, integrity and values, and be committed to representing the long term interests of the stockholders, as well as an inquisitive mind, an objective perspective, practical wisdom and mature judgment. In addition, directors must be willing to devote sufficient time to carry out their duties and responsibilities effectively. The Nominating and Corporate Governance Committee is committed to diversity on the Board, values diversity and believes the Board should reflect an appropriate diversity of viewpoints, background, experience, ethnicity, gender, culture and other demographics.

Identifying and Evaluating Nominees. The Nominating and Corporate Governance Committee may consider those factors it deems appropriate in evaluating director candidates as outlined above. The skills and personality of each director should fit with those of the other directors in building a Board that is effective, collegial and responsive to the needs of the Company. The Nominating and Corporate Governance Committee may consider candidates for the Board from any reasonable source, including current board members, stockholders, professional search firms or other persons. The Nominating and Corporate Governance Committee does not evaluate candidates differently based on who has made the recommendation. The Nominating and Corporate Governance Committee may hire and pay a fee to consultants or search firms to assist in the process of identifying and evaluating candidates; however, no such consultant or search firm was engaged in the year ended December 31, 2023.

Stockholder Nominees. The Nominating and Corporate Governance Committee will consider properly submitted stockholder nominees for election to the Board and will apply the same evaluation criteria in considering such nominees as it would to persons nominated under any other circumstances. Any stockholder nominations proposed for consideration by the Nominating and Corporate Governance Committee should include the nominee's name and sufficient biographical information to demonstrate that the nominee meets the qualification requirements for board service as set forth under "—Director Qualifications." The nominee's written consent to the nomination should also be included with the nomination submission, which should be sent in accordance with the provisions of our bylaws and addressed to: Mr. Barry Berlin, Secretary of the Company, 5956 Sherry Lane, Suite 700, Dallas, Texas 75225.

Additional information regarding submitting stockholder proposals is set forth in our bylaws. Stockholders may request a copy of our bylaws from the Company's Secretary, Mr. Barry Berlin, Secretary of the Company, Creative Media & Community Trust Corporation, 5956 Sherry Lane, Suite 700, Dallas, Texas 75225.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than 10% of a registered class of our equity securities, to file reports of holdings and transactions in our securities with the SEC. Executive officers, directors and any person who beneficially owns 10% or more of the shares of any class of our equity securities are required by applicable regulations to furnish us with copies of all Section 16(a) forms they file with the SEC.

Based solely upon a review of these reports, and upon representations from certain of such persons, we believe that all SEC ownership reporting requirements applicable to our directors, executive officers and beneficial owners of more than 10% of our Common Stock were satisfied on a timely basis during and with respect to the fiscal year ended December 31, 2023.

Item 11. Executive Compensation

Executive Compensation Discussion and Analysis

Compensation Discussion and Analysis

Background

This Compensation Discussion and Analysis relates to compensation paid to the Company's named executive officers during fiscal year 2023.

2023 Named Executive Officers

The following individuals were our named executive officers during 2023:

Name	Title
David Thompson	Chief Executive Officer
Barry N. Berlin	Chief Financial Officer and Secretary; Executive Vice President and Treasurer

The Company is externally operated by the Operator, an affiliate of CIM Group, L.P. In addition, CIM Service Provider, LLC (the "Administrator"), a subsidiary of CIM Group, provides certain administrative services to the Company and its subsidiaries. Mr. Berlin was appointed Chief Financial Officer and Secretary of the Company on August 10, 2022. Mr. Thompson, Chief Executive Officer is employed by an affiliate of the Operator and the Administrator and his compensation is determined by, and paid to them directly by, such affiliate. The Company did not pay Mr. Thompson any compensation in 2023 and 2022. Therefore, the compensation of Mr. Thompson is not discussed in this Compensation Discussion and Analysis.

While Mr. Berlin has an employment agreement with the Company as described below under "—Potential Payments Upon Termination or Change in Control," Mr. Berlin has been jointly employed by the Company and an affiliate of the Operator and the Administrator. Mr. Berlin became the Chief Financial Officer and Secretary of the Company in August 2022. In addition, during 2022, Mr. Berlin was the Executive Vice President and Treasurer of the Company, Chief Financial Officer of the Company's wholly-owned subsidiary lending business and Chief Executive Officer and Chairman of the Board of Directors of that business. In each of 2023 and 2022, Mr. Berlin's compensation was paid by an affiliate of the Operator and the Administrator. Such affiliate was then reimbursed by the Company. In each of 2023 and 2022, the amount of the reimbursement was based on Mr. Berlin's time spent working on matters pertaining to the lending business of the Company; in 2022, the amount of the reimbursement was also based on Mr. Berlin's role as Executive Vice President and Treasurer of the Company from January 1, 2022 to August 10, 2022 (when Mr. Berlin assumed the additional role of Chief Financial Officer and Secretary). In each of 2023 and 2022, such affiliate did not seek reimbursement from the Company for the time that Mr. Berlin spent in his role as Chief Financial Officer of the Company.

Role of Management and the Board in the Compensation Setting Process

Management of the Company and the Board had no role in setting the compensation of Mr. Berlin.

Stockholder Advisory Vote

Because stockholders expressed support for the Company's executive compensation programs in 2023 by approving such programs, on an advisory basis, and because Mr. Berlin's terms of employment are governed by the terms of his existing employment agreement, the Compensation Committee did not make any changes to the Company's executive compensation programs in 2023.

Compensation Policies and Practices in Relation to Risk Management

As of December 31, 2023, the Company had five employees. Accordingly, the Compensation Committee does not believe that the Company's compensation policies and practices are reasonably likely to have a material adverse effect on the Company.

Use of Independent Compensation Consultant

The Compensation Committee did not engage the services of an independent compensation consultant in 2023.

Determining 2023 Executive Compensation

As described above, Mr. Thompson is employed and paid by an affiliate of the Operator and the Administrator and did not receive any compensation from the Company. Therefore, his 2023 and 2022 compensation is not discussed herein. In each of 2023 and 2022, as described above under "—2023 Name Executive Officers," Mr. Berlin's compensation that was attributable to the time that he spent in his role as Chief Financial Officer of the Company was not borne by the Company but by an affiliate of the Operator and the Administrator. Accordingly, the Board did not play a role in determining Mr. Berlin's compensation.

2023 Base Salary and Annual Cash Incentive

Mr. Berlin's compensation that was attributable to the time that he spent in his role as Chief Financial Officer of the Company was not borne by the Company but by an affiliate of the Operator and the Administrator as described above under "—2023 Name Executive Officers." Accordingly, the Board did not play a role in determining Mr. Berlin's compensation.

Severance and Change in Control Agreements

Mr. Berlin's employment agreement with the Company provides for a severance payment as specified therein and as described below.

Tax Considerations

Internal Revenue Code Section 162(m) generally limits the deductibility of compensation paid to certain executive officers in excess of $1,000,000 in any one year. The Compensation Committee was aware of the impact of Internal Revenue Code Section 162(m), but our named executive officers did not receive compensation from the Company in excess of the $1,000,000 limit. The Compensation Committee will continue to consider the tax consequences when determining named executive officer compensation. As in the past, the Board, upon the recommendation of the Compensation Committee, reserves the right to make compensation payments that are nondeductible.

Hedging and Pledging Restrictions

The Company believes it is inappropriate for any director, officer or employee of the Company to enter into speculative transactions in the Company's equity securities. The Company's Trading Policy prohibits all such persons, and members of their households or immediate family (spouse and minor children), from engaging in all speculative financial transactions involving securities of the Company, including buying and selling put and call options or engaging in short selling, and hedging transactions with respect to securities of the Company, including purchasing financial instruments or entering into transactions (such as prepaid variable forward contracts, equity swaps, collars and exchange funds) designed to hedge or offset any decrease in the market value of equity securities of the Company. Holding and exercising options or

other securities granted under any equity incentive plan of the Company are not prohibited by the Company's Trading Policy.

Additionally, the Company's Trading Policy permits pledging of securities of the Company only with the approval of an attorney designated by the Company.

Compensation Committee Interlocks and Insider Participation

Our Compensation Committee is comprised of two of our independent directors. Neither of them (1) has at any time served as an officer or employee of the Company or (2) has or had any relationship requiring disclosure pursuant to the SEC's rules regarding related party transactions (i.e., Item 404(a) of Regulation S-K). None of our executive officers has served as a director or member of the Compensation Committee of any entity that has one or more of its executive officers serving as a member of our Board or Compensation Committee.

Compensation Committee Report

The Compensation Committee has furnished the following report. The information contained in this "Compensation Committee Report" is not to be deemed "soliciting material" or "filed" with the SEC, nor is such information to be incorporated by reference into any future filings under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that we specifically incorporate it by reference into such filings.

The Compensation Committee has reviewed and discussed the above Compensation Discussion and Analysis with management. Based on such review and discussions, the Compensation Committee recommended to our Board that the Compensation Discussion and Analysis be included in this Annual Report on Form 10-K.

COMPENSATION COMMITTEE
Douglas Bech, Chairman
Elaine Wong

Summary Compensation Table

The table below sets forth information concerning compensation of each of our named executive officers for the years ended December 31, 2023 and, 2022, respectively. As described in the Compensation Discussion and Analysis, Mr. Thompson is employed by an affiliate of the Operator and the Administrator and his compensation is determined by, and paid to them directly by, such affiliate. The Company did not pay Mr. Thompson any compensation in 2023 or 2022.

Mr. Berlin has been jointly employed by the Company and an affiliate of the Operator and the Administrator. Mr. Berlin has an employment agreement with the Company, which agreement is described below under "—Potential Payments Upon Termination or Change in Control." Mr. Berlin became the Chief Financial Officer and Secretary of the Company in August 2022. Prior to that, Mr. Berlin has been the Executive Vice President and Treasurer of the Company since October 2008, Chief Financial Officer of the Company's wholly-owned subsidiary lending business since 1992 and Chief Executive Officer and Chairman of the Board of Directors of that business since 2020. In each of 2023 and 2022, Mr. Berlin's compensation was paid by an affiliate of the Operator and the Administrator. Such affiliate was then reimbursed by the Company based on Mr. Berlin's time spent working on matters pertaining to the lending business of the Company; during 2022, such reimbursement also included Mr. Berlin's role as Executive Vice President and Treasurer of the Company from January 1, 2022 to August 10, 2022 (when Mr. Berlin assumed the additional role of Chief Financial Officer and Secretary). The amount of such reimbursement is provided in the table below. In each of 2023 and 2022, such affiliate did not seek reimbursement from the Company for the time that Mr. Berlin spent in his role as Chief Financial Officer of the Company.

Name and Principal Position	Year	Salary		Bonus [2]		Stock Awards		All Other Compensation[3]		Total	
David Thompson	2023	$	—	$	—	$	—	$	—	$	—
Chief Executive Officer	2022	$	—	$	—	$	—	$	—	$	—
Barry N. Berlin	2023	$	87,500	$	50,000	$	—	$	3,833	$	141,333
Chief Financial Officer and Secretary; Executive Vice President and Treasurer[(1), (3)]	2022	$	91,876	$	58,770	$	—	$	3,507	$	154,153

(1) Mr. Berlin was appointed Chief Financial Officer and Secretary of the Company on August 10, 2022. Please see the disclosure under the first paragraph of "—Summary Compensation Table" regarding the information provided with respect to Mr. Berlin's position.
(2) The bonus disclosure for 2022 has been updated to reflect $2,989 of reimbursement to CMCT relating to an amount paid to Mr. Berlin in 2023 as a discretionary allocation of incentive consideration relating to 2022, which was inadvertently omitted.
(3) See table below for a breakdown of all other compensation.

All other compensation paid to the Company's named executive officers in the table above consisted of the following:

Name	Year	Unused Vacation Pay		Tax Qualified 401(k) Plan		Automobile Allowance		Other		Total	
Barry N. Berlin	2023	$	—	$	1,688	$	1,650	$	495	$	3,833

Grants of Plan Based Awards

There were no grants of equity or other plan based awards to our named executive officers during 2023.

Outstanding Equity Awards at Fiscal Year End

There were no outstanding equity awards held by our named executive officers as of December 31, 2023.

Option Exercises and Stock Vested in 2023

There were no equity awards that were exercised or vested with respect to our named executive officers during the fiscal year ended December 31, 2023.

Potential Payments Upon Termination or Change in Control

Mr. Berlin is party to an executive employment agreement (an "Executive Employment Agreement") with the Company, which became effective upon the consummation of a merger between the Company's predecessor and a fund managed by an affiliate of the Operator and the Administrator on March 11, 2014. Under the Executive Employment Agreement, Mr. Berlin is entitled to a minimum annual salary of $350,000 (provided that, as discussed above under "—Summary Compensation Table," Mr. Berlin's compensation was paid by an affiliate of the Operator and the Administrator). The Executive Employment Agreement also entitles Mr. Berlin to health insurance coverage for himself, his wife and his dependent children, and a monthly automobile allowance of $550.

If Mr. Berlin is unable to perform his services due to illness or total incapacity (to be determined based on standards similar to those utilized by the U.S. Social Security Administration), the Executive Employment Agreement entitles Mr. Berlin to receive his full salary for up to one year of such incapacity, reduced by any amounts paid by any Company-provided insurance. If Mr. Berlin's total incapacity continues beyond one year and he is not thereafter able to devote full time to his employment with the Company, then his employment and his Executive Employment Agreement will terminate.

If Mr. Berlin dies during his employment with the Company before reaching the age of seventy, his estate will be entitled to a payment of two times his annual salary plus unused vacation pay. The Company-paid amount of such death benefits will be made over the course of twelve months, and will be offset by any amounts paid under any group life insurance issued by the Company.

In the event that Mr. Berlin's employment is terminated by the Company for Cause (as defined below), or if Mr. Berlin resigns his employment with the Company, he will be entitled to receive only his base salary then in effect through the date of termination, and all benefits accrued through the date of termination. If the Company terminates Mr. Berlin's employment without Cause, Mr. Berlin will be entitled to receive a severance payment in an amount equal to his annual base salary then in effect, to be paid out in a lump sum on the 60th day following his termination date, conditioned upon the execution of a general release of claims.

For purposes of the Executive Employment Agreement, "Cause" means (1) the intentional, unapproved material misuse of corporate funds, (2) professional incompetence or (3) acts or omissions constituting gross negligence or willful misconduct of executive's obligations or otherwise relating to the business of the Company.

Assuming all vacation days are taken and all reasonable business expenses have been reimbursed, based on the Company's best estimate, assuming the applicable scenario occurred on December 31, 2023, the Company would have owed Mr. Berlin $700,000 (representing two times his annual base salary) if he died or $350,000 (representing his annual base salary) if he became disabled or if the Company terminated his employment without Cause.

Pay Versus Performance Table

In accordance with the rules adopted by the SEC, pursuant to the Dodd-Frank Act, the following table and related disclosure provide information about (i) the "total compensation" of our principal executive officer (the "PEO") and our other named executive officers (the "Other NEOs") as presented in "—Summary Compensation Table" above (the "SCT Amounts"), (ii) the "compensation actually paid" to our PEO and our Other NEOs, as calculated pursuant to the SEC's pay-versus-performance rules (the "CAP Amounts") and (iii) certain financial performance measures.

Year	Summary Compensation Table Total for PEO(1)	Compensation Actually Paid to PEO (1)	Summary Compensation Table Total for Other NEOs (2)	Average Compensation Actually Paid to Other NEOs (3)	Value of Initial Fixed $100 Investment Based on Total Shareholder Return (4)	Net (Loss) Income (in thousands)
2023	$ —	$ —	$ 141,333	$ 141,333	$ 30.33	$ (51,456)
2022	$ —	$ —	$ 154,153	$ 154,153	$ 37.09	$ 5,945
2021	$ —	$ —	$ —	$ —	$ 53.48	$ (851)

(1) Our PEO for each of 2023, 2022 and 2021 was Mr. Thompson, our current Chief Executive Office. As discussed under "—Summary Compensation Table" above, Mr. Thompson is employed by an affiliate of the Operator and the Administrator and his compensation is determined by, and paid to them directly by, such affiliate. The Company did not pay Mr. Thompson any compensation in any of the foregoing years.

(2) Our other NEO for 2023 is Mr. Berlin and our other NEO for 2022 are Mr. Berlin, our current Chief Financial Officer and Secretary, and Mr. Nathan DeBacker, our prior Chief Financial Officer and Secretary. Our other NEO for 2021 was Mr. Nathan DeBacker. Mr. DeBacker was employed by an affiliate of the Operator through August 10, 2022 and the Administrator and his compensation was determined by, and paid to them directly by, such affiliate. The Company did not pay Mr. DeBacker any compensation in 2022 and 2021. In each of 2023 and 2022, Mr. Berlin's compensation was paid by an affiliate of the Operator and the Administrator. Such affiliate was then reimbursed by the Company based on Mr. Berlin's time spent working on matters pertaining to the lending business of the Company; during 2022, such reimbursement also included Mr. Berlin's role as Executive Vice President and Treasurer of the Company from January

1, 2022 to August 10, 2022 (when Mr. Berlin assumed the additional role of Chief Financial Officer and Secretary). The amount of such reimbursement is provided in the table above, consistent with the amount reported in the Summary Compensation Table for the applicable year.

(3) The SCT Amount and the CAP Amounts are the same because Mr. Berlin did not receive any equity awards or pension benefits as part of his compensation and therefore the adjustments provided by the applicable rules adopted by the SEC do not apply to Mr. Berlin's compensation.

(4) Pursuant to applicable SEC disclosure rules, assumes $100 was invested on December 31, 2020.

Description of Relationship Between CAP Amounts and cumulative Total Shareholder Return and Net Income

Mr. Berlin became Chief Financial Officer and Secretary of the Company in August 2022. Prior to that Mr. Berlin was not a "named executive officer" of the Company. Upon Mr. Berlin becoming Chief Financial Officer and Secretary of the Company, his compensation was no longer charged to the Company for any services that he performed as Chief Financial Officer and Secretary of the Company. Further, the Company relies on CIM Group for its accounting and finance functions. As a result, the Company believes that any comparison between CAP Amounts and total shareholder returns or net income is not meaningful.

Director Compensation

The Company uses a combination of cash and share based compensation to attract and retain qualified candidates to serve on the Board. In setting compensation for the independent directors of the Board, the Compensation Committee considers, among other things, the substantial time commitment on the part of the directors in fulfilling their duties as well as the skill level it requires of directors. In addition, all members of the Board are reimbursed by the Company for their expenses related to attending meetings of the Board and its committees.

The cash component of each independent director's compensation is set forth according to the following schedule:

Annual board retainer	$55,000
Annual audit committee chairman retainer	$20,000

The annual Board retainer and the annual Audit Committee chairman retainer are payable quarterly in advance. No separate retainer is paid for an independent director's serving as chair of the Compensation Committee or the Nominating and Corporate Governance Committee.

On an annual basis, each director is expected to receive restricted shares of Common Stock valued at $55,000 on the date of grant (based on the closing price of our Common Stock on the date of the grant). These shares vest on the anniversary of the grant if the grantee continues to serve as a director of the Company at such time.

The compensation arrangement for each independent director in 2024 is expected to be substantially the same as the annualized compensation arrangement for the independent directors in 2023, which is set forth in the table below:

Director Compensation in 2023

The following table sets forth certain information with respect to our director compensation during the fiscal year ended December 31, 2023:

Name	Fees Earned or Paid in Cash	Share Awards [(1)]	Total
Douglas Bech	$ 55,000	$ 54,999	$ 109,999
John Hope Bryant	$ 55,000	$ 54,999	$ 109,999
Marcie Edwards	$ 55,000	$ 54,999	$ 109,999
Elaine Wong	$ 75,000	$ 54,999	$ 129,999

(1) Represents the grant date fair value of the restricted shares or share options, as the case may be, for purposes of ASC Topic 718, Compensation—Stock Compensation. Each of Mr. Bech, Mr. Bryant, Ms. Edwards and Ms. Wong received a grant of 12,222 restricted shares of Common Stock on August 2, 2023. The grant date fair value of the restricted shares is based on the per share closing price of our Common Stock on August 2, 2023, which was $4.50. As of December 31, 2023, each of Mr. Bech, Mr. Bryant, Ms. Edwards and Ms. Wong held 12,222 unvested restricted shares of Common Stock.

Messrs. Kuba, Ressler and Shemesh did not receive any compensation (other than the reimbursement of expenses related to attending meetings of the Board and its committees) for their service as directors in the year ended December 31, 2023.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Directors and Executive Officers

The following table sets forth information regarding the beneficial ownership of our Common Stock, Series A Preferred Stock, $0.001 par value per share ("Series A Preferred Stock") and Series A1 Preferred Stock, $0.001 par value per share ("Series A1 Preferred Stock") as of March 22, 2024 by (1) each named executive officer, (2) each current director and (3) all executive officers and directors as a group. In each case, the percent of class owned reflects the number of shares of Common Stock outstanding as of March 22, 2024. As of March 22, 2024, no named executive officer or director of the Company owned any Series D Preferred Stock, $0.001 per value per share ("Series D Preferred Stock").

	Common Stock		Series A Preferred Stock		Series A1 Preferred Stock	
Name of Beneficial Owner	**No. of Shares**	**Percent of Class**	**No. of Shares**	**Percent of Class**	**No. of Shares**	**Percent of Class**
David Thompson	25,000	*	—	—	—	—
Barry N. Berlin	27,901	*	—	—	—	—
Richard Ressler	10,152,921 [1][2]	44.56 %	568,681	8.22 %	200,000	1.81 %
Avraham Shemesh	10,075,713 [1][3]	44.22 %	568,681	8.22 %	200,000	1.81 %
Shaul Kuba	10,075,713 [1][3]	44.22 %	568,681	8.22 %	200,000	1.81 %
Douglas Bech	55,672	*	—	—	—	—
Marcie Edwards	26,051	*	—	—	—	—
John Hope Bryant	12,222	*	—	—	—	—
Elaine Wong	19,968	*	—	—	—	—
Directors and Executive Officers as a group (9 persons)	10,410,575	45.69 %	568,681	8.22 %	200,000	1.81 %

* Less than 1%.

(1) CIM Group, LLC is the indirect sole equity member of each of CIM Urban Sponsor, LLC, CIM CMCT MLP, LLC, CIM Capital Real Property Management, LLC. and CIM Capital IC Management, LLC. CIM Capital IC Management, LLC is the investment adviser of CIM Real Assets & Credit Fund. Because of their positions with CIM Group, LLC, Shaul Kuba, Richard Ressler and Avraham Shemesh, the founders of CIM Group, may be deemed to beneficially own the 9,168,916 shares of Common Stock and 568,681 shares of Series A Preferred Stock owned directly by CIM CMCT MLP, LLC, the 473,033 shares of Common Stock owned directly by CIM Urban Sponsor, LLC, the 388,344 shares of common stock directly owned by CIM Real Assets & Credit Fund and the 200,000 shares of Series A1 Preferred Stock owned directly by CIM Capital Real Property Management, LLC. Messrs. Ressler, Shemesh and Kuba have shared voting and investment power over all of these shares. Each of Messrs. Ressler, Shemesh and Kuba disclaims beneficial ownership of all of these shares except to the extent of his pecuniary interest therein.

(2) Mr. Ressler has sole voting and investment power over 122,628 shares of Common Stock held by a subsidiary of a trust formed by Mr. Ressler for the benefit of his family members.

(3) Each of Messrs. Shemesh and Kuba have shared voting and investment power over 45,420 shares of Common Stock held by each of their respective family trusts, with respect to which they were grantors.

Beneficial Owners of More than 5% of our Common Stock

The following table sets forth certain information regarding the beneficial ownership of our Common Stock, Series A Preferred Stock and Series A1 Preferred Stock based on filings with the SEC as of March 22, 2024 by each person known by us to beneficially own more than 5% of our Common Stock. In each case, the percent of class owned reflects the number of shares of Common Stock outstanding as of March 22, 2024.

Name and Address of Beneficial Owner	Common Stock		Series A Preferred Stock		Series A1 Preferred Stock	
	No. of Shares	Percent of Class	No. of Shares	Percent of Class	No. of Shares	Percent of Class
Richard Ressler[1]	10,152,921 [2]	44.56 %	568,681	8.22 %	200,000	1.81 %
Avraham Shemesh[1]	10,075,713 [3]	44.22 %	568,681	8.22 %	200,000	1.81 %
Shaul Kuba[1]	10,075,713 [3]	44.22 %	568,681	8.22 %	200,000	1.81 %
CIM CMCT MLP, LLC [1]	9,168,916	40.24 %	—	—	—	—
The 1 8 999 Trust, XYZ LLC, Daniel M. Negari, The Insight Trust and Michael R. Ambrose 13D Group 2121 E. Tropicana Avenue, Suite 2, Las Vegas, Nevada 89119(4)	1,381,045	6.06 %	—	—	—	—

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(1) The business address of Messrs. Ressler, Shemesh and Kuba, for the purposes hereof, and the address of CIM CMCT MLP, LLC, is c/o CIM Group, LLC, 4700 Wilshire Boulevard, Los Angeles, California 90010. CIM Group , LLC is the indirect sole equity member of each of CIM Urban Sponsor, LLC, CIM CMCT MLP, LLC, CIM Capital Real Property Management, LLC and CIM Capital IC Management, LLC. CIM Capital IC Management, LLC is the investment adviser of CIM Real Assets & Credit Fund. Because of their positions with CIM Group, LLC, Shaul Kuba, Richard Ressler and Avraham Shemesh, the founders of CIM Group, may be deemed to beneficially own the 9,168,916 shares of Common Stock and 568,681 shares of Series A Preferred Stock owned directly by CIM CMCT MLP, LLC, the 473,033 shares of Common Stock owned directly by CIM Urban Sponsor, LLC, the 388,344 shares of common stock directly owned by CIM Real Assets & Credit Fund and the 200,000 shares of Series A1 Preferred Stock owned directly by CIM Capital Real Property Management, LLC. Messrs. Ressler, Shemesh and Kuba have shared voting and investment power over all of these shares. Each of Messrs. Ressler, Shemesh and Kuba disclaims beneficial ownership of all of these shares except to the extent of his pecuniary interest therein.

(2) Mr. Ressler has sole voting and investment power over 122,628 shares of Common Stock held by a subsidiary of a trust formed by Mr. Ressler for the benefit of his family members.

(3) Each of Messrs. Shemesh and Kuba have shared voting and investment power over 45,420 shares of Common Stock held by each of their respective family trusts, with respect to which they were grantors.

(4) This information is based solely upon information contained in a Schedule 13D filed with the SEC on September 27, 2023. The 1 8 999 Trust directly beneficially owned 624,045 shares of Common Stock. XYZ, LLC directly beneficially owned 750,000 Shares. Mr. Negari, as trustee of the 1 8 999 Trust and a manager and an owner of XYZ LLC, may be deemed to beneficially own the 624,045 shares of Common Stock beneficially owned by the 1 8 999 Trust and the 750,000 shares of Common Stock beneficially owned by XYZ, LLC. The Insight Trust directly beneficially owned 7,000 shares of Common Stock. Mr. Ambrose, as trustee of The Insight Trust and an owner of XYZ, LLC, may be deemed to beneficially own the 7,000 shares of Common Stock beneficially owned by The Insight Trust and the 757,000 shares of Common Stock beneficially owned by XYZ, LLC.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Transactions with Related Persons

Asset Management and Other Fees to Related Parties

CIM Urban and CIM Capital, LLC, an affiliate of CIM Group ("CIM Capital") are parties to an Investment Management Agreement pursuant to which CIM Urban engaged CIM Capital to provide certain services to CIM Urban. CIM Capital has assigned its duties under the Investment Management Agreement to its four wholly owned subsidiaries: CIM Capital Securities Management, LLC, a securities manager, CIM Capital RE Debt Management, LLC, a debt manager, CIM Capital Controlled Company Management, LLC, a controlled company manager, and CIM Capital Real Property Management,

LLC, a real property manager. The "Operator" refers to CIM Capital and its four wholly owned subsidiaries. The Company and its subsidiaries are parties to a Master Services Agreement with the Administrator pursuant to which the Administrator provides or arranges for other service providers to provide management and administration services to the Company and its subsidiaries.

On January 5, 2022, the Company and certain of its subsidiaries entered into a Fee Waiver (the "Fee Waiver") with the Operator and the Administrator with respect to fees that are payable to them under the Investment Management Agreement and the Master Services Agreement, respectively. The Fee Waiver is effective retroactively to January 1, 2022 (the "Effective Date"). Pursuant to the Fee Waiver, the Administrator agrees to voluntarily waive any fees in excess of those set forth in the Fee Waiver, to the extent it would otherwise have been entitled to such additional compensation under the Master Service Agreement, and the Operator agrees to voluntarily waive any fees in excess of those set forth in the Fee Waiver, to the extent it would otherwise have been entitled to such additional compensation under the Investment Management Agreement. Following the end of each quarter, the Administrator will deliver to the Company (i) a calculation of the cumulative fees earned by the Operator and the Administrator under the methodology prescribed by the Fee Waiver from the Effective Date through the end of such quarter and (ii) a calculation of the cumulative fees that would have been earned by the Operator and the Administrator during such period under the Master Services Agreement and the Investment Management Agreement without giving effect to the Fee Waiver. If, in respect of any quarter, the aggregate fees that are payable under the methodology prescribed by the Fee Waiver exceed the aggregate fees that would have been payable under the Master Services Agreement and the Investment Management Agreement, without giving effect to the Fee Waiver, such quarter will be deemed an "Excess Quarter". For any quarter following an Excess Quarter, the Company (upon the direction of the independent members of the Board) may, at its option and upon written notice to the Administrator, elect to calculate all fees due to the Administrator and the Operator in accordance with the Master Services Agreement and the Investment Management Agreement, without giving effect to the Fee Waiver, from and after such Excess Quarter. Any such election by the Company will be irrevocable, and all fees due to the Administrator and the Operator from and after such election will be calculated in accordance with the Master Services Agreement and the Investment Management Agreement, without giving effect to the Fee Waiver.

The fees payable to the Operator and the Administrator are determined as follows under the Fee Waiver.

1. Base Fee: A base asset management fee (the "Base Fee") is payable quarterly in arrears to the Operator in an amount equal to an annual rate of 1% (or 0.25% per quarter) of the average of the "Net Asset Value Attributable to Common Stockholders" as of the first and last day of the applicable quarter. Net Asset Value Attributable to Common stockholders is defined as (a) the sum of the Company's (1) investments in real estate at fair value, (2) cash, (3) loans receivable at fair value and (4) the book value of the other assets of the Company, excluding deferred costs and net of other liabilities at book value, less (b) the Company's (i) debt at face value, (ii) outstanding preferred stock at stated value, and (iii) non-controlling interests at book value; provided, that, non-controlling interests in any UPREIT operating partnership relating to the Company shall not be excluded. It is likely that the Company will seek to pay some or part of the Base Fee due to the Operator in 2022 in shares of Series A Preferred Stock.

2. Incentive Fee: A revised incentive fee (the "Revised Incentive Fee") is payable quarterly in arrears to the Administrator with respect to the quarterly core funds from operations in excess of a quarterly threshold equal to 1.75% (i.e., 7.00% on an annualized basis) of the Company's "Adjusted Common Equity" (as defined below) for such quarter ("Excess Core FFO") as follows: (i) no Incentive Fee in any quarter in which the Excess Core FFO is $0; (ii) 100% of any Excess Core FFO up to an amount equal to the product of (x) the average of the Adjusted Common Equity as of the first and last day of the applicable quarter and (y) 0.4375%; and (iii) 20% of any Excess Core FFO thereafter. Revised Incentive Fees payable for any partial quarter will be appropriately prorated.

   "Adjusted Common Equity" means Common Equity plus Excluded Depreciation and Amortization. "Common Equity" means Total Stockholders' Equity minus Excluded Equity. "Total Stockholders' Equity" means the amount reflected as total stockholders' equity in accordance with GAAP on the consolidated balance sheet of the Company and its subsidiaries as of the last day of a given quarter. "Excluded Equity" means the sum of all preferred securities of the Company and its subsidiaries classified as permanent equity in accordance with GAAP on the

consolidated balance sheet of the Company and its subsidiaries as of the last day of a given quarter. "Excluded Depreciation and Amortization" means, for a given quarter, the amount of all accumulated depreciation and amortization of (i) the Company and its subsidiaries and (ii) to the extent allocable to the Company and its subsidiaries, the unconsolidated affiliates, in each case as of the last day of such quarter that corresponds to the periodic depreciation and amortization expense calculated in each case in accordance with GAAP that is a permitted add back to net income calculated in accordance with GAAP when calculating funds from operations.

3. Capital Gains Fee: A capital gains fee (the "Capital Gains Fee") is payable quarterly in arrears to the Administrator in an amount equal to (i) 15% of the cumulative aggregate realized capital gains minus the cumulative aggregate realized capital losses (in each case since the Effective Date), minus (ii) the aggregate capital gains fees paid since the Effective Date. Realized capital gains and realized capital losses are calculated by subtracting from the sales price of a property: (a) any costs incurred to sell such property, and (b) the current gross value of the property (meaning the property's original acquisition price plus any subsequent, non-reimbursed capital improvements thereon paid for by the Company).

For the years ended December 31, 2023 and 2022, the Operator earned asset management fees of $2.6 million and $3.6 million, respectively. The Company issued to the Operator 110,285 shares of Series A1 Preferred Stock in lieu of cash payment for the asset management fees incurred during the nine months ended September 30, 2022.

Affiliates of CIM Group (collectively, the "CIM Management Entities") provide property management, leasing, and development services to CIM Urban. The CIM Management Entities earned property management fees, which are included in rental and other property operating expenses, totaling $2.1 million and $1.7 million for the year ended December 31, 2023 and 2022, respectively. The Company also reimbursed the CIM Management Entities $5.8 million and $2.8 million during the year ended December 31, 2023 and 2022, respectively, for onsite management costs incurred on behalf of the Company, which are included in rental and other property operating expenses. The CIM Management Entities earned leasing commissions of $101,000 and $794,000 for the year ended December 31, 2023 and 2022, respectively, which were capitalized to deferred charges. For the year ended December 31, 2023 and 2022, the CIM Management Entities earned construction management fees of $308,000 and $398,000, respectively, and were reimbursed $1.3 million and $0 million, respectively, for development management reimbursements. The construction management fees and development management reimbursements were capitalized to investments in real estate.

Pursuant to the Master Services Agreement, we appointed an affiliate of CIM Group as the administrator of Urban Partners GP, LLC. Under the Master Services Agreement, for fiscal quarters prior to April 1, 2020, the Company paid a base service fee (the "Base Service Fee") to the Administrator initially set at $1,000,000 per year (subject to an annual escalation by a specified inflation factor beginning on January 1, 2015), payable quarterly in arrears. For the year ended December 31, 2020, we issued to the Administrator 11,273 shares of Series A Preferred Stock in lieu of cash as payment of the Base Service Fee in respect of the first fiscal quarter. On May 11, 2020, the Master Services Agreement was amended to replace the Base Service Fee with an incentive fee pursuant to which the Administrator was entitled to receive, on a quarterly basis, 15.00% of the Company's quarterly core funds from operations in excess of a quarterly threshold equal to 1.75% (i.e., 7.00% on an annualized basis) of the Company's average adjusted common stockholders' equity (i.e., common stockholders' equity plus accumulated depreciation and amortization) for such quarter. The amendment was effective as of April 1, 2020 and was further modified by the Fee Waiver described above. No such incentive fee was paid by the Company.

In addition, pursuant to the terms of the Master Services Agreement, the Administrator may receive compensation and/or reimbursement for performing certain services for the Company and its subsidiaries that are not covered by the Base Service Fee or the incentive fee arrangement in place between May 11, 2020 and January 5, 2022, as the case may be. During the year ended December 31, 2023 and 2022, such services performed by the Administrator and its affiliates included accounting, tax, reporting, internal audit, legal, compliance, risk management, IT, human resources, corporate communications, operational and on-going support in connection with the Company's offering of Preferred Stock. The Company will also reimburse the

Administrator for the Company's share of broken deal expenses that are incurred by the Administrator and its affiliates (i.e., fees and expenses relating to investments that could have been made by the Company but that the Company did not make and/or transactions that could have been executed by the Company but the Company did not consummate, including fees and expenses associated with performing due diligence review and negotiating the terms of such investments or transactions). The Administrator's compensation is based on the salaries and benefits of the employees of the Administrator and/or its affiliates who performed these services (allocated based on the percentage of time spent on the affairs of the Company and its subsidiaries). For the year ended December 31, 2023 and 2022, we expensed $2.3 million and $1.9 million, respectively, for such services, which are included in expense reimbursements to related parties—corporate.

The Company is a party to a Staffing and Reimbursement Agreement with CIM SBA Staffing, LLC, an affiliate of CIM Group, and our subsidiary, PMC Commercial Lending, LLC. The agreement provides that CIM SBA will provide personnel and resources to the Company and the Company will reimburse CIM SBA Staffing, LLC for the costs and expenses of providing such personnel and resources. For the year ended December 31, 2023 and 2022, the Company incurred expenses related to services subject to reimbursement by the Company under the agreement of $2.6 million and $1.9 million, respectively, for each such year, in each case included as expense reimbursements to related parties – lending segment.

CCO Capital, LLC ("CCO Capital") became the exclusive dealer manager for the Company's public offering of the Series A Preferred Stock and Series A Preferred Warrants effective as of May 31, 2019. CCO Capital is a registered broker dealer and is under common control with the Operator and the Administrator. The Company's offering of the Series A Preferred Warrants ended at the end of January 2020. On January 28, 2020, the Company entered into the Second Amended and Restated Dealer Manager Agreement, pursuant to which CCO Capital acted as the exclusive dealer manager for the Company's public offering of its Series A Preferred Stock and Series D Preferred Stock. The Second Amended and Restated Dealer Manager Agreement was subsequently amended by the Company and CCO Capital to address changes to, among other things, selling commissions and dealer manager fees.

On June 16, 2022, the Company entered into the Third Amended and Restated Dealer Manager Agreement, pursuant to which CCO Capital has been acting as the exclusive dealer manager for the Company's public offering of its Series A1 Preferred Stock. Thereunder, the Company agreed to compensate CCO Capital, as the dealer manager for the offering, as follows: (1) a dealer manager fee of up to 3.00% of the selling price of each share of Series A1 Preferred Stock sold and (2) selling commissions of up to 7.00% of the selling price of each share of Series A1 Preferred Stock sold. The Company has been informed that CCO Capital generally reallows 100% of the selling commissions on sales of Series A1 Preferred Stock and generally reallows substantially all of the dealer manager fee on sales of Series A1 Preferred Stock to participating broker-dealers. In addition, pursuant to the Third Amended and Restated Dealer Manager Agreement, CCO Capital will no longer solicit or make any offers for the sale of shares of Series A Preferred Stock or Series D Preferred Stock.

In connection with the offering of the Series A Units, Series A Preferred Stock and Series D Preferred Stock, at December 31, 2023 and 2022, $2.5 million and $2.3 million, respectively, was included in deferred costs as reimbursable expenses incurred pursuant to the Master Services Agreement and the then applicable dealer manager agreement with CCO Capital, of which $61,000 and $17,000, respectively, was included in due to related parties. CCO Capital incurred non-issuance specific costs of $623,000 and $689,000 for the year ended December 31, 2023 and 2023, respectively.

At December 31, 2023 and 2022, upfront dealer manager and trailing dealer manager fees of $283,000 and $454,000, respectively, were included in due to related parties. CCO Capital earned upfront dealer manager and trailing dealer manager fees of $1.4 million and $2.0 million for the year ended December 31, 2023 and 2022, respectively.

Investments with Affiliates of CIM Group

In February 2022, the Company invested with a CIM-managed separate account (the "1910 Sunset JV Partner") in a joint venture (the "1910 Sunset JV") which purchased an office property in Los Angeles, California for a gross purchase price of approximately $51.0 million, of which the Company initially contributed approximately $22.4 million and the 1910 Sunset JV Partner initially contributed the remaining balance.

In February 2023, the Company a CIM-managed interval fund (the "1902 Park JV Partner") invested in a joint venture (the "1902 Park JV") which purchased a multifamily property in the Echo Park neighborhood of Los Angeles, California for a gross purchase price of $19.1 million. The Company owns 50% of the 1902 Park JV. In connection with the closing in February 2023, the 1902 Park JV obtained financing of $9.6 million through the 1902 Park Mortgage Loan. The Company and the 1902 Park JV Partner both initially contributed $6.6 million to the 1902 Park JV.

In October 2023, the Company and a co-investor affiliate of CIM Group (the "1015 N Mansfield JV Partner") acquired from an unrelated third party a 100% fee-simple interest in a plot of land located in the Sycamore media district of Los Angeles, California for a gross purchase price of $18.0 million (excluding transaction costs (the "1015 N Mansfield JV")). The property has a site area of approximately 44,141 square feet and contains a parking garage that has been leased to a third-party tenant. The site is being evaluated for different creative office development options. The Company owns 28.8% of the 1015 N Mansfield JV.

During the year ended December 31, 2023, the Company acquired an interest in four assets from entities indirectly wholly owned by a fund that is managed by affiliates of CIM Group for $282.9 million, excluding transactions costs.

Other

On May 15, 2019, an affiliate of CIM Group entered into an approximately 11-year lease for approximately 32,000 rentable square feet with respect to a property owned by the Company ("4750 Wilshire"). The lease was amended on August 7, 2019 to reduce the rentable square feet to approximately 30,000 rentable square feet. In February 2023, the Company sold an 80% interest in 4750 Wilshire and now holds its retained 20% interest in the property through an Unconsolidated Joint Venture (the "4750 Wilshire JV"). Prior to the sale, for the three months ended March 31, 2023, the Company recorded rental and other property income related to this tenant of $194,000, and for the year ended December 31, 2022, recorded rental and other property income from the tenant of $1.5 million. For the year ended December 31, 2023, the Company's share of the income from the tenant earned by the 4750 Wilshire JV was $170,000.

Review, Approval and Ratification of Transactions with Related Persons

The Board has adopted a written related person transaction policy. Under the policy, a "Related Person Transaction" includes certain transactions, arrangements or relationships (or any series of similar transactions, arrangements or relationships) in which the Company (including any of its subsidiaries) was, is or will be a participant, and in which a related person had, has or will have a direct or indirect material interest.

A "Related Person" is:

Any person who was in any of the following categories during the applicable period:

- a director or nominee for director;
- any executive officer; or
- any immediate family member of a director or executive officer, or of any nominee for director, which means any child, stepchild, parent, stepparent, spouse, sibling, mother in law, father in law, son in law, daughter in law, brother in law, or sister in law of the director, executive officer, or nominee for director and any person (other than a tenant or employee) sharing the household of such security holder.

Any person who was in any of the following categories when a transaction in which such person had a direct or indirect material interest occurred or existed:

- any person who is known to the Company to be the beneficial owner of more than 5% of our shares; and
- any immediate family member of any such security holder, which means any child, stepchild, parent, stepparent, spouse, sibling, mother in law, father in law, son in law, daughter in law, brother in law, or sister in law of such security holder and any person (other than a tenant or employee) sharing the household of such security holder.

A person who has a position or relationship within a firm, corporation or other entity that engages in a transaction with the Company will not be deemed to have an "indirect material interest" within the meaning of "Related Person Transaction" when:

The interest arises only:

- from such person's position as a director of another corporation or organization that is a party to the transaction; or
- from the direct or indirect ownership by such person and all other persons specified in the definition of "Related Person" in the aggregate of less than 10% equity interest in another person (other than a partnership) which is a party to the transaction; or
- from both such position and ownership; or
- from such person's position as a limited partner in a partnership in which the person and all other persons specified in the definition of "Related Person" have an interest of less than 10%, and the person is not a general partner of and does not hold another position in the partnership.

Each of the Company's executive officers is encouraged to help identify any potential Related Person Transaction.

If a new Related Person Transaction is identified, it will initially be brought to the attention of the Chief Financial Officer, who will then prepare a recommendation to the Board and/or a committee thereof regarding whether the proposed transaction is reasonable and fair to the Company.

A committee comprised solely of independent directors, who are also independent of the Related Person Transaction in question, will determine whether to approve a Related Person Transaction. In general, the committee will only approve or ratify a Related Person Transaction if it determines, among other things, that the Related Person Transaction is reasonable and fair to the Company.

Independence of Directors

Under the corporate governance standards of Nasdaq, a majority of the members of the Board must be independent. In making independence determinations, the Board observes all criteria for independence established by the SEC and Nasdaq. As part of such review, the Board considers transactions and relationships between each director or any member of his or her immediate family and the Company, including (if applicable) those reported under "Related Person Transactions." The purpose of such review is to determine whether any such relationships or transactions are inconsistent with a determination that a director is independent. Based on the foregoing, the Board has determined that each of Messrs. Bech and Bryant and Ms. Edwards and Ms. Wong are independent directors.

Item 14. Principal Accountant Fees and Services

Principal Accounting Firm Fees

Aggregate fees for services rendered to the Company for the years ended December 31, 2023 and 2022 by the Company's principal accounting firm for such years, Deloitte & Touche, LLP ("Deloitte"), were as follows:

	Year Ended December 31,	
Type of Service	**2023**	**2022**
Audit fees [1]	$ 749,625	$ 751,625
Audit-related fees	—	—
Tax fees	92,964	179,941
All other fees	—	—
Total	$ 842,589	$ 931,566

(1) Audit fees consisted of professional services performed in connection with (i) the audit of the Company's annual financial statements and internal control over financial reporting, (ii) the statutory audits of the financial statements of two subsidiaries of the Company in 2023 and 2022, (iii) the review of financial statements included in its Quarterly Reports on Form 10-Q, (iv) procedures related to consents and assistance with and review of documents filed with the SEC, (v) other services related to (and necessary for) the audit of the Company's financial statements and (vi) agreed-upon-procedures in 2023 in connection with a securitization completed by the lending division of the Company in 2023.

Pre-Approval Policies

The Audit Committee's charter requires review and pre-approval by the Audit Committee of all audit and permissible non-audit services provided by our outside auditors. The Audit Committee pre-approved all audit services provided by our outside auditors during fiscal years 2023 and 2022 and the fees paid for such services. The Audit Committee may, in its discretion, delegate to one or more of its members the authority to pre-approve any audit or non-audit services to be performed by the independent auditors, provided that any such approvals are presented to the Committee at its next scheduled meeting.

Table of Contents

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) 1. Financial Statements

The list of the financial statements filed as part of this Annual Report on Form 10-K is set forth on page F-1 herein.

2. Financial Statement Schedules

The list of the financial statement schedules filed as part of this Annual Report on Form 10-K is set forth on page F-1 herein.

Note: Other schedules are omitted because of the absence of conditions under which they are required or because the required information is given in the financial statements or notes thereto.

3. Exhibits

The following documents are included or incorporated by reference in this Annual Report on Form 10-K:

Exhibit No.	Document
3.1	Articles of Amendment and Restatement (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on May 2, 2014).
3.1(a)	Articles of Amendment (Name Change) (incorporated by reference to Exhibit 3.4 to the Registrant's Current Report on Form 8-K filed with the SEC on May 2, 2014).
3.1(b)	Articles of Amendment (Reverse Stock Split) (incorporated by reference to Exhibit 3.5 to the Registrant's Current Report on Form 8-K filed with the SEC on May 2, 2014).
3.1(c)	Articles of Amendment (Par Value Decrease) (incorporated by reference to Exhibit 3.6 to the Registrant's Current Report on Form 8-K filed with the SEC on May 2, 2014).
3.1(d)	Articles of Amendment (Reverse Stock Split) (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on September 6, 2019).
3.1(e)	Articles of Amendment (Par Value Decrease) (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the SEC on September 6, 2019).
3.1(f)	Articles of Amendment (Name Change) (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 10, 2022).
3.2	Articles Supplementary, designating the Series A Preferred Stock (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on October 27, 2016).
3.3	Amendment No. 1 to the Articles Supplementary, designating the Series A Preferred Stock (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 31, 2020).
3.4	Articles Supplementary, designating the Series D Preferred Stock (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the SEC on January 31, 2020).
3.5	Articles Supplementary, designating the Series L Preferred Stock (incorporated by reference to Exhibit 4.1 to the Registrant's Pre-Effective Amendment No. 4 to the Form S-11 Registration Statement (333-218019) filed with the SEC on November 15, 2017).
3.6	Articles Supplementary, designating the Series A1 Preferred Stock (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on June 16, 2022).
3.7	Bylaws of Creative Media & Community Trust Corporation (incorporated by reference to Exhibit 3.6 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 16, 2022).
*4.1	Description of Securities of Creative Media & Community Trust Corporation.
4.2	Purchase Agreement among PMC Commercial Trust, PMC Preferred Capital Trust-A and Taberna Preferred Funding I, Ltd. dated March 15, 2005 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on May 10, 2005).
4.3	Junior Subordinated Indenture between PMC Commercial Trust and JPMorgan Chase Bank, National Association as Trustee dated March 15, 2005 (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on May 10, 2005).
4.4	Amended and Restated Trust Agreement among PMC Commercial Trust, JPMorgan Chase Bank, National Association, Chase Bank USA, National Association and The Administrative Trustees Named Herein dated March 15, 2005 (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on May 10, 2005).

4.5	Floating Rate Junior Subordinated Note due 2035 (incorporated by reference to Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on May 10, 2005).
4.6	Warrant Agreement, dated June 28, 2016, between CIM Commercial Trust Corporation and American Stock Transfer & Trust Company, LLC (incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-11/A filed with the SEC on June 29, 2016).
4.7	First Amendment to Warrant Agreement, dated November 6, 2019, between CIM Commercial Trust Corporation and American Stock Transfer & Trust Company, LLC (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on November 8, 2019).
4.8	Form of Warrant Certificate (incorporated by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form S-11 filed with the SEC on June 29, 2016).
+10.1	2015 Equity Incentive Plan (incorporated by reference to Exhibit A to the Registrant's Definitive Proxy Statement related to its 2015 annual meeting of stockholders, as filed with the SEC on April 17, 2015).
+10.2	Amended and Restated Executive Employment Contract with Barry N. Berlin dated August 30, 2013 (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on August 30, 2013).
10.3	Master Services Agreement dated March 11, 2014 by and among PMC Commercial Trust, certain of its subsidiaries, and CIM Service Provider, LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 11, 2014).
10.4	Service Agreement, dated as of August 7, 2014, by and among CIM Commercial Trust Corporation and CIM Service Provider, LLC, under the Master Services Agreement dated March 11, 2014, by and among PMC Commercial Trust, certain of its subsidiaries, and CIM Service Provider, LLC (incorporated by reference to Exhibit 10.8 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on August 11, 2014).
10.5	Form of Indemnification Agreement for directors and officers of CIM Commercial Trust Corporation (incorporated by reference to Exhibit 10.9 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on August 11, 2014).
10.6	Staffing and Reimbursement Agreement, dated as of January 1, 2015, by and among CIM SBA Staffing, LLC, PMC Commercial Lending, LLC and CIM Commercial Trust Corporation (incorporated by reference to Exhibit 10.15 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 16, 2015).
10.7	Investment Management Agreement, dated as of December 10, 2015, between CIM Urban Partners, L.P. and CIM Investment Advisors, LLC (incorporated by reference to Exhibit 10.16 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 15, 2016).
10.8	Assignment Agreement, dated as of January 1, 2019, by and among CIM Capital, LLC (formerly known as CIM Investment Advisors, LLC), CIM Capital Controlled Company Management, LLC, CIM Capital RE Debt Management, LLC, CIM Capital Real Property Management, LLC and CIM Capital Securities Management, LLC (incorporated by reference to Exhibit 10.12 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 18, 2019).
10.9	Third Amended and Restated Dealer Manager Agreement, dated as of June 16, 2022, by and among Creative Media & Community Trust Corporation, CIM Service Provider, LLC and CCO Capital, LLC (incorporated by reference to Exhibit 1.1 to the Registrant's Current Report on Form 8-K filed with the SEC on June 16, 2022).
10.10	Third Amended and Restated Dealer Manager Guaranty, dated as of June 16, 2022, by and among Creative Media & Community Trust Corporation, CIM Service Provider, LLC and CCO Capital, LLC (incorporated by reference to Exhibit 1.2 to the Registrant's Current Report on Form 8-K filed with the SEC on June 16, 2022).
10.11	Credit Agreement, dated as of December 16, 2022, by and among certain subsidiary borrowers of Creative Media & Community Trust Corporation, JPMorgan Chase Bank, N.A., as administrative agent, and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on December 20, 2022).
10.12	Credit Guaranty, dated as of December 16, 2022, by and among certain subsidiary borrowers of Creative Media & Community Trust Corporation, JPMorgan Chase Bank, N.A., as administrative agent, and the other lenders party thereto (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on December 16, 2022).
10.13	Modification Agreement, dated as of September 2, 2020, among certain subsidiary borrowers of CIM Commercial Trust Corporation, each Lender party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on September 3, 2020).
10.14	Lease Agreement, dated as of June 29, 2009, by and among CIM/Oakland 1 Kaiser Plaza, LP and Kaiser Foundation Health Plan, Inc, as amended by the First Amendment to Lease, dated as of June 15, 2012, as further amended by the Second Amendment to Lease, dated as of December 16, 2013, as further amended by the Third Amendment to Lease, dated as of July 8, 2015, and as further amended by the Fourth Amendment to Lease, dated as of November 18, 2015 (incorporated by reference to Exhibit 10.16 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 16, 2020).

10.15	Equity Distribution Agreement, dated as of March 16, 2020, by and among CIM Commercial Trust Corporation, CIM Capital, LLC, CIM Service Provider, LLC and Ladenburg Thalmann & Co. Inc. (incorporated by reference to Exhibit 1.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 16, 2020).
10.16	Amendment No. 2, dated as of September 22, 2021, to Second Amended and Restated Dealer Manager Agreement, dated as of January 28, 2020, by and among CIM Commercial Trust Corporation, CIM Service Provider, LLC and CCO Capital, LLC (incorporated by reference to Exhibit 1.1 to the Registrant's Current Report on 8-K filed with the SEC on September 24, 2021)
10.17	Fee Waiver, dated January 5, 2022, by and among CIM Commercial Trust Corporation, CIM Service Provider, LLC, CIM Capital, LLC, CIM Capital Securities Management, LLC, CIM Capital Controlled Company Management, LLC, CIM Capital RE Debt Management, LLC, CIM Capital Real Property Management, LLC, CIM Urban Partners, L.P., PMC Funding Corp. and PMC Properties, Inc. (incorporated by reference to Exhibit 10.17 to the Registrant's Current Report on Form 10-K filed with the SEC on March 16, 2022)
10.18	Equity Interest Purchase and Sale Agreement, dated as of January 31, 2023, by and between Jack London Square Development (Oakland) Holdings, LLC and Channel House (Oakland) Owner, LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2023)
10.19	Equity Interest Purchase and Sale Agreement, dated as of January 31, 2023, by and between 466 Water Street (Oakland) Holdings, LLC, and Parcel D 466 Water Street (Oakland) Owner, LLC (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2023)
10.20	Equity Interest Purchase and Sale Agreement, dated as of January 31, 2023, by and between JLS F-3 (Oakland) Holdings, LLC, and Parcel F-3 (Oakland) Owner, LLC (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2023)
10.21	Equity Interest Purchase and Sale Agreement, dated as of January 31, 2023, by and between 1100 Clay Venture Holdings, LLC and CMCT 1100 Clay (Oakland) Owner, LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 29, 2023)
10.22	Amended and Restated Limited Liability Company Operating Agreement of 4750 Co-Investor, LLC (incorporated by reference to Exhibit 10.23 to the Registrant's Form 10-K filed with the SEC on March 31, 2023)
*10.23	Amended and Restated Agreement of Limited Partnership of CIM Urban Partners, L.P.
*10.24	Exchange Agreement, dated as of March 28, 2024, by and among Creative Media & Community Trust Corporation, CMCT NAV REIT and CIM Urban Partners, L.P.
10.25	Amendment to 2015 Equity Compensation Plan (incorporated by reference to Appendix A to the Registrant's Definitive Proxy Statement related to its 2023 annual meeting of stockholders, as filed with the SEC on June 21, 2023)
*21.1	Subsidiaries of the Registrant.
*23.1	Consent of Deloitte & Touche, LLP.
*24.1	Powers of Attorney (included on signature page).
*31.1	Section 302 Officer Certification-Chief Executive Officer.
*31.2	Section 302 Officer Certification-Chief Financial Officer.
*32.1	Section 906 Officer Certification-Chief Executive Officer.
*32.2	Section 906 Officer Certification-Chief Financial Officer.
*97.1	Creative Media & Community Trust Corporation Clawback Policy dated October 31, 2023

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* Filed herewith.

\+ Management contract or compensatory plan

(b) Exhibits

The exhibits listed in Item 15(a) are incorporated by reference or attached hereto.

(c) Excluded Financial Statements

None.

Item 16. Form 10-K Summary

None.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Creative Media & Community Trust Corporation

Dated: March 28, 2024	By: /s/ DAVID THOMPSON David Thompson *Chief Executive Officer*
Dated: March 28, 2024	By: /s/ BARRY N. BERLIN Barry N. Berlin *Chief Financial Officer*

POWERS OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints David Thompson and Barry N. Berlin and each of them severally, his true and lawful attorney-in-fact with power of substitution and resubstitution to sign in his name, place and stead, in any and all capacities, to do any and all things and execute any and all instruments that such attorney may deem necessary or advisable under the Securities Exchange Act of 1934 and any rules, regulations and requirements of the U.S. Securities and Exchange Commission in connection with this Annual Report on Form 10-K and any and all amendments hereto, as fully for all intents and purposes as he might or could do in person, and hereby ratifies and confirms all said attorneys-in-fact and agents, each acting alone, and his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ David Thompson David Thompson	Chief Executive Officer (Principal Executive Officer)	March 28, 2024
/s/ Barry N. Berlin Barry N. Berlin	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 28, 2024
/s/ Douglas Bech Douglas Bech	Director	March 28, 2024
/s/ John Hope Bryant John Hope Bryant	Director	March 28, 2024
/s/ Marcie L. Edwards Marcie L. Edwards	Director	March 28, 2024
/s/ Shaul Kuba Shaul Kuba	Director	March 28, 2024
/s/ Richard Ressler Richard Ressler	Director	March 28, 2024
/s/ Avraham Shemesh Avraham Shemesh	Director	March 28, 2024
/s/ Elaine Wong Elaine Wong	Director	March 28, 2024

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Creative Media & Community Trust Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Creative Media & Community Trust Corporation (the "Company") as of December 31, 2023, and 2022, the related consolidated statements of operations, equity, and cash flows, for each of the two years in the period ended December 31, 2023, and the related notes and schedules (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 28, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Investments in Real Estate – Evaluation of Impairment Indicators and Undiscounted Cash Flows – Refer to Note 2 to the consolidated financial statements

Critical Audit Matter Description

The Company's evaluation of investments in real estate for impairment involves an initial assessment of each real estate asset to determine whether events or changes in circumstances exist that may indicate that the carrying amounts of each investment in real estate is no longer recoverable. Possible indications of impairment may include, but is not limited to, changes in anticipated holding periods, changes in real estate market conditions, property performance, and occupancy, and additional property valuation assumptions including discount and terminal capitalization rates. When events or changes in circumstances exist, the Company evaluates its investment in real estate for impairment by comparing undiscounted future cash flows expected to be generated over the life of each asset to the respective carrying amount. If the carrying amount of an asset exceeds the undiscounted future cash flows, an analysis is performed to determine the fair value of the asset.

The Company makes significant assumptions to evaluate investments in real estate for possible indications of impairment. Changes in these assumptions could have a significant impact on the investment in real estate identified for further analysis. For those investments in real estate where indications of impairment have been identified, the Company makes significant estimates and assumptions to determine whether the undiscounted future cash flows expected to be generated over the life of the asset exceed the carrying amount of the investment in real estate. Management concluded that the carrying value of the assets were recoverable and therefore were not subjected to a discounted cash flow analysis. Estimates and assumptions used for the

undiscounted future cash flows of the properties include rental rates, lease-up period, growth rates, estimated holding period, occupancy, capital expenditures and terminal capitalization rates.

We identified the determination of impairment indicators for investments in real estate and certain assumptions used for the undiscounted future cash flows of the properties as a critical audit matter because of (1) the significant assumptions management makes when determining whether events or changes in circumstances have occurred indicating that the carrying amounts of investments in real estate assets may not be recoverable and (2) for those investments in real estate where indications of impairment have been identified, the significant estimates and assumptions management makes to evaluate whether the undiscounted future cash flows expected to be generated over the life of the asset exceed the carrying amount of the property, including those related to rental rates, lease-up period, growth rates, estimated holding period, occupancy, capital expenditures and terminal capitalization rates. This required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists, when performing audit procedures to evaluate (1) whether management appropriately identified impairment indicators and (2) the reasonableness of management's assumptions related to rental rates, lease-up period, growth rates, estimated holding period, occupancy, capital expenditures and terminal capitalization rates for the undiscounted future cash flows analysis.

How the Critical Audit Matter Was Addressed in the Audit

- We tested the effectiveness of controls over (1) management's identification of possible circumstances that may indicate that the carrying amounts of investments in real estate are no longer recoverable and (2) the undiscounted cash flows, including review of the underlying inputs.
- We evaluated the accuracy, relevance, and completeness of factors utilized in the Company's qualitative assessment for a sample of properties.
- We performed corroborating inquiries with management, including property accounting, leasing and portfolio oversight to determine whether factors were identified in the current period that may be an impairment indicator, including changes in expected holding periods, and corroborated these inquiries through review of third-party market reports and inspection of meeting minutes of the Board of Directors. In addition, we evaluated whether factors were identified in the current period that may result in a change to assumptions used in the undiscounted cash flow models.
- We selected certain office and multifamily properties to evaluate whether the assumptions used in the Company's undiscounted model relating to rental rates, lease-up period, growth rates, estimated holding period, occupancy, capital expenditures and terminal capitalization rates were consistent with evidence obtained in other areas of the audit, including actual historical results.
- With the assistance of our fair value specialists, we evaluated the inputs included in the undiscounted cash flow analysis, including estimated rental rates, lease-up periods, growth rates, holding period, capital expenditures and terminal capitalization rates by (1) evaluating the source of information and assumptions used by management (2) comparing the inputs included in the undiscounted cash flow analysis to market data and (3) testing the mathematical accuracy of the undiscounted cash flow analysis.
- We evaluated the reasonableness of management's undiscounted cash flow analysis by comparing management's projections to the Company's historical results and external market sources.

/s/ Deloitte & Touche LLP

Tempe, Arizona
March 28, 2024

We have served as the Company's auditor since 2020.

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
(In thousands, except share and per share amounts)

	December 31,	
	2023	2022
ASSETS		
Investments in real estate, net	$ 704,762	$ 502,006
Investments in unconsolidated entities	33,505	12,381
Cash and cash equivalents	19,290	46,190
Restricted cash	24,938	11,290
Loans receivable, net (Note 5)	57,005	62,547
Accounts receivable, net	5,347	3,780
Deferred rent receivable and charges, net	28,222	37,543
Other intangible assets, net	3,948	4,461
Other assets	14,183	10,050
TOTAL ASSETS	$ 891,200	$ 690,248
LIABILITIES, REDEEMABLE PREFERRED STOCK, AND EQUITY		
LIABILITIES:		
Debt, net	$ 471,561	$ 184,267
Accounts payable and accrued expenses	26,426	107,220
Intangible liabilities, net	—	20
Due to related parties	3,463	3,155
Other liabilities	12,981	17,856
Total liabilities	514,431	312,518
COMMITMENTS AND CONTINGENCIES (Note 15)		
REDEEMABLE PREFERRED STOCK: Series A cumulative redeemable preferred stock, $0.001 par value; 34,611,501 and 35,438,752 shares authorized as of December 31, 2023 and December 31, 2022, respectively; no shares issued and outstanding as of December 31, 2023 and 693,741 shares issued and outstanding as of December 31, 2022; liquidation preference of $25.00 per share, subject to adjustment	—	15,697
EQUITY:		
Series A cumulative redeemable preferred stock, $0.001 par value; 34,611,501 and 35,438,752 shares authorized as of December 31, 2023 and December 31, 2022, respectively; 8,820,338 and 7,431,839 shares issued and outstanding, respectively, as of December 31, 2023 and 8,126,597 and 7,565,349 shares issued and outstanding, respectively, as of December 31, 2022; liquidation preference of $25.00 per share, subject to adjustment	185,704	189,048
Series A1 cumulative redeemable preferred stock, $0.001 par value; 27,904,974 and 27,990,070 shares authorized as of December 31, 2023 and December 31, 2022, respectively; 10,473,369 and 10,378,343 shares issued and outstanding, respectively, as of December 31, 2023 and 5,966,077 and 5,956,147 shares issued and outstanding, respectively, as of December 31, 2022; liquidation preference of $25.00 per share, subject to adjustment	256,935	147,514
Series D cumulative redeemable preferred stock, $0.001 par value; 26,991,590 and 26,992,000 shares authorized as of December 31, 2023 and December 31, 2022, respectively; 56,857 and 48,447 shares issued and outstanding, respectively, as of December 31, 2023 and 56,857 and 48,857 shares issued and outstanding as of December 31, 2022; liquidation preference of $25.00 per share, subject to adjustment	1,190	1,200
Common stock, $0.001 par value; 900,000,000 shares authorized; 22,786,741 and 22,737,853 shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively	23	23
Additional paid-in capital	852,476	861,721
Distributions in excess of earnings	(921,925)	(837,846)
Total stockholders' equity	374,403	361,660
Noncontrolling interests	2,366	373
Total equity	376,769	362,033
TOTAL LIABILITIES, REDEEMABLE PREFERRED STOCK, AND EQUITY	$ 891,200	$ 690,248

The accompanying notes are an integral part of these consolidated financial statements.

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION AND SUBSIDIARIES
Consolidated Statements of Operations
(In thousands, except per share amounts)

	Year Ended December 31,	
	2023	**2022**
REVENUES:		
Rental and other property income	$ 66,002	$ 56,226
Hotel income	39,063	33,432
Interest and other income	14,193	12,248
Total Revenues	119,258	101,906
EXPENSES:		
Rental and other property operating	62,493	50,526
Asset management and other fees to related parties	2,627	3,570
Expense reimbursements to related parties—corporate	2,342	1,925
Expense reimbursements to related parties—lending segment	2,579	1,929
Interest	35,098	9,604
General and administrative	8,119	6,869
Transaction costs	4,421	223
Depreciation and amortization	52,484	20,348
Total Expenses	170,163	94,994
(Loss) income from unconsolidated entities	(427)	164
Gain on sale of real estate (Note 3)	1,104	—
(LOSS) INCOME BEFORE PROVISION FOR INCOME TAXES	(50,228)	7,076
Provision for income taxes	1,228	1,131
NET (LOSS) INCOME	(51,456)	5,945
Net loss (income) attributable to noncontrolling interests	2,971	(27)
NET (LOSS) INCOME ATTRIBUTABLE TO THE COMPANY	(48,485)	5,918
Redeemable preferred stock dividends declared or accumulated (Note 11)	(25,731)	(18,558)
Redeemable preferred stock deemed dividends (Note 11)	—	(19)
Redeemable preferred stock redemptions (Note 11)	(1,511)	(13,126)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (75,727)	$ (25,785)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS PER SHARE:		
Basic	$ (3.33)	$ (1.11)
Diluted	$ (3.33)	$ (1.11)
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING:		
Basic	22,723	23,153
Diluted	22,723	23,154

The accompanying notes are an integral part of these consolidated financial statements.

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION AND SUBSIDIARIES
Consolidated Statements of Equity
(In thousands, except share and per share amounts)

	Years Ended December 31, 2023 and 2022								
	Common Stock [(1)]		Preferred Stock						
	Shares	Par Value	Shares	Par Value	Additional Paid - in Capital	Distributions in Excess of Earnings	Total Stockholders' Equity	Non-controlling Interests	Total Equity
Balances, December 31, 2021	23,369,331	$ 24	11,715,354	$ 310,661	$ 866,746	$ (804,227)	$ 373,204	$ 345	$ 373,549
Contributions to noncontrolling interests	—	—	—	—	—	—	—	5	5
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(4)	(4)
Stock based compensation expense	30,984	—	—	—	202	—	202	—	202
Repurchase of common stock	(662,462)	(1)	—	—	(4,714)	—	(4,715)	—	(4,715)
Common dividends ($0.340 per share)	—	—	—	—	—	(7,838)	(7,838)	—	(7,838)
Issuance of A1 Preferred Stock	—	—	5,966,077	147,761	(12,370)	—	135,391	—	135,391
Redemptions of Series A1 Preferred Stock	—	—	(9,930)	(247)	23	(3)	(227)	—	(227)
Dividends to holders of A1 Preferred Stock ($1.125 per share)	—	—	—	—	—	(2,463)	(2,463)	—	(2,463)
Redemptions of Series D Preferred Stock	—	—	(8,000)	(196)	7	9	(180)	—	(180)
Dividends to holders of Series D Preferred Stock ($1.413 per share)	—	—	—	—	—	(62)	(62)	—	(62)
Repurchase and Redemption of Series L Preferred Stock	—	—	(5,387,160)	(152,834)	14,270	(12,692)	(151,256)	—	(151,256)
Dividends to holders of Series L Preferred Stock ($1.560 per share)	—	—	—	—	—	(7,329)	(7,329)	—	(7,329)
Reclassification of Series A Preferred stock to permanent equity	—	—	1,630,765	40,998	(3,232)	—	37,766	—	37,766
Redeemable Preferred Stock deemed dividends	—	—	—	—	—	(19)	(19)	—	(19)
Redemption of Series A Preferred Stock	—	—	(336,753)	(8,381)	789	(440)	(8,032)	—	(8,032)
Dividends to holders of Series A Preferred Stock ($1.375 per share)	—	—	—	—	—	(8,700)	(8,700)	—	(8,700)
Net income	—	—	—	—	—	5,918	5,918	27	5,945
Balances, December 31, 2022	22,737,853	$ 23	13,570,353	$ 337,762	$ 861,721	$ (837,846)	$ 361,660	$ 373	$ 362,033

(Continued)

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION AND SUBSIDIARIES
Consolidated Statements of Equity (Continued)
(In thousands, except share and per share amounts)

	Years Ended December 31, 2023 and 2022								
	Common Stock		Preferred Stock						
	Shares	Par Value	Shares	Par Value	Additional Paid-in Capital	Distributions in Excess of Earnings	Total Stockholders' Equity	Non-controlling Interests	Total Equity
Balances, December 31, 2022	22,737,853	$ 23	13,570,353	$ 337,762	$ 861,721	$ (837,846)	$ 361,660	$ 373	$ 362,033
Cumulative-effect adjustment upon adoption of ASU 2016-13 (Note 2)	—	—	—	—	—	(619)	(619)	—	(619)
Contributions to noncontrolling interests	—	—	—	—	—	—	—	5,002	5,002
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(38)	(38)
Stock based compensation expense	48,888	—	—	—	183	—	183	—	183
Common dividends ($0.340 per share)	—	—	—	—	—	(7,740)	(7,740)	—	(7,740)
Issuance of A1 Preferred Stock	—	—	4,507,292	111,520	(9,791)	—	101,729	—	101,729
Redemptions of Series A1 Preferred Stock	—	—	(85,096)	(2,099)	173	(99)	(2,025)	—	(2,025)
Dividends to holders of A1 Preferred Stock ($1.801 per share)	—	—	—	—	—	(14,825)	(14,825)	—	(14,825)
Redemptions of Series D Preferred Stock	—	—	(410)	(10)	—	—	(10)	—	(10)
Dividends to holders of Series D Preferred Stock ($1.413 per share)	—	—	—	—	—	(69)	(69)	—	(69)
Reclassification of Series A Preferred stock to permanent equity	—	—	690,171	17,161	(1,545)	—	15,616	—	15,616
Redemption of Series A Preferred Stock	—	—	(823,681)	(20,505)	1,735	(1,412)	(20,182)	—	(20,182)
Dividends to holders of Series A Preferred Stock ($1.375 per share)	—	—	—	—	—	(10,830)	(10,830)	—	(10,830)
Net loss	—	—	—	—	—	(48,485)	(48,485)	(2,971)	(51,456)
Balances, December 31, 2023	22,786,741	$ 23	17,858,629	$ 443,829	$ 852,476	$ (921,925)	$ 374,403	$ 2,366	$ 376,769

The accompanying notes are an integral part of these consolidated financial statements.

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	$ (51,456)	$ 5,945
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization, net	52,669	20,497
Change in fair value of swaps	(539)	—
Gain on sale of real estate	(1,104)	—
Amortization of deferred loan costs	2,286	1,066
Amortization of premiums and discounts on debt	(59)	48
Unrealized premium adjustment	1,215	1,471
Amortization of deferred costs and accretion of fees on loans receivable, net	(404)	(688)
Write-offs of uncollectible receivables	299	259
Deferred income taxes	42	(3)
Stock-based compensation	183	202
Income from unconsolidated entity	427	(164)
Loans funded, held for sale to secondary market	(33,654)	(30,770)
Proceeds from sale of guaranteed loans	33,672	31,943
Principal collected on loans subject to secured borrowings	2,972	692
Commitment fees remitted and other operating activity	(742)	(1,086)
Return on investment from unconsolidated entities	1,328	164
Changes in operating assets and liabilities:		
Accounts receivable	(1,991)	(480)
Other assets	2,062	(40)
Accounts payable and accrued expenses	10,407	801
Deferred leasing costs	(1,049)	(2,056)
Other liabilities	(4,875)	995
Due to related parties	308	3,614
Net cash provided by operating activities	11,997	32,410
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(13,326)	(8,816)
Acquisition of real estate	(96,731)	(10,787)
Proceeds from sale of real estate, net	33,304	—
Investment in unconsolidated entity	(14,279)	(22,652)
Return of investment from unconsolidated entity	—	10,271
Loans funded	(11,534)	(9,849)
Principal collected on loans	13,871	19,559
Net cash used in investing activities	(88,695)	(22,274)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of revolving credit facilities, mortgages payable, term notes and principal on SBA 7(a) loan-backed notes	(278,347)	(182,700)
Proceeds from revolving credit facilities, term notes and mortgages	334,882	166,230
Proceeds from SBA 7(a) loan-backed notes	54,141	—
Payment of principal on secured borrowings	(2,972)	(692)
Payment of deferred preferred stock offering costs	(859)	(1,581)
Payment of deferred costs	(3,211)	(2,928)
Payment of common dividends	(7,732)	(7,658)
Repurchase of Common Stock	—	(4,715)
Net proceeds from issuance of Preferred Stock	103,228	148,007
Repurchase of Series L Preferred Stock	—	(67,417)
Payment of preferred stock dividends	(29,500)	(24,327)

(Continued)

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Continued)
(In thousands)

	Year Ended December 31,	
	2023	2022
Redemption of Preferred Stock	(106,146)	(8,527)
Noncontrolling interests' distributions	(38)	(4)
Noncontrolling interests' contributions	—	5
Net cash provided by financing activities	63,446	13,693
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	(13,252)	23,829
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of period	57,480	33,651
End of period	$ 44,228	$ 57,480
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH TO THE CONSOLIDATED BALANCE SHEETS:		
Cash and cash equivalents	$ 19,290	$ 46,190
Restricted cash	24,938	11,290
Total cash and cash equivalents and restricted cash	$ 44,228	$ 57,480
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	$ 31,079	$ 8,388
Federal income taxes paid	$ 1,560	$ 1,105
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Accrued capital expenditures, tenant improvements and real estate developments	$ 1,502	$ 3,859
Proceeds from the sale of real estate committed but not yet received	$ 1,096	$ —
Other amounts due from Unconsolidated Joint Venture partners included in other assets	$ 1,445	$ —
Non-cash contributions to Unconsolidated Joint Venture	$ 8,600	$ —
Accrued deferred costs	$ —	$ 22
Accrued preferred stock offering costs	$ 125	$ 68
Accrual of dividends payable to preferred stockholders	$ 2,508	$ 6,276
Accrual of dividends payable to common stockholders	$ 1,937	$ 1,933
Preferred stock offering costs offset against redeemable preferred stock	$ 1,655	$ 2,105
Reclassification of Series A Preferred Stock from temporary equity to permanent equity	$ 15,616	$ 37,766
Mortgage notes assumed in connection with our acquisition of real estate	$ 181,318	$ —
Reclassification of Preferred Stock from permanent equity to accounts payable	$ —	$ 83,838
Redeemable preferred stock deemed dividends	$ —	$ 19
Accrued Redeemable Preferred Stock fees	$ 282	$ 450
Acquisition of noncontrolling interests	$ 5,002	$ —
Equity-based payment for management fees	$ —	$ 5,000

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements as of December 31, 2023 and 2022 and for the Years Ended December 31, 2023 and 2022

1. ORGANIZATION AND OPERATIONS

Creative Media & Community Trust Corporation (the "Company"), is a Maryland corporation and real estate investment trust ("REIT"). The Company primarily acquires, develops, owns and operates both premier multifamily properties situated in vibrant communities throughout the United States and Class A and creative office real assets in markets with similar business and employment characteristics to its multifamily investments. The Company also owns one hotel in northern California and a lending platform that originates loans under the Small Business Administration ("SBA") 7(a) loan program. The Company seeks to apply the expertise of CIM Group Management, LLC and its affiliates (collectively, "CIM Group") to the acquisition, development and operation of premier multifamily properties and creative office assets that cater to rapidly growing industries such as technology, media and entertainment in vibrant and emerging communities throughout the United States.

The Company's common stock, $0.001 par value per share ("Common Stock"), is currently traded on the Nasdaq Global Market ("Nasdaq") under the ticker symbol "CMCT", and on the Tel Aviv Stock Exchange (the "TASE") under the ticker symbol "CMCT." The Company has authorized for issuance 900,000,000 shares of common stock and 100,000,000 shares of preferred stock ("Preferred Stock").

Since June 2022, the Company has been conducting a continuous public offering with respect to shares of its Series A1 Preferred Stock, par value $0.001 per share with an initial stated value of $25.00 per share, subject to adjustment (Note 11).

The Company has qualified and intends to continue to qualify as a REIT, as defined in the Internal Revenue Code of 1986, as amended.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP").

Principles of Consolidation—The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. In determining whether the Company has controlling interests in an entity and the requirement to consolidate the accounts in that entity, the Company analyzes its investments in real estate in accordance with standards set forth in GAAP to determine whether they are variable interest entities ("VIEs"), and if so, whether the Company is the primary beneficiary. The Company's judgment with respect to its level of influence or control over an entity and whether the Company is the primary beneficiary of a VIE involves consideration of various factors, including the form of the Company's ownership interest, the Company's voting interest, the size of the Company's investment (including loans), and the Company's ability to participate in major policy-making decisions. The Company's ability to correctly assess its influence or control over an entity affects the presentation of these investments in real estate on the Company's consolidated financial statements. For the year ended December 31, 2023, the Company has determined that the trust formed for the benefit of the note holders (the "Trust") for the securitization of the unguaranteed portion of certain of the Company's SBA 7(a) loans receivable is considered a VIE. Applying the consolidation requirements for VIEs, the Company determined that it is the primary beneficiary based on its power to direct activities through its role as servicer and its obligations to absorb losses and right to receive benefits. In addition, as of December 31, 2023, the Company has determined that its Unconsolidated Joint Ventures (as defined below) are considered VIEs. Applying the consolidation requirements for VIEs, the Company determined that it is not the primary beneficiary based on its lack of power to direct activities and its obligations to absorb losses and right to receive benefits. Therefore, the Unconsolidated Joint Ventures do not qualify for consolidation. The Company accounts for its investments in Unconsolidated Joint Ventures as equity method investments.

Investments in Real Estate—Investments in real estate are stated at depreciated cost. Depreciation and amortization are recorded on a straight-line basis over the estimated useful lives as follows:

Buildings and improvements	15 - 40 years
Furniture, fixtures, and equipment	3 - 5 years
Tenant improvements	Lesser of useful life or lease term

The fair value of real estate acquired is recorded to acquired tangible assets, consisting primarily of land, land improvements, building and improvements, tenant improvements, furniture, fixtures, and equipment, and identified intangible assets and liabilities, consisting of the value of acquired above-market and below-market leases, in-place leases and ground leases, if any, based in each case on their respective fair values. Loan premiums, in the case of above-market rate loans, or loan discounts, in the case of below-market rate loans, are recorded based on the fair value of any loans assumed in connection with acquiring the real estate.

Capitalized Project Costs

The Company capitalizes project costs, including pre-construction costs, interest expense, property taxes, insurance, and other costs directly related and essential to the development, redevelopment, or construction of a project, while activities are ongoing to prepare an asset for its intended use. Costs incurred after a project is substantially complete and ready for its intended use are expensed as incurred. Improvements and replacements are capitalized when they extend the useful life, increase capacity, or improve the efficiency of the asset. Ordinary repairs and maintenance are expensed as incurred.

Recoverability of Investments in Real Estate—The Company monitors events and changes in circumstances that could indicate that the carrying amounts of its real estate assets may not be recoverable. Investments in real estate are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If, and when, such events or changes in circumstances are present, the recoverability of assets to be held and used requires significant judgment and estimates and is measured by a comparison of the carrying amount to the future undiscounted cash flows expected to be generated by the assets and their eventual disposition. If the undiscounted cash flows are less than the carrying amount of the assets, an impairment is recognized to the extent the carrying amount of the assets exceeds the estimated fair value of the assets. The process for evaluating real estate impairment requires management to make significant assumptions related to certain inputs, including rental rates, lease-up period, occupancy, estimated holding periods, capital expenditures, growth rates, market discount rates and terminal capitalization rates. These inputs require a subjective evaluation based on the specific property and market. Changes in the assumptions could have a significant impact on either the fair value, the amount of impairment charge, if any, or both. Any asset held for sale is reported at the lower of the asset’s carrying amount or fair value, less costs to sell. When an asset is identified by the Company as held for sale, the Company will cease recording depreciation and amortization of the asset. The Company did not recognize any impairment of long-lived assets during the years ended December 31, 2023 and 2022 (Note 3).

Investment in Unconsolidated Entities—The Company accounts for its investments in the Unconsolidated Joint Ventures (the “Unconsolidated Joint Ventures”) under the equity method, as the Company has the ability to exercise significant influence over the investments. The Unconsolidated Joint Ventures record their assets and liabilities at fair value. As such, the Company records its share of the Unconsolidated Joint Ventures’ unrealized gains or losses as well as its share of the revenues and expenses on a quarterly basis as an adjustment to the carrying value of the investment on the Company’s consolidated balance sheet and such share is recognized within the Company’s income from unconsolidated entities on the consolidated statements of operations.

Cash and Cash Equivalents—Cash and cash equivalents include short-term liquid investments with initial maturities of three months or less.

Restricted Cash—The Company’s mortgage loan and hotel management agreements provide for depositing cash into restricted accounts reserved for capital expenditures, free rent, tenant improvement and leasing commission obligations. Restricted cash also includes cash required to be segregated in connection with certain of the Company’s loans receivable and with its SBA 7(a) loan-backed notes.

Loans Receivable—The Company’s loans receivable are carried at their unamortized principal balance less unamortized acquisition discounts and premiums, retained loan discounts and reserves for expected credit losses. Acquisition discounts or premiums, origination fees and retained loan discounts are amortized as a component of interest and other income using the effective interest method over the expected life of the respective loans, or on a straight-line basis when it approximates the effective interest method. All loans were originated pursuant to programs sponsored by the Small Business Administration (the “SBA”) under the SBA 7(a) Small Business Loan Program (the “SBA 7(a) Program”).

Pursuant to the SBA 7(a) Program, the Company sells the portion of the loan that is guaranteed by the SBA. Upon sale of the SBA guaranteed portion of the loans, which are accounted for as sales, the unguaranteed portion of the loan retained by

the Company is recorded at fair value and a discount is recorded as a reduction in basis of the retained portion of the loan. Unamortized retained loan discounts were $8.4 million and $9.0 million as of December 31, 2023 and 2022, respectively.

A loan receivable is generally classified as non-accrual (a "Non-Accrual Loan") if (i) it is past due as to payment of principal or interest for a period of 60 days or more, (ii) any portion of the loan is classified as doubtful or is charged-off or (iii) the repayment in full of the principal and/or interest is in doubt. Generally, loans are charged-off when management determines that the Company will be unable to collect any remaining amounts due under the loan agreement, either through liquidation of collateral or other means. Interest income, included in interest and other income, on a Non-Accrual Loan is recognized on the cost recovery basis.

Current Expected Credit Losses—On January 1, 2023, the Company adopted Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments-Credit Losses*, and subsequent amendments ("ASU 2016-13"). The current expected credit losses ("CECL") required under ASU 2016-13 reflects the Company's current estimate of potential credit losses related to the Company's loans receivable included in the consolidated balance sheets. The initial current expected credit losses recorded on January 1, 2023 is reflected as a direct charge to distributions in excess of earnings on the Company's consolidated statements of equity; however, subsequent changes to CECL are recognized through net income on the Company's consolidated statements of operations. While ASU 2016-13 does not require any particular method for determining CECL, it does specify the allowance should be based on relevant information about past events, including historical loss experience, current portfolio and market conditions, and reasonable and supportable forecasts for the duration of each respective loan. In addition, other than a few narrow exceptions, ASU 2016-13 requires that all financial instruments subject to the credit loss model have some amount of loss reserve to reflect the GAAP principal underlying the credit loss model that all loans, debt securities, and similar assets have some inherent risk of loss, regardless of credit quality, subordinate capital, or other mitigating factors.

The Company adopted ASU 2016-13 using the modified retrospective method for all financial assets measured at amortized cost. The Company recorded a cumulative-effective adjustment to the opening distributions in excess of earnings in its consolidated statement of equity as of January 1, 2023 of $619,000. This represents a total CECL reserve transition adjustment of approximately $783,000, net of a $164,000 deferred tax asset.

Prior to adoption, the Company considered a loan to be impaired when the Company did not expect to collect all of the contractual interest and principal payments as scheduled in the loan agreements. The Company also established a general loan loss reserve when available information indicated that it was probable a loss had occurred based on the carrying value of the portfolio and if the amount of the loss could be reasonably estimated. As of December 31, 2022, the Company had a current expected credit loss of approximately $1.1 million, which is recorded as a reduction to the loans receivable, net balance on the consolidated balance sheet. As of December 31, 2023, the Company had a total current expected credit loss of approximately $1.7 million.

The Company estimates CECL for its loans primarily using its historical experience with loan write-offs, historical charge-offs from third-party firms, and the Weighted Average Remaining Maturity method, which has been identified as an acceptable method for estimating CECL reserves in the Financial Accounting Standards Board ("FASB") Staff Q&A Topic 326, No. 1. This method requires the Company to reference historical loan loss data across a comparable data set and apply such loss rate to each loan investment over its expected remaining term, taking into consideration expected economic conditions over the relevant timeframe. The Company considers loans that are both (i) expected to be substantially repaid through the operation or sale of the underlying collateral, and (ii) for which the borrower is experiencing financial difficulty, to be "collateral-dependent" loans. For such loans that the Company determines that foreclosure of the collateral is probable, the Company measures the expected losses based on the difference between the fair value of the collateral less costs to sell and the amortized cost basis of the loan as of the measurement date. For collateral-dependent loans with respect to which the Company determines foreclosure is not probable, the Company applies a practical expedient to estimate expected losses using the difference between the collateral's fair value (less costs to sell the asset if repayment is expected through the sale of the collateral) and the amortized cost basis of the loan. The Company may use other acceptable alternative approaches in the future depending on, among other factors, the type of loan, underlying collateral, and availability of relevant historical market loan loss data.

Quarterly, the Company evaluates the risk of all loans receivable and assigns a risk rating based on a variety of factors, grouped as follows: (i) loan and credit structure, including the as-is loan-to-value ("LTV") ratio and structural features; (ii) quality and stability of real estate value and operating cash flow, including debt yield, dynamics of the geography, local market, physical condition and stability of cash flow; and (iii) quality, experience and financial condition of the borrower.

Based on a 5-point scale, the Company's loans receivable are rated "1" through "5," from least risk to greatest risk, respectively, which ratings are defined as follows:

1- Acceptable — These are assets of high quality;

2- Other Assets Especially Mentioned ("OAEM") — These are assets that are generally profitable but exhibit potential weakness or weaknesses, including, but not limited to, no significant pay history as detailed below for loan originated generally within the last year. This weakness or these weaknesses could result in deterioration if not corrected;

3- Substandard — These assets generally have a well-defined weakness or weaknesses which could hinder collection efforts;

4- Doubtful — These assets have weakness or weaknesses similar to substandard loans; however, the weakness or weaknesses are so extreme that significant loss potential exists in all cases; and

5- Loss — Assets assigned this classification have no value and thus have been or are in the process of being charged off.

The Company generally assigns a risk rating of "2" to all newly originated loans (generally within the last year) due to lack of management expertise and/or lack of adequate historical debt coverage at origination date. These loans likely will be classified to acceptable within two years of origination.

Deferred Rent Receivable and Charges—Deferred rent receivable and charges consist of deferred rent, deferred leasing costs, deferred offering costs (Note 11), deferred financing costs and other deferred costs. Deferred leasing costs, which represent lease commissions and other direct costs associated with the acquisition of tenants, are capitalized and amortized on a straight-line basis over the terms of the related leases. Deferred offering costs represent direct costs incurred in connection with the Company's offerings of Series A1 Preferred Stock (as defined below), Series A Preferred Stock (as defined below), and, after January 2020, Series A Preferred Stock (as defined below) and Series D Preferred Stock (as defined below), excluding costs specifically identifiable to a closing, such as commissions, dealer-manager fees, and other offering fees and expenses. Generally, for a specific issuance of securities, issuance-specific offering costs are recorded as a reduction of proceeds raised on the issuance date and offering costs incurred but not directly related to a specifically identifiable closing of a security are deferred. Deferred offering costs are first allocated to each issuance of a security on a pro-rata basis equal to the ratio of the number of securities issued in a given issuance to the maximum number of securities that are expected to be issued in the related offering. In the case of the Series A Preferred Stock issued prior to February 2020, the issuance-specific offering costs and the deferred offering costs allocated to such issuance were further allocated to the Series A Preferred Stock and Series A Preferred Warrants issued in such issuance based on the relative fair value of the instruments on the date of issuance. The deferred offering costs allocated to the Series A Preferred Stock and Series A Preferred Warrants are reductions to temporary equity and permanent equity, respectively. Deferred financing costs related to the securing of a revolving line of credit are presented as an asset and amortized ratably over the term of the line of credit arrangement. As such, the Company's current and corresponding prior period total deferred costs, net in the accompanying consolidated balance sheets relate only to the revolving loan portion of the credit facilities.

Notes to Consolidated Financial Statements as of December 31, 2023 and 2022 and for the Years Ended December 31, 2023 and 2022 (Continued)

As of December 31, 2023 and 2022, deferred rent receivable and charges, net consist of the following:

	December 31, 2023	December 31, 2022
	(in thousands)	
Deferred rent receivable	$ 14,757	$ 20,949
Deferred leasing costs, net of accumulated amortization of $10,483 and $9,637, respectively	6,613	8,319
Deferred offering costs	4,925	5,664
Deferred financing costs, net of accumulated amortization of $764 and $30, respectively	1,436	2,120
Other deferred costs	491	491
Deferred rent receivable and charges, net	$ 28,222	$ 37,543

Noncontrolling Interests—Noncontrolling interests represent the interests in various properties owned by third parties.

Redeemable Preferred Stock—Beginning on the date of original issuance of any given shares of Series A1 Preferred Stock, par value $0.001 per share (“Series A1 Preferred Stock”), with an initial stated value of $25.00 per share, subject to adjustment (the “Series A1 Preferred Stock Stated Value”), Series A Preferred Stock, par value $0.001 per share (“Series A Preferred Stock”) with an initial stated value of $25.00 per share, subject to adjustment (the “Series A Preferred Stock Stated Value”), or Series D Preferred Stock, par value $0.001 per share (“Series D Preferred Stock”), with an initial stated value of $25.00 per share, subject to adjustment (the “Series D Preferred Stock Stated Value”), the holder of such shares has the right to require the Company to redeem such shares, subject to certain limitations as discussed in Note 11. The Company records the activity related to the Series A1 Preferred Stock, Series A Preferred Warrants and Series D Preferred Stock in permanent equity. In the event a holder of Series A Preferred Stock requests redemption of such shares and such redemption takes place prior to the first anniversary of the date of original issuance, the Company is required to pay such redemption in cash. As a result, the Company recorded issuances of Series A Preferred Stock in temporary equity. On the first anniversary of the date of original issuance of a particular share of Series A Preferred Stock, the Company reclassifies such share of Series A Preferred Stock from temporary equity to permanent equity because the feature giving rise to temporary equity classification, the requirement to satisfy redemption requests in cash, lapses on the first anniversary date.

Purchase Accounting for Acquisition of Investments in Real Estate—The Company applies the acquisition method to all acquired real estate assets. The purchase consideration of the real estate, which includes the transaction costs incurred in connection with such acquisitions, is recorded at fair value to the acquired tangible assets, consisting primarily of land, land improvements, building and improvements, tenant improvements, and furniture, fixtures, and equipment, and identified intangible assets and liabilities, consisting of the value of acquired above-market and below-market leases, in-place leases and ground leases, if any, based in each case on their relative fair values. Loan premiums, in the case of above-market rate loans, or loan discounts, in the case of below-market rate loans, are recorded based on the fair value of any loans assumed in connection with acquiring the real estate.

The fair value of the tangible assets of an acquired property is determined by valuing the property as if it were vacant, and the “as-if-vacant” value is then allocated to land (or acquired ground lease if the land is subject to a ground lease), land improvements, building and improvements, and tenant improvements based on management’s determination of the relative fair values of these assets. Management determines the as-if-vacant fair value of a property using methods similar to those used by independent appraisers. Factors considered by management in performing these analyses include an estimate of carrying costs during the expected lease-up periods considering current market conditions and costs to execute similar leases. In estimating carrying costs, management includes real estate taxes, insurance and other operating expenses, and estimates of lost rental revenue during the expected lease-up periods based on current market demand. Management also estimates costs to execute similar leases, including leasing commissions, legal, and other related costs.

In allocating the purchase consideration of the identified intangible assets and liabilities of an acquired property, above-market, below-market, and in-place lease values are recorded based on the present value (using an interest rate that reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) management’s estimate of fair market lease rates for the corresponding in-place leases measured over a period equal to the remaining non-cancelable term of the lease, and for below-market leases, over a period equal to the

initial term plus any below-market fixed-rate renewal periods. Acquired above-market and below-market leases are amortized and recorded to rental and other property income over the initial terms of the respective leases.

The aggregate value of other acquired intangible assets, consisting of in-place leases and tenant relationships, is measured by the estimated cost of operations during a theoretical lease-up period to replace in-place leases, including lost revenues and any unreimbursed operating expenses, plus an estimate of deferred leasing commissions for in-place leases. The value of in-place leases is amortized to expense over the remaining non-cancelable periods of the respective leases. If a lease is terminated prior to its stated expiration, all unamortized amounts relating to that lease are written-off.

Revenue Recognition—At the inception of a revenue-producing contract, the Company determines if a contract qualifies as a lease and if not, then as a customer contract. Based on this determination, the appropriate treatment in accordance with GAAP is applied to the contract, including its revenue recognition.

Revenue from leasing activities

The Company operates as a lessor of both office and multifamily real estate assets. When the Company enters into a contract or amends an existing contract, the Company evaluates if the contracts meet the definition of a lease using the following criteria:

- One party (lessor) must hold an identified asset;
- The counterparty (lessee) must have the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of the contract; and
- The counterparty (lessee) must have the right to direct the use of the identified asset throughout the period of the contract.

The Company determined that the Company’s contracts with its tenants explicitly identify the premises and that any substitution rights to relocate tenants to other premises within the same building stated in the contract are not substantive. Additionally, so long as payments are made timely under such contracts, the Company’s tenants have the right to obtain substantially all the economic benefits from the use of the identified asset and can direct how and for what purpose the premises are used to conduct their operations. Therefore, the contracts with the Company’s tenants constitute leases.

All leases are classified as operating leases and minimum rents are recognized on a straight-line basis over the terms of the leases when collectability is probable and the tenant has taken possession or controls the physical use of the leased asset. The excess of rents recognized over amounts contractually due pursuant to the underlying leases is recorded as deferred rent. If the lease provides for tenant improvements, the Company determines whether the tenant improvements, for accounting purposes, are owned by the tenant or the Company. When the Company is the owner of the tenant improvements, the tenant is not considered to have taken physical possession or have control of the physical use of the leased asset until the tenant improvements are substantially completed. When the tenant is considered the owner of the improvements, any tenant improvement allowance that is funded is treated as an incentive. Lease incentives paid to tenants are included in other assets and amortized as a reduction to rental revenue on a straight-line basis over the term of the related lease. As of December 31, 2023 and 2022, lease incentives of $3.9 million and $3.9 million, respectively, are presented net of accumulated amortization of $3.3 million and $3.0 million as of December 31, 2023 and 2022, respectively.

Reimbursements from tenants, consisting of amounts due from tenants for common area maintenance, real estate taxes, insurance, and other recoverable costs, are recognized as revenue and are included in rental and other property income in the period the expenses are incurred, with the corresponding expenses included in rental and other property operating expense. Tenant reimbursements are recognized and presented on a gross basis when the Company is primarily responsible for fulfilling the promise to provide the specified good or service and control that specified good or service before it is transferred to the tenant. The Company has elected not to separate lease and non-lease components as the pattern of revenue recognition does not differ for the two components, and the non-lease component is not the primary component in the Company’s leases.

In addition to minimum rents, certain leases, including the Company’s parking leases with third-party operators, provide for additional rents based upon varying percentages of tenants’ sales in excess of annual minimums. Percentage rent is recognized once lessees’ specified sales targets have been met.

For the years ended December 31, 2023 and 2022, the Company recognized rental income as follows:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Rental and other property income		
Fixed lease payments [1]	$ 55,520	$ 46,373
Variable lease payments [2]	10,482	9,853
Rental and other property income	$ 66,002	$ 56,226

(1) Fixed lease payments include contractual rents under lease agreements with tenants recognized on a straight-line basis over the lease term, including amortization of acquired above-market leases, below-market leases and lease incentives.

(2) Variable lease payments include expense reimbursements billed to tenants and percentage rent, net of bad debt expense from the Company's operating leases plus cash payments from tenants deemed not probable of collections.

Collectability of Lease-Related Receivables

The Company periodically reviews whether collection of lease-related receivables, including any straight-line rent, and current and future operating expense reimbursements from tenants is probable. The determination of whether collectability is probable takes into consideration the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area in which the property is located. Upon the determination that the collectability of a receivable is not probable, the Company will record a reduction to rental and other property income and a decrease in the outstanding receivable. Revenue from leases where collection is deemed to be not probable is recorded on a cash basis until collectability becomes probable. Management's estimate of the collectability of lease-related receivables is based on the best information available at the time of estimate. The Company does not use a general reserve approach. As of December 31, 2023 and 2022, the Company had identified certain tenants where collection was no longer considered probable and decreased outstanding receivables by $868,000 and $387,000, respectively, across all operating leases.

Revenue from lending activities

Interest income included in interest and other income is comprised of interest earned on loans and the Company's short-term investments and the accretion of loan discounts. Interest income on loans is accrued as earned with the accrual of interest suspended when the related loan becomes a Non-Accrual Loan (as defined below).

Revenue from hotel activities

The Company recognizes revenue from hotel activities separate from its leasing activities. At contract inception, the Company assesses the goods and services promised in its contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good or service (or bundle of goods or services) that is distinct. To identify the performance obligations, the Company considers all of the goods or services promised in the contract regardless of whether they are explicitly stated or implied by customary business practices. Various performance obligations of hotel revenues can be categorized as follows:

- cancellable and noncancelable room revenues from reservations and
- ancillary services including facility usage and food or beverage.

Cancellable reservations represent a single performance obligation of providing lodging services at the hotel. The Company satisfies its performance obligation and recognizes revenues associated with these reservations over time as services are rendered to the customer. The Company satisfies its performance obligation and recognizes revenues associated with noncancelable reservations at the earlier of (i) the date on which the customer cancels the reservation or (ii) over time as services are rendered to the customer.

Ancillary services include facilities usage and providing food and beverage. The Company satisfies its performance obligation and recognizes revenues associated with these services at a point in time when the good or service is delivered to the customer.

At inception of a contract with a customer for hotel goods and services, the contractual price is equivalent to the transaction price as there are no elements of variable consideration to estimate.

The Company presents hotel revenues net of sales, occupancy, and other taxes.

Below is a reconciliation of the hotel revenue from contracts with customers to the total hotel segment revenue disclosed in Note 18:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Hotel properties		
Hotel income	$ 39,063	$ 33,432
Rental and other property income	1,676	1,650
Interest and other income	357	131
Hotel revenues	$ 41,096	$ 35,213

Tenant recoveries outside of the lease agreements

Tenant recoveries outside of the lease agreements are related to construction projects in which the Company's tenants have agreed to fully reimburse the Company for all costs related to construction. These services include architectural, permit expediter and construction services. At inception of the contract with the customer, the contractual price is equivalent to the transaction price as there are no elements of variable consideration to estimate. While these individual services are distinct, in the context of the arrangement with the customer, all of these services are bundled together and represent a single package of construction services requested by the customer. The Company satisfies its performance obligation and recognizes revenues associated with these services over time as the construction is completed. No such amounts were recognized for tenant recoveries outside of the lease agreements for the years ended December 31, 2023 and 2022. As of December 31, 2023, there were no remaining performance obligations associated with tenant recoveries outside of the lease agreements.

Premiums and Discounts on Debt— Premiums and discounts on debt are amortized or accreted to interest expense using the effective interest method or on a straight-line basis over the respective term of the debt, which approximates the effective interest method.

Stock-Based Compensation Plans—The Company has issued and continue to issue restricted shares under stock-based compensation plans described more fully in Note 9. The Company uses fair value recognition provisions to account for all awards granted, modified or settled.

Earnings per Share ("EPS")—Basic EPS is computed by dividing net income attributable to common stockholders by the weighted-average number of shares of Common Stock outstanding for the period. Net income attributable to common stockholders includes a deduction for dividends due to preferred stockholders. Diluted EPS is computed by dividing net income attributable to common stockholders by the weighted average number of shares of Common Stock outstanding adjusted for the dilutive effect, if any, of securities such as stock-based compensation awards, warrants, including the Series A Preferred Warrants and preferred stock, including the Series A1 Preferred Stock, Series A Preferred Stock, Series D Preferred Stock and Series L Preferred Stock, whose redemption is payable in shares of Common Stock or cash, at the discretion of the Company. The dilutive effect of stock-based compensation awards and warrants, including the Series A Preferred Warrants, is reflected in the weighted average diluted shares calculation by application of the treasury stock method. The dilutive effect of preferred stock, including the Series A1 Preferred Stock, Series A Preferred Stock, Series D Preferred Stock and Series L Preferred Stock, whose redemption is payable in shares of Common Stock or cash, at the discretion of the Company, is reflected in the weighted average diluted shares calculation by application of the if-converted method.

Distributions—Distributions on the Company's Series A1 Preferred Stock, Series A Preferred Stock, Series D Preferred Stock, Series L Preferred Stock and Common Stock are recorded when they are authorized by its Board of Directors and declared by the Company.

Assets Held for Sale and Discontinued Operations—In the ordinary course of business, the Company may periodically enter into agreements to dispose of its assets. Some of these agreements are non-binding because either they do not obligate either party to pursue any transactions until the execution of a definitive agreement or they provide the potential buyer with the ability to terminate without penalty or forfeiture of any material deposit, subject to certain specified contingencies, such as completion of due diligence at the discretion of such buyer. The Company does not classify assets that are subject to such non-binding agreements as held for sale.

The Company classifies assets as held for sale, if material, when they meet the necessary criteria, which include: a) management commits to and actively embarks upon a plan to sell the assets, b) the assets to be sold are available for immediate sale in their present condition, c) the sale is expected to be completed within one year under terms usual and customary for such sales and d) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. The Company generally believes that it meets these criteria when the plan for sale has been approved by its management, having the authority to approve the sale, there are no known significant contingencies related to the sale and management believes it is probable that the sale will be completed within one year.

Assets held for sale are recorded at the lower of cost or estimated fair value less cost to sell. In addition, if the Company were to determine that the asset disposal associated with assets held for sale or disposed of represents a strategic shift, the revenues, expenses and net gain (loss) on dispositions would be recorded in discontinued operations for all periods presented through the date of the applicable disposition.

Derivative Financial Instruments—As part of risk management and operational strategies, from time to time, we may enter into derivative contracts with various counterparties. All derivatives are recognized on the balance sheet at their estimated fair value. On the date that we enter into a derivative contract, we designate the derivative as a fair value hedge, a cash flow hedge, a foreign currency fair value hedge, a hedge of a net investment in a foreign operation, or a trading or non-hedging instrument.

Accounting for changes in the fair value of a derivative instrument depends on the intended use and designation of the derivative instrument. The Company has interest rate caps that are used to manage exposure to interest rate movements but do not meet the requirements to be designated as hedging instruments. The change in fair value of the derivative instruments that are not designated as hedges is recorded directly to earnings as interest expense on the accompanying consolidated statements of operations. See Note 8 for further disclosures about our derivative financial instruments and hedging activities.

Income Taxes—The Company has elected to be taxed as a REIT under the provisions of the Code. To the extent the Company qualifies for taxation as a REIT, it generally will not be subject to a federal corporate income tax on its taxable income that is distributed to its stockholders. The Company may, however, be subject to certain federal excise taxes and state and local taxes on its income and property. If the Company fails to qualify as a REIT in any taxable year, it will be subject to federal income taxes at regular corporate rates and will not be able to qualify as a REIT for four subsequent taxable years. In order to remain qualified as a REIT under the Code, the Company must satisfy various requirements in each taxable year, including, among others, limitations on share ownership, asset diversification, sources of income, and the distribution of at least 90% of its taxable income within the specified time in accordance with the Code.

The Company has wholly-owned taxable REIT subsidiaries ("TRS's") which are subject to federal income taxes. The income generated from the taxable REIT subsidiaries is taxed at normal corporate rates. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax bases.

The Company has established a policy on classification of penalties and interest related to audits of its federal and state income tax returns. If incurred, the Company's policy for recording interest and penalties associated with audits will be to record such items as a component of general and administrative expense. Penalties, if incurred, will be recorded in general and administrative expense and interest paid or received will be recorded in interest expense or interest income, respectively, in the Company's consolidated statements of operations.

ASC 740, *Income Taxes*, provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in the financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more likely than not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current period. The Company has reviewed all open tax years and concluded that the application of ASC 740 resulted in no material effect to its consolidated financial position or results of operations.

Use of Estimates—The preparation of consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company bases such estimates on historical experience, information available at the time, and assumptions the Company believes to be reasonable under the circumstances at such time. Actual results could differ from those estimates.

Concentration of Credit Risk—Financial instruments that subject us to credit risk consist primarily of cash and cash equivalents and interest rate swap agreements. The Company has its cash and cash equivalents on deposit with what it believes to be high-quality financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. Management routinely assesses the financial strength of its tenants and, as a consequence, believes that its accounts receivable credit risk exposure is limited.

The majority of the Company's revenues are earned from properties located in California. The Company is subject to risks incidental to the ownership and operation of commercial real estate. These include, among others, the risks normally associated with changes in the general economic climate in the communities in which the Company operates, trends in the real estate industry, changes in tax laws, interest rate levels, availability of financing, and the potential liability under environmental and other laws.

Segment Information—Segment information is prepared on the same basis that the Company's management reviews information for operational decision-making purposes. The Company's reportable segments for the year ended December 31, 2023 consist of three types of commercial real estate properties, namely office, hotel and multifamily, as well as a segment for the Company's lending business. The Company's reportable segments for the year ended December 31, 2022 consisted of two types of commercial real estate properties, namely office and hotel, as well as a segment for the Company's lending business. The products for the Company's office segment primarily include rental of office space and other tenant services, including tenant reimbursements, parking, and storage space rental. The products for the Company's hotel segment include revenues generated from the operations of hotel properties and rental income generated from a garage located directly across the street from the hotel. The income from the Company's lending segment includes premium income recognized from the sale of the government guaranteed portion of loans receivable, income from the yield on its loans receivable and other related fee income earned on its loans receivable.

Recently Issued Accounting Pronouncements—In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which was subsequently amended by ASU No. 2018-19, Codification Improvements to Topic 326, *Financial Instruments - Credit Losses* ("ASU 2018-19") in November 2018. Subsequently, the FASB issued ASU No. 2019-04, ASU No. 2019-05, ASU No. 2019-10, ASU No. 2019-11 and ASU No. 2020-02 to provide additional guidance on the credit losses standard. ASU 2016-13 and the related updates improve financial reporting requiring more timely recognition of credit losses on loans and other financial instruments that are not accounted for at fair value through net income, including loans held-for-investment, held-to-maturity debt securities, net investment in leases and other such commitments. ASU 2016-13 requires that financial assets measured at amortized cost be presented at the net amount expected to be collected, through an allowance for credit losses that is deducted from the amortized cost basis. The amendments in ASU 2016-13 require the Company to measure all expected credit losses based upon historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the financial assets and eliminates the "incurred loss" methodology under current GAAP. ASU 2018-19 clarified that receivables arising from operating leases are not within the scope of Topic 326. Instead, impairment of receivables arising from operating leases should be accounted for in accordance with ASU No. 2016-02, Leases (Topic 842). For smaller reporting companies, public entities that are not SEC filers, and entities that are not public business entities, the ASU is effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2022. Early adoption is permitted for annual reporting periods (including interim reporting

periods within those periods) beginning after December 15, 2018. The Company adopted ASU 2016-13 and the related updates on January 1, 2023 and the adoption did not have a material impact.

On March 31, 2022, the FASB issued ASU No. 2022-02, *Troubled Debt Restructurings and Vintage Disclosures (Topic 326)* ("ASU 2022-02"). ASU 2022-02 eliminates the recognition and measurement guidance for troubled debt restructurings ("TDRs") and, instead, requires that an entity evaluate (consistent with the accounting for other loan modifications) whether the modification represents a new loan or a continuation of an existing loan. The ASU also enhances existing disclosure requirements and introduces new requirements related to certain modifications of receivables made to borrowers experiencing financial difficulty. The ASU became effective for the Company beginning January 1, 2023 and was applied prospectively. ASU 2022-02 did not have an impact on the Company's consolidated financial statements for the year ended December 31, 2023.

In August 2023, the FASB issued ASU No. 2023-05, Business Combinations-Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement ("ASU 2023-05"). ASU 2023-05 applies to the formation of a joint venture and requires a joint venture to initially measure all contributions received upon its formation at fair value. The guidance is intended to reduce diversity in practice and provide users of joint venture financial statements with more decision-useful information. The amendments are effective prospectively for all joint venture formations with a formation date on or after January 1, 2025. The Company does not believe the adoption of ASU 2023-05 will have a material impact on its consolidated financial statements and disclosures.

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"). ASU 2023-07 enhances the disclosures required for reportable segments on an annual and interim basis. ASU 2023-07 is effective on a retrospective basis for annual periods beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, and early adoption is permitted. The Company does not expect the adoption of ASU 2023-07 to have a material impact on its consolidated financial statements and disclosures.

3. INVESTMENTS IN REAL ESTATE

Investments in real estate consist of the following:

	December 31,	
	2023	**2022**
	(in thousands)	
Land	$ 175,715	$ 151,727
Land improvements	5,862	1,837
Buildings and improvements	633,299	455,275
Furniture, fixtures, and equipment	11,627	4,339
Tenant improvements	26,460	34,372
Work in progress	15,915	12,863
Investments in real estate	868,878	660,413
Accumulated depreciation	(164,116)	(158,407)
Net investments in real estate	$ 704,762	$ 502,006

For the years ended December 31, 2023 and 2022, the Company recorded depreciation expense of $22.4 million and $17.3 million, respectively.

2023 Transactions—During the year ended December 31, 2023, the Company acquired an interest in the following properties from subsidiaries indirectly wholly owned by a fund that is managed by affiliates of CIM Group. The acquisitions were accounted for as asset acquisitions.

Property	Asset Type	Date of Acquisition	Units	Interest Acquired	Purchase Price
					(in thousands)
Channel House	Multifamily[1]	January 31, 2023	333	89.4 %	$ 134,615
F3 Land Site	Multifamily (Development) [1]	January 31, 2023	N/A	89.4 %	$ 250
466 Water Street Land Site	Multifamily (Development) [1]	January 31, 2023	N/A	89.4 %	$ 2,500
1150 Clay	Multifamily [2]	March 28, 2023	288	98.1 %	$ 145,500

(1) Transaction costs that were capitalized as a component of the assets acquired and liabilities assumed in connection with the acquisition of these properties totaled $37,000, which are not included in the purchase prices above. The building at Channel House also includes approximately 1,864 square feet of retail space. The F3 Land Site is currently being utilized as a surface parking lot and being evaluated for future development options including hotel development.

(2) Transaction costs that were capitalized as a component of the assets acquired and liabilities assumed in connection with the acquisition of this property totaled $149,000, which are not included in the purchase price above. The building also includes approximately 3,968 square feet of retail space.

Please refer to "Investments in Unconsolidated Entities" (Note 4) for information on the Company's real estate acquisitions through its investments in unconsolidated entities.

The Company sold an interest in the following property during the year ended December 31, 2023.

Property	Asset Type	Date of Sale	Interest Sold	Sales Price	Gain on Sale
				(in thousands)	
4750 Wilshire Boulevard [1]	Office / Multifamily (Development)	February 17, 2023	80.0 %	$ 34,400	$ 1,104

(1) The Company sold 80% of its interest in 4750 Wilshire Boulevard (excluding a vacant land parcel which was not included in the sale) to the 4750 Wilshire JV Partners (defined in Note 4). At the acquisition date, the Company received net proceeds of $16.7 million and recorded a receivable of $17.6 million. As of December 31, 2023, the remaining proceeds receivable was $1.1 million and is included in other assets on the Company's consolidated balance sheet. Additionally, the Company has a receivable of $1.4 million due from the 4750 Wilshire JV (defined in Note 4) included in other assets on the Company's consolidated balance sheet related to development costs incurred by the Company at 4750 Wilshire Boulevard prior to the sale of the property to the 4750 Wilshire JV. The Company owns a 20% interest in the 4750 Wilshire JV and accounts for its investment as an equity method investment as of December 31, 2023.

2022 Transactions—During the year ended December 31, 2022, the Company acquired a 100% fee-simple interest in the following properties from unrelated third parties which transaction was accounted for as an asset acquisition.

Property	Asset Type	Date of Acquisition	Square Feet	Purchase Price
				(in thousands)
3109 S Western Avenue, Los Angeles, CA [1]	Multifamily (Development)	August 4, 2022	5,900	$ 700
1007 E 7th Street, Austin, TX [2]	Office	July 1, 2022	1,352	$ 1,900
3022 S Western Avenue, Los Angeles, CA [3]	Multifamily (Development)	May 20, 2022	6,000	$ 5,650
3101 S Western Avenue, Los Angeles, CA [4]	Multifamily (Development)	February 11, 2022	3,752	$ 2,260

(1) Transaction costs that were capitalized as a component of the assets acquired and liabilities assumed in connection with the acquisition of this property totaled $11,000, which are not included in the purchase price above. The Company intends to redevelop approximately seven commercial units totaling 5,635 rentable square feet and six parking stalls starting in 2024.

(2) Transaction costs that were capitalized as a component of the assets acquired and liabilities assumed in connection with the acquisition of this property totaled $52,000, which are not included in the purchase price above. The property is located on a land site of approximately 7,450 square feet. The Company intends to complete pre-development and entitlement work to provide optionality for future development, including multifamily development.

(3) Transaction costs that were capitalized as a component of the assets acquired and liabilities assumed in connection with the acquisition of this property totaled $192,000, which are not included in the purchase price above. The property is located on a land site of approximately 28,300 square feet. The Company intends to entitle the property and develop approximately 119 residential units.

(4) Transaction costs that were capitalized as a component of the assets acquired and liabilities assumed in connection with the acquisition of this property totaled $22,000, which are not included in the purchase price above. The property is located on a land site of approximately 11,300 square feet. The Company intends to entitle the property and develop approximately 40 residential units.

There were no dispositions during the year ended December 31, 2022.

The results of operations of the properties the Company acquired have been included in the consolidated statements of operations from the date of acquisition. The following table summarizes the purchase price allocation of the aforementioned acquisitions during the years ended December 31, 2023 and 2022.

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Land	$ 36,613	$ 10,491
Land improvements	4,523	54
Buildings and improvements	206,717	164
Tenant improvements	—	47
Furniture, fixtures, and equipment	8,140	—
Acquired in-place leases (1)	27,210	68
Acquired above-market leases (2)	71	—
Acquired below-market leases (3)	(223)	(37)
Net assets acquired	$ 283,051	$ 10,787

(1) The amortization period for the in-place leases acquired during the year ended December 31, 2023 was approximately 6 months at the date of acquisition.

(2) The amortization period for the above-market leases acquired during the year ended December 31, 2023 was approximately 7 months at the date of acquisition.

(3) The amortization period for the below-market leases acquired during the year ended December 31, 2023 was approximately 5 months at the date of acquisition.

4. INVESTMENT IN UNCONSOLIDATED ENTITIES

The following table details the Company's equity method investments in the Unconsolidated Joint Venture. See Note 2 - Basis of Presentation and Summary of Significant Accounting Policies (dollars in thousands):

					Carrying Value	
Property	**Asset Type**	**Location**	**Date of Acquisition**	**Ownership Interest**	**December 31, 2023**	**December 31, 2022**
1910 Sunset Boulevard [1]	Office / Multifamily (Development)	Los Angeles, CA	February 11, 2022	44.2%	12,040	12,381
4750 Wilshire Boulevard [2]	Office / Multifamily (Development)	Los Angeles, CA	February 17, 2023	20.0%	9,119	—
1902 Park Avenue [3]	Multifamily	Los Angeles, CA	February 28, 2023	50.0%	7,082	—
1015 N Mansfield Avenue [4]	Office (Development)	Los Angeles, CA	October 10, 2023	28.8%	5,264	—
Total investments in unconsolidated entities					$ 33,505	$ 12,381

(1) 1910 Sunset Boulevard is an office building with 104,764 square feet of office space and 2,760 square feet of retail space. The plan for the property is to undertake a capital improvement program to renovate and modernize the building into creative office space and to build 36 multifamily units on the 1915 Park Avenue land parcel adjacent to the office building, for which the 1910 Sunset JV has received all necessary entitlements.

(2) 4750 Wilshire Boulevard is a three-story office building with 30,335 square feet of office space located on the first floor. The remainder of the building is being converted into for-lease multifamily units.

(3) 1902 Park Avenue is a 75-unit four-story multifamily building.

(4) 1015 N Mansfield Avenue is an office building with a 44,141 square foot site area and a parking garage. The site is being evaluated for different development options, including creative office or other commercial space.

1910 Sunset Boulevard— In February 2022, the Company invested in a joint venture (the "1910 Sunset JV") with a CIM-managed separate account (the "1910 Sunset JV Partner) to purchase an office property at 1910 Sunset Boulevard in Los Angeles, California along with an adjacent vacant land parcel at 1915 Park Avenue, for a gross purchase price of approximately $51.0 million, of which the Company initially contributed approximately $22.4 million and the 1910 Sunset JV Partner initially contributed the remaining balance. In September 2022, the 1910 Sunset JV obtained financing through a mortgage loan of $23.9 million secured by the office property (the "1910 Sunset Mortgage Loan"). The Company provided a limited guarantee to the lender under the 1910 Sunset Mortgage Loan.

The Company recorded a loss of $2.4 million related to its investment in the 1910 Sunset JV during the year ended December 31, 2023 and income of $164,000 during the year ended December 31, 2022 in the consolidated statements of operations. The Company's investment in the 1910 Sunset JV was $12.0 million and its ownership percentage remained unchanged as of December 31, 2023.

4750 Wilshire Boulevard— In February 2023, three co-investors (the "4750 Wilshire JV Partners") acquired an 80% interest in a property owned by a subsidiary of the Company located at 4750 Wilshire Boulevard in Los Angeles, California ("4750 Wilshire") for a gross sales price of $34.4 million (excluding transaction costs). The Company retained a 20% interest in 4750 Wilshire through a joint venture arrangement between the Company and the 4750 Wilshire JV Partners (the "4750 Wilshire JV"). The 4750 Wilshire JV is converting two of the three floors of 4750 Wilshire from office-use into for-lease multifamily units, with the first floor of 4750 Wilshire continuing to function as 30,335 square feet of office space. The total cost of the conversion is expected to be approximately $31.0 million, which will be financed by a combination of equity contributions from the 4750 Wilshire JV Partners and a third-party construction loan secured by 4750 Wilshire, which closed in March 2023 and that allows for total draws of $38.5 million (the "4750 Wilshire Construction Loan"). The Company provided

a limited guarantee to the lender under the 4750 Wilshire Construction Loan. Pursuant to the co-investment agreement, the 4750 Wilshire JV pays an ongoing management fee to the Company. In addition, the Company may earn incentive fees based on the performance of 4750 Wilshire after the conversion.

The Company recorded income of $1.8 million related to its investment in the 4750 Wilshire JV during the year ended December 31, 2023 in the consolidated statements of operations. The Company's investment in the 4750 Wilshire JV was $9.1 million and its ownership percentage remained unchanged at 20% as of December 31, 2023.

1902 Park Avenue— In February 2023, the Company and a CIM-managed interval fund (the "1902 Park JV Partner") purchased a multifamily property in the Echo Park neighborhood of Los Angeles, California for a gross purchase price of $19.1 million (excluding transaction costs) (the "1902 Park JV"). The Company owns 50% of the 1902 Park JV. In connection with the closing of this transaction in February 2023, the 1902 Park JV obtained financing through a mortgage loan of $9.6 million secured by the multifamily property (the "1902 Park Mortgage Loan"). The Company provided a limited guarantee to the lender under the 1902 Park Mortgage Loan.

The Company recorded income of $156,000 related to its investment in the 1902 Park JV during the year ended December 31, 2023 in the consolidated statements of operations. The Company's investment in the 1902 Park JV was $7.1 million as of December 31, 2023.

1015 N Mansfield Avenue— In October, 2023, the Company and a co-investor affiliated with CIM Group (the "1015 N Mansfield JV Partner") acquired from an unrelated third party a 100% fee-simple interest in a plot of land located in the Sycamore media district of Los Angeles, California for a gross purchase price of $18.0 million (excluding transaction costs) (the "1015 N Mansfield JV"). The property has a site area of approximately 44,141 square feet and contains a parking garage that has been leased to a third party tenant. The site is being evaluated for different creative office or other commercial space development options. The Company owns 28.8% of the 1015 N Mansfield JV.

The Company recorded income of $13,000 related to its investment in the 1015 N Mansfield JV during the year ended December 31, 2023 in the consolidated statements of operations. The Company's investment in the 1015 N Mansfield JV was $5.3 million as of December 31, 2023.

5. LOANS RECEIVABLE

Loans receivable consist of the following:

	December 31, 2023	December 31, 2022
	(in thousands)	
SBA 7(a) loans receivable, subject to credit risk	$ 10,393	$ 56,116
SBA 7(a) loans receivable, subject to loan-backed notes	43,983	—
SBA 7(a) loans receivable, subject to secured borrowings	3,105	6,127
SBA 7(a) loans receivable, held for sale	74	117
Loans receivable	57,555	62,360
Deferred capitalized costs, net	1,130	1,293
Current expected credit losses (1)	(1,680)	(1,106)
Loans receivable, net	$ 57,005	$ 62,547

(1) On January 1, 2023, the Company adopted ASU 2016-13. As such, the amounts as of December 31, 2023 reflect the Company's current estimate of potential credit losses related to the Company's loans receivable.

SBA 7(a) Loans Receivable, Subject to Credit Risk—Represents the unguaranteed portions of loans originated under the SBA 7(a) Program which were retained by the Company.

SBA 7(a) Loans Receivable, Subject to Loan-Backed Notes—Represents the unguaranteed portions of loans originated under the SBA 7(a) Program which were transferred to a trust and are held as collateral in connection with a securitization transaction. The proceeds received from the transfer were reflected as loan-backed notes payable (Note 7). These loans were subject to credit risk.

SBA 7(a) Loans Receivable, Subject to Secured Borrowings—Represents the government guaranteed portions of loans originated under the SBA 7(a) Program which were sold with the proceeds received from the sale reflected as secured borrowings—government guaranteed loans. There was no credit risk associated with these loans since the SBA has guaranteed payment of the principal.

SBA 7(a) Loans Receivable, Held for Sale— Represents the government guaranteed portion of loans held for sale at the end of the period or that had been sold but in respect of which proceeds had not been received as of the end of the period.

Current Expected Credit Losses

Current expected credit losses ("CECL") reflect the Company's current estimate of potential credit losses related to loans receivable included in the Company's consolidated balance sheets as of December 31, 2023 pursuant to ASU 2016-13 as implemented effective January 1, 2023. Refer to Note 2 for further discussion of CECL.

The following table presents the activity in the Company's current expected credit losses for the year ended December 31, 2023 (dollar amounts in thousands):

		Loans Receivable
Allowance for credit losses as of December 31, 2022	$	1,106
Transition adjustment on January 1, 2023		783
Net adjustment to reserve for expected credit losses		51
Current expected credit losses as of March 31, 2023		1,940
Write-offs		(85)
Net adjustment to reserve for expected credit losses		(142)
Current expected credit losses as of June 30, 2023		1,713
Net adjustment to reserve for expected credit losses		(9)
Current expected credit losses as of September 30, 2023		1,704
Net adjustment to reserve for expected credit losses		(24)
Current expected credit losses as of December 31, 2023	$	1,680

The Company's initial estimate of its current expected credit losses against the loans receivable of $783,000, net of a $164,000 deferred tax asset, was recorded on January 1, 2023 directly to distributions in excess of earnings on the Company's consolidated statements of equity. Subsequent changes to the allowance for credit losses are recognized through net income on the Company's consolidated statements of operations. During the year ended December 31, 2023, the Company recorded a decrease of $124,000 in its current expected credit losses related to its loans receivable, which was recorded in general and administrative expenses in the consolidated statement of operations, and recorded a decrease due to write-offs of $85,000 during the year ended December 31, 2023, bringing the total current expected credit loss to $1.7 million as of December 31, 2023.

Risk Ratings

As further described in Note 2 - Basis of Presentation and Summary of Significant Accounting Policies, the Company evaluates its loans receivable portfolio on a quarterly basis. Each quarter, the Company assesses the risk factors of each loan, and assigns a risk rating based on several factors. Factors considered in the assessment include, but are not limited to, loan and credit structure, current LTV ratio, debt yield, collateral performance, and the quality and condition of the sponsor, borrower, and guarantor(s). Loans are rated "1" (less risk) through "5" (greater risk), which ratings are defined in Note 2 - Basis of Presentation and Summary of Significant Accounting Policies.

Notes to Consolidated Financial Statements as of December 31, 2023 and 2022 and for the Years Ended December 31, 2023 and 2022 (Continued)

The Company's primary credit quality indicator is its risk ratings, which are further discussed above. The following table presents the net book value of the Company's loans receivable portfolio as of December 31, 2023 by year of origination, loan type, and risk rating (dollar amounts in thousands):

		Amortized Cost of Loans Receivable by Year of Origination As of December 31, 2023						
	Number of Loans	2023	2022	2021	2020	2019	Prior	Total
Loans by internal risk rating:								
1	120	$ 3,479	$ 6,073	$ 10,117	$ 3,445	$ 3,697	$ 9,475	$ 36,286
2	48	6,532	2,294	1,138	2,159	1,492	4,377	17,992
3	1	—	—	—	—	—	172	172
4	—	—	—	—	—	—	—	—
5	—	—	—	—	—	—	—	—
Total	169	$ 10,011	$ 8,367	$ 11,255	$ 5,604	$ 5,189	$ 14,024	$ 54,450
Plus: SBA 7(a) loans receivable, subject to secured borrowings (1)								3,105
Plus: Deferred capitalized costs, net								1,130
Less: Current expected credit losses								(1,680)
Total loans receivable, net								$ 57,005
Weighted average risk rating								1.3

(1) The Company does not assign a risk rating to its SBA 7(a) loans receivable, subject to secured borrowings, as this balance represents the government guaranteed portions of its loans and has determined there is no credit risk associated with these loans since the SBA has guaranteed payment of the principal.

Other

As of December 31, 2023 and 2022, the Company's loans subject to credit risk were 100.0% and 99.9%, respectively, concentrated in the hospitality industry. As of December 31, 2023 and 2022, 99.3% and 98.4%, respectively, of the Company's loans subject to credit risk were current. The Company classifies loans with negative characteristics in substandard categories ranging from special mention to doubtful. As of December 31, 2023 and 2022, $1.3 million and $1.0 million, respectively, of loans subject to credit risk were classified in substandard categories.

6. OTHER INTANGIBLE ASSETS AND LIABILITIES

A schedule of our intangible assets and liabilities and related accumulated amortization and accretion as of December 31, 2023 and 2022, is as follows:

	As of December 31,	
	2023	2022
	(in thousands)	
Intangible assets:		
Acquired in-place leases, net of accumulated amortization of $4,821 and $7,795, respectively, with an average useful life of 6 and 8 years, respectively	$ 984	$ 1,488
Acquired above-market leases, net of accumulated amortization of $30 and $39, respectively, both with an average useful life of 7 years	7	16
Trade name and license	2,957	2,957
Total intangible assets, net	$ 3,948	$ 4,461
Intangible lease liabilities:		
Acquired below-market leases, net of accumulated amortization of $0 and $22, respectively, with an average useful life of 0 and 1 years, respectively	$ —	$ 20

Amortization of the acquired above-market leases is recorded as a reduction to rental and other property income, and amortization of the acquired in-place leases is included in depreciation and amortization in the accompanying consolidated statements of operations. Amortization of the acquired below-market leases is recorded as an increase to rental and other property income in the accompanying consolidated statements of operations.

During the years ended December 31, 2023 and 2022, the Company recognized amortization related to its intangible assets and liabilities as follows:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Acquired above-market lease amortization	$ 80	$ 12
Acquired in-place lease amortization	$ 27,714	$ 846
Acquired below-market lease amortization	$ 243	$ 254

A schedule of future amortization and accretion of acquired intangible assets and liabilities as of December 31, 2023, is as follows:

	Assets	
Years Ending December 31,	**Acquired Above-Market Leases**	**Acquired In-Place Leases**
	(in thousands)	
2024	$ 6	$ 373
2025	1	171
2026	—	123
2027	—	123
2028	—	122
Thereafter	—	72
	$ 7	$ 984

7. DEBT

The following table summarizes the debt balances as of December 31, 2023 and 2022, and the debt activity for the year ended December 31, 2023 (in thousands):

		During the Year Ended December 31, 2023			
	Balances as of December 31, 2022	Debt Issuances & Assumptions	Repayments	Accretion & (Amortization)	Balances as of December 31, 2023
Mortgages Payable:					
Fixed rate mortgages payable	$ 97,100	$ 66,600	$ —	$ —	$ 163,700
Variable rate mortgage payable	—	182,600	(95,600)	—	87,000
	97,100	249,200	(95,600)	—	250,700
Deferred debt issuance costs — Mortgages Payable	(94)	(1,899)	—	1,039	(954)
Total Mortgages Payable	97,006	247,301	(95,600)	1,039	249,746
Secured Borrowings – Government Guaranteed Loans:					
Outstanding Balance	5,979	—	(2,972)	—	3,007
Unamortized premiums	258	—	—	(158)	100
Total Secured Borrowings—Government Guaranteed Loans	6,237	—	(2,972)	(158)	3,107
Other Debt:					
2022 credit facility revolver	—	267,000	(170,000)	—	97,000
2022 credit facility term loan	56,230	—	—	—	56,230
Junior subordinated notes	27,070	—	—	—	27,070
SBA 7(a) loan-backed notes	—	54,141	(12,747)	—	41,394
Deferred debt issuance costs — other	(779)	(1,312)	—	503	(1,588)
Discount on junior subordinated notes	(1,497)	—	—	99	(1,398)
Total Other Debt	81,024	319,829	(182,747)	602	218,708
Total Debt, Net	$ 184,267	$ 567,130	$ (281,319)	$ 1,483	$ 471,561

Fixed Rate Mortgages Payable—The Company's fixed rate mortgages payable are secured by a deed of trust on the properties underlying such mortgages and assignments of rents receivable. As of December 31, 2023, the Company's fixed rate mortgages payable had fixed interest rates of 4.14% and 6.25% per annum, with payments of interest only, due on July 1, 2026 and June 7, 2024, respectively. In regards to the mortgage payable maturing on June 7, 2024, there is a one-year extension option available which the Company expects to execute prior to maturity. These loans are nonrecourse.

On December 21, 2023, the Company made a prepayment of $13.0 million on one of its variable rate mortgages and refinanced the remaining $66.6 million, changing the rate from a variable interest rate to a fixed rate of 6.25% per annum (the "1150 Clay Refinance").

Variable Rate Mortgage Payable—The Company's variable rate mortgage payable is secured by a deed of trust on the property and assignment of rents receivable. As of December 31, 2023, the Company's variable rate mortgage payable had a variable interest rate of SOFR plus 3.36%, with monthly payments of interest only due on July 7, 2025 with an extension option subject to certain conditions being met. The loan is nonrecourse.

The $95.6 million of variable rate mortgage repayments in the table above includes the impact of the 1150 Clay Refinance.

Secured Borrowings—Government Guaranteed Loans—Secured borrowings—government guaranteed loans represent sold loans which are treated as secured borrowings because the loan sales did not meet the derecognition criteria provided for in ASC 860-30, *Secured Borrowing and Collateral*. These loans included cash premiums that are amortized as a

reduction to interest expense over the life of the loan using the effective interest method and are fully amortized when the underlying loan is repaid in full. As of December 31, 2023, the Company's secured borrowings-government guaranteed loans included $1.4 million of loans sold for a premium and excess spread, with a variable rate, reset quarterly, based on prime rate with weighted average coupon rate of 9.28% at December 31, 2023, and $1.6 million of loans sold for an excess spread, with a variable rate, reset quarterly, based on prime rate with weighted average coupon rate of 6.88% at December 31, 2023.

2022 Credit Facility—In December 2022 the Company refinanced its 2018 credit facility and replaced it with a new 2022 credit facility, entered into with a bank syndicate, that includes a $56.2 million term loan (the "2022 Credit Facility Term Loan") as well as a revolver allowing the Company to borrow up to $150.0 million (the "2022 Credit Facility Revolver"), both of which are collectively subject to a borrowing base calculation. The 2022 credit facility is secured by certain properties in the Company's real estate portfolio: six office properties and one hotel property (as well as the hotel's adjacent parking garage and retail property). The 2022 credit facility bears interest at (A) the base rate plus 1.50% or (B) SOFR plus 2.60%. As of December 31, 2023, the variable interest rate was 7.96%. The 2022 Credit Facility Revolver is also subject to an unused commitment fee of 0.15% or 0.25% depending on the amount of aggregate unused commitments. The 2022 credit facility is guaranteed by the Company and the Company is subject to certain financial maintenance covenants. The 2022 credit facility matures in December 2025 and provides for two one-year extension options under certain conditions, including providing notice of the election and paying an extension fee of 0.15% of each lender's commitment being extended on the effective date of such extension. As of December 31, 2023 and 2022, $53.0 million and $150.0 million, respectively, was available for future borrowings.

Junior Subordinated Notes—The Company has junior subordinated notes with a variable interest rate which resets quarterly based on the three-month SOFR plus 3.51%, with quarterly interest only payments. The junior subordinated balance is due at maturity on March 30, 2035. The junior subordinated notes may be redeemed at par at the Company's option.

SBA 7(a) Loan-Backed Notes—On March 9, 2023, the Company completed a securitization of the unguaranteed portion of certain of its SBA 7(a) loans receivable with the issuance of $54.1 million of unguaranteed SBA 7(a) loan-backed notes (with net proceeds of approximately $43.3 million, after payment of fees and expenses in connection with the securitization and the funding of a reserve account and an escrow account). The SBA 7(a) loan-backed notes are collateralized by the right to receive payments and other recoveries attributable to the unguaranteed portions of certain of our SBA 7(a) loans receivable. The SBA 7(a) loan-backed notes mature on March 20, 2048, with monthly payments due as payments on the collateralized loans are received. The SBA 7(a) loan-backed notes bear interest at a per annum rate equal to the lesser of (i) the 30-day average compounded SOFR plus 2.90% and (ii) the prime rate minus 0.35%. As of December 31, 2023, the variable interest rate was 8.15%. The Company reflects the SBA 7(a) loans receivable as assets on its consolidated balance sheet and the SBA 7(a) loan-backed notes as debt on its consolidated balance sheet. The restricted cash on the Company's consolidated balance sheets included funds related to the Company's SBA 7(a) loan-backed notes was $5.7 million as of December 31, 2023.

Deferred debt issuance costs, which represent legal and third-party fees incurred in connection with the Company's borrowing activities, are capitalized and amortized to interest expense on a straight-line basis over the life of the related loan, approximating the effective interest method. Deferred debt issuance costs are presented net of accumulated amortization and are a reduction to total debt.

As of December 31, 2023 and 2022, accrued interest and unused commitment fees payable of $1.8 million and $562,000, respectively, are included in accounts payable and accrued expenses.

Future principal payments on the Company's debt (face value) as of December 31, 2023 are as follows:

Years Ending December 31,	Mortgages Payable	Secured Borrowings Principal [1]	2022 Credit Facility	Other [1] [2]	Total
			(in thousands)		
2024	$ 66,600	$ 173	$ —	$ 12,039	$ 78,812
2025	87,000	188	153,230	9,947	250,365
2026	97,100	204	—	8,504	105,808
2027	—	220	—	10,904	11,124
2028	—	238	—	—	238
Thereafter	—	1,984	—	27,070	29,054
	$ 250,700	$ 3,007	$ 153,230	$ 68,464	$ 475,401

(1) Principal payments on secured borrowings and SBA 7(a) loan-backed notes, which are included in Other, are generally dependent upon cash flows received from the underlying loans. The Company’s estimate of their repayment is based on scheduled payments on the underlying loans. The Company’s estimate will differ from actual amounts to the extent the Company experiences prepayments and/or loan liquidations or charge-offs.

(2) Represents the junior subordinated notes and SBA 7(a) loan-backed notes.

8. DERIVATIVES

In the ordinary course of business, the Company may use certain types of derivative instruments for the purpose of managing or hedging its interest rate risk. During the year ended December 31, 2023, the Company entered into two interest rate cap agreements in connection with the assumption of two mortgage loans.

On December 28, 2023, the Company terminated one of its interest rate cap agreements with a value of $1.2 million and an outstanding notional amount of $79.6 million. In connection with the termination of the interest rate cap agreement, a realized loss of $1.1 million was recorded as a change to interest expense on the accompanying consolidated statements of operations and a receivable of $1.2 million was recorded in accounts receivable, net on the accompanying consolidated balance sheet and which was paid in January 2024.

The following table summarizes the terms of the Company's interest rate cap agreement as of December 31, 2023 (dollar amounts in thousands):

	Balance Sheet Location	Outstanding Notional Amount as of December 31, 2023	Strike Rates [(1)]	Effective Date	Maturity Date	Fair Value of Assets as of December 31, 2023
Interest Rate Cap	Other assets	$ 87,000	4.5%	5/03/2023	7/07/2025	$ 491

(1) The index used for the Company's interest rate cap agreement is 1-Month Term SOFR.

Additional disclosures related to the fair value of the Company's derivative instrument are included in Note 13. The notional amount under the derivative instrument is an indication of the extent of the Company's involvement in such instrument but does not represent exposure to credit, interest rate or market risks.

Accounting for changes in the fair value of a derivative instrument depends on the intended use and designation of the derivative instrument. The Company has interest rate caps that are used to manage exposure to interest rate movements but do not meet the requirements to be designated as hedging instruments. The change in fair value of the derivative instruments that are not designated as hedges is recorded directly to earnings as interest expense on the accompanying consolidated statements of operations. During the year ended December 31, 2023, the Company recorded an unrealized loss of $539,000, which was included in interest expense on the accompanying consolidated statements of operations related to its interest rate caps.

9. STOCK-BASED COMPENSATION PLANS

On April 3, 2015, the Company's board of directors (the "Board of Directors") unanimously approved the Company's Equity Incentive Plan (the "Equity Incentive Plan"), which was approved by the Company's stockholders. On June 27, 2023, the Equity Incentive Plan was amended by the Board of Directors, and subsequently approved by the Company's stockholders, to authorize additional shares of Common Stock for issuance as compensation. The Company has granted awards of restricted shares of Common Stock to each of the independent members of the Board of Directors under the Equity Incentive Plan as follows:

	Number of Shares [(1)]	Weighted Average Grant Date Fair Value Per Share [(1)]
Balance, December 31, 2021	20,332	$ 10.82
Granted	30,984	$ 7.10
Vested	(20,332)	$ 10.82
Balance, December 31, 2022	30,984	$ 7.10
Granted	48,888	$ 4.50
Vested	(30,984)	$ 7.10
Balance, December 31, 2023	48,888	$ 4.50

(1) Amounts have been adjusted to give retroactive effect to the Reverse Stock Split.

Compensation expense related to these restricted shares of Common Stock is recognized over the vesting period, and generally vests based on one year of continuous service. The Company recorded compensation expense related to these restricted shares of Common Stock in the amount of $183,000 and $202,000 for the years ended December 31, 2023 and 2022, respectively.

As of December 31, 2023, there was $128,000 of total unrecognized compensation expense related to restricted shares of Common Stock which will be recognized ratably over the remaining vesting period.

10. EARNINGS PER SHARE ("EPS")

The computation of basic EPS is based on the Company's weighted average shares outstanding. No shares of Series D Preferred Stock, Series A Preferred Stock, or Series A1 Preferred Stock outstanding as of December 31, 2023 were included in the computation of diluted EPS because they had no dilutive effect. In order to calculate the diluted weighted average number of shares of Common Stock outstanding for the year ended December 31, 2022, the basic weighted average number of shares of Common Stock outstanding was increased by 1,000 to reflect the dilutive effect of certain shares of the Company's Series D Preferred Stock. Outstanding Series A Preferred Warrants were not included in the computation of diluted EPS for the years ended December 31, 2023 and 2022 because their impact was either anti-dilutive or such warrants were not exercisable during such periods (Note 12). Outstanding shares of Series L Preferred Stock were not included in the computation of diluted EPS for the year ended December 31, 2023 (because they were redeemed in January 2023) and 2022 (because such shares were not redeemable during such period).

EPS for the year-to-date period may differ from the sum of quarterly EPS amounts due to the required method for computing EPS in the respective periods. In addition, EPS is calculated independently for each component and may not be additive due to rounding.

The following table reconciles the numerator and denominator used in computing the Company's basic and diluted per-share amounts for net loss attributable to common stockholders for the years ended December 31, 2023 and 2022:

	Year Ended December 31,	
	2023	2022
	(in thousands, except per share amounts)	
Numerator:		
Net loss attributable to common stockholders	$ (75,727)	$ (25,785)
Redeemable preferred stock dividends declared on dilutive shares	—	(9)
Diluted net loss attributable to common stockholders	$ (75,727)	$ (25,794)
Denominator:		
Basic weighted average shares of Common Stock outstanding	22,723	23,153
Effect of dilutive securities—contingently issuable shares	—	1
Diluted weighted average shares and common stock equivalents outstanding	22,723	23,154
Net loss attributable to common stockholders per share:		
Basic	$ (3.33)	$ (1.11)
Diluted	$ (3.33)	$ (1.11)

11. REDEEMABLE PREFERRED STOCK

The table below provides information regarding the issuances, reclassifications and redemptions of each class of the Company's preferred stock in permanent equity during the years ended December 31, 2023 and 2022 (dollar amounts in thousands):

	Preferred Stock									
	Series A1		Series A		Series D		Series L		Total	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
Balances, December 31, 2021	—	$ —	6,271,337	$ 156,431	56,857	$ 1,396	5,387,160	$ 152,834	11,715,354	$ 310,661
Issuance of A1 Preferred Stock	5,966,077	147,761	—	$ —	—	—	—	—	5,966,077	147,761
Redemption of Series A1 Preferred Stock	(9,930)	(247)	—	—	—	—	—	—	(9,930)	(247)
Redemption of Series D Preferred Stock	—	—	—	—	(8,000)	(196)	—	—	(8,000)	(196)
Repurchase of Series L Preferred Stock	—	—	—	—	—	—	(5,387,160)	(152,834)	(5,387,160)	(152,834)
Reclassification of Series A Preferred stock to Permanent Equity	—	—	1,630,765	40,998	—	—	—	—	1,630,765	40,998
Redemption of Series A Preferred Stock	—	—	(336,753)	(8,381)	—	—	—	—	(336,753)	(8,381)
Balances, December 31, 2022	5,956,147	$ 147,514	7,565,349	$ 189,048	48,857	$ 1,200	—	$ —	13,570,353	$ 337,762
Issuances of A1 Preferred Stock	4,507,292	111,520	—	$ —	—	—	—	—	4,507,292	111,520
Redemption of Series A1 Preferred Stock	(85,096)	(2,099)	—	—	—	—	—	—	(85,096)	(2,099)
Redemption of Series D Preferred Stock	—	—	—	—	(410)	(10)	—	—	(410)	(10)
Reclassification of Series A Preferred stock to Permanent Equity	—	—	690,171	17,161	—	—	—	—	690,171	17,161
Redemption of Series A Preferred Stock	—	—	(823,681)	(20,505)	—	—	—	—	(823,681)	(20,505)
Balances, December 31, 2023	10,378,343	$ 256,935	7,431,839	$ 185,704	48,447	$ 1,190	—	$ —	17,858,629	$ 443,829

Series A1 Preferred Stock—Since June 2022, the Company has been conducting a continuous public offering with respect to shares of its Series A1 Preferred Stock, par value $0.001 per share with an initial stated value of $25.00 per share, subject to adjustment. Shares of Series A1 Preferred Stock are recorded in permanent equity at the time of their issuance. As of December 31, 2023, the Company had issued in registered public offerings 10,273,369 shares of the Series A1 Preferred Stock and received gross proceeds of $254.3 million and additionally had issued 200,000 shares of Series A1 Preferred Stock as payment for services to the CIM Service Provider, LLC (the "Administrator"), for which no cash proceeds were received. In connection with the issuance of shares of Series A1 Preferred Stock, $18.6 million of costs specifically identifiable to the offering of Series A1 Preferred Stock was allocated to the Series A1 Preferred Stock. Such costs include commissions, dealer manager fees and other offering fees and expenses but do not include non-issuance-specific costs of $10.4 million related to the Company's offering of Series A Preferred Stock, Series A Preferred Warrants, Series A1 Preferred Stock and Series D Preferred Stock. As of December 31, 2023, the Company had reclassified and allocated $3.5 million from deferred charges to Series A1 Preferred Stock as a reduction to the gross proceeds received. Such reclassification was based on the cumulative number of securities issued relative to the maximum number of securities expected to be issued under the offering.

As of December 31, 2023, there were 10,378,343 shares of Series A1 Preferred Stock outstanding and 95,026 shares of Series A1 Preferred Stock had been redeemed.

Series A Preferred Stock—The Company conducted a continuous public offering of Series A Preferred Stock (with each issued share of Series A Preferred Stock initially accompanied by one warrant ("Series A Preferred Warrant") to purchase 0.25 of a share of Common Stock, subject to adjustment) from October 2016 through January 2020. Proceeds and expenses from the sale were allocated to the Series A Preferred Stock and Series A Preferred Warrants using their relative fair values on the date of issuance.

From February 2020 through June 2022, the Company conducted a continuous public offering with respect to shares of the Company's Series A Preferred Stock, which, since February 2020, was no longer being issued as a unit with an accompanying Series A Preferred Warrant. In June 2022, the Company concluded the offering of Series A Preferred Stock.

As of December 31, 2023, the Company had issued in registered public offerings 8,251,657 shares of Series A Preferred Stock and 4,603,287 Series A Preferred Warrants and received gross proceeds of $205.4 million and $761,000, respectively, and additionally, had issued 568,681 shares of Series A Preferred Stock as payment for services to the Administrator, for which no cash proceeds were received. In connection with the cumulative issuance of Series A Preferred Stock Series A Preferred Warrants, $17.0 million and $142,000 of costs specifically identifiable to the offering of the Series A Preferred Stock and Series A Preferred Warrants, respectively, were allocated to the Series A Preferred Stock and Series A Preferred Warrants, respectively. Such costs include commissions, dealer manager fees and other offering fees and expenses but do not include non-issuance-specific costs of $10.4 million related to the Company's offering of Series A Preferred Stock, Series A Preferred Warrants, Series A1 Preferred Stock and Series D Preferred Stock. As of December 31, 2023, the Company had reclassified and allocated $1.9 million and $5,000 from deferred charges to Series A Preferred Stock and Series A Preferred Warrants, respectively, as a reduction to the gross proceeds received. Such reclassification was based on the cumulative number of securities issued relative to the maximum number of securities expected to be issued under the offering.

Net proceeds from the issuance of shares of Series A Preferred Stock were initially recorded in temporary equity at an amount equal to the gross proceeds allocated to such shares of Series A Preferred Stock minus the costs specifically identifiable to the issuance of such shares and the non-issuance specific offering costs allocated to such shares. If the net proceeds from the issuance of shares of Series A Preferred Stock were less than the redemption value of such shares at the time they were issued, or if the redemption value of such shares subsequently becomes greater than the carrying value of such shares, an adjustment was recorded to increase the carrying amount of such shares to their redemption value as of the balance sheet date. Such adjustment was considered a deemed dividend for purposes of calculating basic and diluted EPS. During the years ended December 31, 2023 and December 31, 2022, the Company recorded redeemable preferred stock deemed dividends of $0 and $19,000, respectively, related to such adjustments.

On the first anniversary of the issuance of a particular share of Series A Preferred Stock, the Company reclassified such share of Series A Preferred Stock from temporary equity to permanent equity because the feature giving rise to temporary equity classification, the requirement to satisfy redemption requests in cash, lapses on the first anniversary date. As of December 31, 2023, the Company had reclassified an aggregate of $199.6 million in net proceeds from temporary equity to permanent equity.

As of December 31, 2023, there were 7,431,839 shares of Series A Preferred Stock outstanding and 1,388,499 shares of Series A Preferred Stock had been redeemed.

Series D Preferred Stock—From February 2020 through June 2022, the Company conducted a continuous public offering with respect to shares of its Series D Preferred Stock, par value $0.001 per share, subject to adjustment. The selling price of the Series D Preferred Stock was $25.00 per share for all sales that occurred from the beginning of the offering to and including June 28, 2020 and $24.50 per share thereafter. Shares of Series D Preferred Stock were recorded in permanent equity at the time of their issuance. In June 2022, the Company concluded the offering of its Series D Preferred Stock.

As of December 31, 2023, the Company had issued in registered public offerings 56,857 shares of Series D Preferred Stock and received gross proceeds of $1.4 million. In connection with such issuance, $35,000 of costs specifically identifiable to the offering of Series D Preferred Stock were allocated to the Series D Preferred Stock. Such costs include commissions, dealer manager fees and other offering fees and expenses but do not include non-issuance-specific costs of $10.4 million related to the Company's offering of Series A Preferred Stock, Series A Preferred Warrants, Series A1 Preferred Stock and Series D Preferred Stock. As of December 31, 2023, the Company had reclassified and allocated $13,000 from deferred charges to Series D Preferred Stock as a reduction to the gross proceeds received. Such reclassification was based on the cumulative number of securities issued relative to the maximum number of securities expected to be issued under the offering.

As of December 31, 2023, there were 48,447 shares of Series D Preferred Stock outstanding and 8,410 shares of Series D Preferred Stock had been redeemed.

Series L Preferred Stock—On November 21, 2017, the Company issued 8,080,740 shares of Series L Preferred Stock having an initial stated value of $28.37 per share ("Series L Preferred Stock Stated Value"), subject to adjustment. The Company received gross proceeds of $229.3 million from the sale of the Series L Preferred Stock, which was reduced by issuance-specific offering costs.

On September 15, 2022, the Company repurchased 2,435,284 shares of its Series L Preferred Stock in a privately negotiated transaction (the "Series L Repurchase"). The shares were repurchased at a purchase price of $27.40 per share (a 3.4% discount to the stated value of $28.37 per share) plus $1.12 per share of accrued and unpaid dividends (or $2.7 million accrued and unpaid dividends in the aggregate). The total cost to complete the Series L Repurchase, including transactions costs of $700,000 (or $0.29 per share), was $70.1 million. In connection with the Series L Repurchase, the Company recognized redeemable preferred stock redemptions of $4.8 million on its consolidated statement of operations for the year ended December 31, 2022. The $4.8 million of redeemable preferred stock redemptions represents the difference between the repurchase price (including $0.29 per share of transaction costs) and the carrying value of the repurchased Series L Preferred Stock (representing the stated value of $28.37 per share reduced by $2.65 per share of stock offering costs).

In December 2022, the Company announced the redemption of all outstanding shares of its Series L Preferred Stock. In January 2023, the Company completed such previously-announced redemption of all outstanding shares of its Series L Preferred Stock in cash at its stated value of $28.37 per share (plus accrued and unpaid dividend of $1.56 per share, or $4.6 million in the aggregate). The total cost to complete the Series L Redemption, including transaction costs of $93,000 (or $0.03 per share), was $83.8 million.

Dividends—With respect to the payment of dividends or the distribution of amounts upon liquidation, dissolution or winding-up, the Series A1 Preferred Stock, the Series A Preferred Stock and the Series D Preferred Stock rank on parity with respect to each other and senior to the Common Stock.

Holders of Series A1 Preferred Stock are entitled to receive, if, as and when authorized by the Company's Board of Directors, and declared by the Company out of legally available funds, cumulative cash dividends (the "Series A1 Dividend") on each share of Series A1 Preferred Stock at the greater of (i) an annual rate of 6.0% of the Series A1 Preferred Stock Stated Value (i.e., the equivalent of $0.3750 per share per quarter) and (ii) the Federal Funds (Effective) Rate for such quarter and plus 2.5% of the Series A1 Preferred Stock Stated Value divided by four, up to a maximum of 2.5% of the Series A1 Preferred Stock Stated Value per quarter. Holders of Series A Preferred Stock are entitled to receive, if, as and when authorized by the Company's Board of Directors, and declared by the Company out of legally available funds, cumulative cash dividends on each share of Series A Preferred Stock at an annual rate of 5.50% of the Series A Preferred Stock Stated Value (i.e., the equivalent of $0.34375 per share per quarter) (the "Series A Dividend"). Holders of Series D Preferred Stock are entitled to receive, if, as and when authorized by the Company's Board of Directors, and declared by the Company out of legally available funds, cumulative cash dividends on each share of Series D Preferred Stock at an annual rate of 5.65% of the Series D Preferred Stock Stated Value (i.e., the equivalent of $0.35313 per share per quarter) (the "Series D Dividend"). Dividends on each share of Series A1 Preferred Stock, Series A Preferred Stock and Series D Preferred Stock begin accruing on, and are cumulative from, the date of issuance.

The Company expects to pay the Series A1 Dividend, Series A Dividend and Series D Dividend in arrears on a monthly basis in accordance with the foregoing provisions, unless the Company's results of operations, general financing conditions, general economic conditions, applicable requirements of the MGCL or other factors make it imprudent to do so. The timing and amount of the Series A1 Dividend, Series A Dividend and the Series D Dividend will be determined by the Company's Board of Directors, in its sole discretion, and may vary from time to time.

During the year ended December 31, 2023, the Company paid $13.9 million, $10.9 million, $69,000 and $4.6 million of cash dividends on the Series A1 Preferred Stock, Series A Preferred Stock, Series D Preferred Stock and Series L Preferred Stock, respectively. During the year ended December 31, 2022, the Company paid $1.8 million, $11.4 million, $78,000 and $11.1 million of cash dividends on the Series A1 Preferred Stock, Series A Preferred Stock, Series D Preferred Stock and Series L Preferred Stock, respectively.

Redemptions—The Company's Series A1 Preferred Stock, Series A Preferred Stock and Series D Preferred Stock are redeemable at the option of the holder or the Company. The redemption schedule of the Series A1 Preferred Stock, Series A

Preferred Stock and Series D Preferred Stock allows redemptions at the option of the holder of Series A1 Preferred Stock, Series A Preferred Stock or Series D Preferred Stock from the date of original issuance of any such shares at the Series A1 Preferred Stock Stated Value, Series A Preferred Stock Stated Value or Series D Preferred Stock Stated Value, respectively, less a redemption fee applicable prior to the fifth anniversary of the issuance of such shares, plus accrued and unpaid dividends. The Company has the right to redeem the Series A1 Preferred Stock after the date that is twenty-four months following the original issuance of such shares of Series A1 Preferred Stock at the Series A1 Preferred Stock Stated Value, plus accrued and unpaid dividends. The Company has the right to redeem the Series A Preferred Stock or Series D Preferred Stock after the fifth anniversary of the date of original issuance of such shares at the Series A Preferred Stock Stated Value or Series D Preferred Stock Stated Value, respectively, plus accrued and unpaid dividends. With respect to redemptions of the Series A1 Preferred Stock, Series A Preferred Stock or Series D Preferred Stock, at the Company's discretion, the redemption price will be paid in cash and/or in Common Stock based on the volume weighted average price of the Company's Common Stock for the 20 trading days prior to the redemption; provided that the redemption price of any shares of Series A Preferred Stock redeemed prior to the first anniversary of the date of original issuance of such shares must be paid in cash.

In December 2022, the Company announced the redemption of all outstanding shares of its Series L Preferred Stock. In January 2023, the Company completed such previously-announced redemption of all outstanding shares of its Series L Preferred Stock in cash at its stated value of $28.37 per share (plus accrued and unpaid dividends of $1.56 per share, or $4.6 million in the aggregate). The total cost to complete the Series L Redemption, including transaction costs of $93,000 (or $0.03 per share), was $83.8 million.

12. STOCKHOLDERS' EQUITY

Dividends

Holders of the Company's Common Stock are entitled to receive dividends, if, as and when authorized by the Board of Directors and declared by the Company out of legally available funds. In determining the Company's dividend policy, the Board of Directors considers many factors including the amount of cash resources available for dividend distributions, capital spending plans, cash flow, the Company's financial position, applicable requirements of the MGCL, any applicable contractual restrictions, and future growth in NAV and cash flow per share prospects. Consequently, the dividend rate on a quarterly basis does not necessarily correlate directly to any individual factor. Cash dividends per share of Common Stock paid in respect of the years ended December 31, 2023 and 2022 consist of the following:

Declaration Date	Payment Date	Type	Cash Dividend Per Share of Common Stock
September 27, 2023	October 23, 2023	Regular Quarterly	$ 0.085
June 27, 2023	July 24, 2023	Regular Quarterly	$ 0.085
March 20, 2023	April 11, 2023	Regular Quarterly	$ 0.085
December 15, 2022	January 9, 2023	Regular Quarterly	$ 0.085
September 22, 2022	October 17, 2022	Regular Quarterly	$ 0.085
June 10, 2022	July 5, 2022	Regular Quarterly	$ 0.085
March 8, 2022	April 1, 2022	Regular Quarterly	$ 0.085

On December 20, 2023, the Company declared a cash dividend of $0.085 per share of its Common Stock, which was paid on January 16, 2024 to stockholders of record at the close of business on January 2, 2024.

On March 27, 2024, the Company declared a cash dividend of $0.085 per share of its Common Stock, to be paid on April 22, 2024 to stockholders of record at the close of business on April 8, 2024.

Series A Preferred Warrants

Prior to February 2020, the Series A Preferred Stock was sold as a unit that included one share of Series A Preferred Stock and one Series A Preferred Warrant that could be exercised to purchase 0.25 of a share of Common Stock. The Series A Preferred Warrants are exercisable beginning on the first anniversary of the date of their original issuance until and including the fifth anniversary of the date of such issuance. At the time of issuance, the exercise price of each Series A Preferred Warrant was at a 15.0% premium to the per share estimated NAV of the Company's Common Stock then most recently published and designated as the applicable NAV. However, in accordance with the terms of the Series A Preferred Warrants, the exercise

price of each Series A Preferred Warrant issued prior to the Reverse Stock Split was automatically adjusted to reflect the effect of the Reverse Stock Split and, in the discretion of the Company's Board of Directors, the exercise price and the number of shares issuable upon exercise of each Series A Preferred Warrant issued prior to the Special Dividend was adjusted to reflect the effect of the Special Dividend.

Proceeds and expenses from the sale of the Series A Preferred Stock and Series A Preferred Warrants were allocated to the Series A Preferred Stock and Series A Preferred Warrants using their relative fair values on the date of issuance. As of December 31, 2023, the Company had 1,749,732 Series A Preferred Warrants outstanding to purchase 449,382 shares of Common Stock in connection with the Company's offering of Series A Preferred Units and allocated net proceeds of $410,000 after specifically identifiable offering costs and allocated general offering costs, to the Series A Preferred Warrants in permanent equity.

Share Repurchase Program

In May 2022, the Company's Board of Directors approved a repurchase program of up to $10.0 million of the Company's Common Stock (the "SRP"). Under the SRP, the Company, in its discretion, may purchase shares of its Common Stock from time to time in the open market or in privately negotiated transactions. The amount and timing of purchases of shares will depend on a number of factors, including, without limitation, the price and availability of shares, trading volume, general market conditions and compliance with applicable securities law. The SRP has no termination date and may be suspended or discontinued at any time.

As of December 31, 2023, share repurchases executed under the SRP were as follows:

Period	Shares Repurchased	Average price paid per share	Cost of shares repurchased (in thousands)
June 2022	41,374	$7.32	$303
August 2022	33,374	$7.15	$239
September 2022	587,714	$7.10	$4,173
Total as of December 31, 2023	662,462		$4,715

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company determines the estimated fair value of financial assets and liabilities utilizing a hierarchy of valuation techniques based on whether the inputs to a fair value measurement are considered to be observable or unobservable in a marketplace. The hierarchy for inputs used in measuring fair value is as follows:

Level 1 Inputs—Quoted prices in active markets for identical assets or liabilities

Level 2 Inputs—Observable inputs other than quoted prices in active markets for identical assets and liabilities

Level 3 Inputs—Unobservable inputs

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 within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

Management's estimation of the fair value of the Company's financial instruments is based on a Level 3 valuation in the fair value hierarchy established for disclosure of how a company values its financial instruments. In general, quoted market prices from active markets for the identical financial instrument (Level 1 inputs), if available, should be used to value a financial instrument. If quoted prices are not available for the identical financial instrument, then a determination should be made if Level 2 inputs are available. Level 2 inputs include quoted prices for similar financial instruments in active markets for identical or similar financial instruments in markets that are not active (i.e., markets in which there are few transactions for the financial instruments, the prices are not current, price quotations vary substantially, or in which little information is released publicly). There is limited reliable market information for the Company's financial instruments and the Company utilizes other methodologies based on unobservable inputs for valuation purposes since there are no Level 1 or Level 2 inputs available. Accordingly, Level 3 inputs are used to measure fair value.

In general, estimates of fair value may differ from the carrying amounts of the financial assets and liabilities primarily as a result of the effects of discounting future cash flows. Considerable judgment is required to interpret market data and develop estimates of fair value. Accordingly, the estimates presented are made at a point in time and may not be indicative of the amounts the Company could realize in a current market exchange.

The following describes the methods the Company uses to estimate the fair value of the Company's financial assets and liabilities.

Debt—The carrying amounts of the Company's secured borrowings - government guaranteed loans, SBA 7(a) loan-backed notes, 2022 Credit Facility and variable rate mortgage payable approximate their fair values, as the interest rates on these securities are variable and approximate current market interest rates. The Company determines the fair value of fixed rate mortgage notes payable and junior subordinated notes by discounting the expected cash flows based on estimated borrowing rates available to the Company as of the measurement date. Current and prior period liabilities' carrying and fair values exclude net deferred financing costs.

Loans Receivable—The Company determines the fair value of loans receivable by performing a present value analysis for the anticipated future cash flows using an appropriate market discount rate taking into consideration the credit risk and using an anticipated prepayment rate. The value of the government guaranteed portions of loans held for sale is based primarily on the anticipated proceeds to be received upon sale. The following summarizes the ranges of discount rates and prepayment rates used to arrive at the estimated fair values of the Company's loans receivable:

	Year Ended December 31,			
	2023		2022	
	Discount Rate	Prepayment Rate	Discount Rate	Prepayment Rate
SBA 7(a) loans receivable, subject to credit risk	7.83% - 11.00%	4.88% - 17.50%	11.00% - 11.25%	5.00% - 17.00%
SBA 7(a) loans receivable, subject to loan-backed notes	10.00% - 11.00%	4.88% - 17.50%	N/A	N/A
SBA 7(a) loans receivable, subject to secured borrowings	10.00% - 10.50%	5.00% - 17.50%	11.00% - 11.25%	5.00% - 17.00%

Derivative Instruments— The Company's derivative instrument is comprised of an interest rate cap. All derivative instruments are carried at fair value and are valued using Level 2 inputs. The fair value of this instrument is determined using interest rate market pricing models. In addition, credit valuation adjustments are incorporated into the fair values to account for the Company's potential nonperformance risk and the performance risk of the respective counterparties.

Other Financial Instruments—The carrying amounts of the Company's cash and cash equivalents, restricted cash, accounts receivable, accounts payable, and accrued expenses approximate their fair values due to their short-term maturities at December 31, 2023 and 2022. Due to the short-term maturities of these instruments, Level 1 inputs are utilized to estimate the fair value of these financial instruments.

The estimated fair values of those financial instruments which are not recorded at fair value on a recurring basis on the Company's consolidated balance sheets are as follows:

	December 31, 2023		December 31, 2022		
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value	Level
	(in thousands)				
Assets:					
SBA 7(a) loans receivable, subject to loan-backed notes	$ 43,263	$ 46,701	$ —	$ —	3
SBA 7(a) loans receivable, subject to credit risk	$ 10,539	$ 10,482	$ 56,237	$ 58,432	3
SBA 7(a) loans receivable, subject to secured borrowings	$ 3,105	$ 3,105	$ 6,158	$ 6,237	3
SBA 7(a) loans receivable, held for sale	$ 98	$ 82	$ 152	$ 126	3
Liabilities:					
Mortgages payable (1)	$ 163,700	$ 158,529	$ 97,100	$ 90,002	2, 3
Junior subordinated notes (1)	$ 27,070	$ 24,667	$ 27,070	$ 25,067	3

(1) The carrying amounts for the mortgages payable and junior subordinated notes represents the principal outstanding amounts, excluding deferred debt issuance costs and discounts.

14. RELATED-PARTY TRANSACTIONS AND ARRANGEMENTS

Asset Management and Other Fees to Related Parties

Asset Management Fees; Administrative Fees and Expenses—CIM Urban Partners, L.P., a wholly owned subsidiary of the Company, and CIM Capital, LLC, an affiliate of CIM Group ("CIM Capital"), have an investment management agreement, pursuant to which CIM Urban engaged CIM Capital to provide certain services to CIM Urban (the "Investment Management Agreement"). CIM Capital has assigned its duties under the Investment Management Agreement to its four wholly owned subsidiaries: CIM Capital Securities Management, LLC, a securities manager, CIM Capital RE Debt Management, LLC, a debt manager, CIM Capital Controlled Company Management, LLC, a controlled company manager, and CIM Capital Real Property Management, LLC, a real property manager. The "Operator" refers to CIM Capital and its four wholly owned subsidiaries.

The Company and its subsidiaries have a master services agreement (the "Master Services Agreement") with CIM Service Provider, LLC (the "Administrator"), an affiliate of CIM Group, pursuant to which the Administrator provides, or arranges for other service providers to provide, management and administration services to the Company and its subsidiaries. Pursuant to the Master Services Agreement, the Company appointed an affiliate of CIM Group as the administrator of Urban Partners GP, LLC.

On January 5, 2022, the Company and certain of its subsidiaries entered into a Fee Waiver (the "Fee Waiver") with the Operator and the Administrator with respect to fees that are payable to them. The Fee Waiver is effective retroactively to January 1, 2022 (the "Effective Date"). Pursuant to the Fee Waiver, the Administrator agreed to voluntarily waive any fees in excess of those set forth in the Fee Waiver, to the extent it would otherwise have been entitled to such additional compensation under the Master Service Agreement, and the Operator agreed to voluntarily waive any fees in excess of those set forth in the Fee Waiver, to the extent it would otherwise have been entitled to such additional compensation under the Investment Management Agreement. Following the end of each quarter, the Administrator will deliver to the Company (i) a calculation of the cumulative fees earned by the Operator and the Administrator under the methodology prescribed by the Fee Waiver from the Effective Date through the end of such quarter and (ii) a calculation of the cumulative fees that would have been earned by the Operator and the Administrator during such period under the Master Services Agreement and the Investment Management Agreement without giving effect to the Fee Waiver. If, in respect of any quarter, the aggregate fees that are payable under the methodology prescribed by the Fee Waiver exceed the aggregate fees that would have been payable under the Master Services Agreement and the Investment Management Agreement, without giving effect to the Fee Waiver, such quarter will be deemed an "Excess Quarter". For any quarter following an Excess Quarter, the Company (upon the direction of the independent members of the Board) may, at its option and upon written notice to Administrator, elect to calculate all fees due to the Administrator and the Operator in accordance with the Master Services Agreement and the Investment Management Agreement, without giving effect to the Fee Waiver, from and after such Excess Quarter. Any such election by the Company will be irrevocable, and all fees due to the Administrator and the Operator from and after such election will be calculated in accordance with the Master Services Agreement and the Investment Management Agreement, without giving effect to the Fee Waiver.

The fees payable to the Operator and the Administrator are determined as follows under the Fee Waiver.

1. Base Fee: A base asset management fee (the "Base Fee") is payable quarterly in arrears to the Operator in an amount equal to an annual rate of 1% (or 0.25% per quarter) of the average of the "Net Asset Value Attributable to Common Stockholders" as of the first and last day of the applicable quarter. Net Asset Value Attributable to Common stockholders is defined as (a) the sum of the Company's (1) investments in real estate at fair value, (2) cash, (3) loans receivable at fair value and (4) the book value of the other assets of the Company, excluding deferred costs and net of other liabilities at book value, less (b) the Company's (i) debt at face value, (ii) outstanding preferred stock at stated value, and (iii) non-controlling interests at book value; provided, that, non-controlling interests in any UPREIT operating partnership relating to the Company shall not be excluded.

2. Incentive Fee: An incentive fee (the "Revised Incentive Fee") is payable quarterly in arrears to the Administrator with respect to the quarterly core funds from operations in excess of a quarterly threshold equal to 1.75% (i.e., 7.00% on an annualized basis) of the Company's "Adjusted Common Equity" (as defined below) for such quarter ("Excess Core FFO") as follows: (i) no Revised Incentive Fee in any quarter in which the Excess Core FFO is $0; (ii) 100% of any Excess Core FFO up to an amount equal to the product of (x) the average of the Adjusted Common Equity as of the first and last day of the applicable quarter and (y) 0.4375%; and (iii) 20% of any Excess Core FFO thereafter. Revised Incentive Fees payable for any partial quarter will be appropriately prorated.

   "Adjusted Common Equity" means Common Equity plus Excluded Depreciation and Amortization. "Common Equity" means Total Stockholders' Equity minus Excluded Equity. "Total Stockholders' Equity" means the amount reflected as total stockholders' equity in accordance with GAAP on the consolidated balance sheet of the Company and its subsidiaries as of the last day of a given quarter. "Excluded Equity" means the sum of all preferred securities of the Company and its subsidiaries classified as permanent equity in accordance with GAAP on the consolidated balance sheet of the Company and its subsidiaries as of the last day of a given quarter. "Excluded Depreciation and Amortization" means, for a given quarter, the amount of all accumulated depreciation and amortization of (i) the Company and its subsidiaries and (ii) to the extent allocable to the Company and its subsidiaries, the unconsolidated affiliates, in each case as of the last day of such quarter that corresponds to the periodic depreciation and amortization expense calculated in each case in accordance with GAAP that is a permitted add back to net income calculated in accordance with GAAP when calculating funds from operations.

3. Capital Gains Fee: A capital gains fee (the "Capital Gains Fee") is payable quarterly in arrears to the Administrator in an amount equal to (i) 15% of the cumulative aggregate realized capital gains minus the cumulative aggregate realized capital losses (in each case since the Effective Date), minus (ii) the aggregate capital gains fees paid since the Effective Date. Realized capital gains and realized capital losses are calculated by subtracting from the sales price of a property: (a) any costs incurred to sell such property, and (b) the current gross value of the property (meaning the property's original acquisition price plus any subsequent, non-reimbursed capital improvements thereon paid for by the Company).

Pursuant to the Investment Management Agreement, the asset management fee prior to January 1, 2022 fee was calculated (without giving effect to the Fee Waiver) as a percentage of the daily average adjusted fair value of CIM Urban's assets as follows:

Daily Average Adjusted Fair Value of CIM Urban's Assets		Quarterly Fee
From Greater of	To and Including	Percentage
(in thousands)		
$ —	$ 500,000	0.2500%
$ 500,000	$ 1,000,000	0.2375%
$ 1,000,000	$ 1,500,000	0.2250%
$ 1,500,000	$ 4,000,000	0.2125%
$ 4,000,000	$ 20,000,000	0.1000%

Asset management fees are included in asset management and other fees to related parties in the accompanying consolidated statements of operations.

Under the Master Services Agreement, for fiscal quarters prior to April 1, 2020, the Company paid a base service fee (the "Base Service Fee") to the Administrator initially set at $1.0 million per year (subject to an annual escalation by a specified inflation factor beginning on January 1, 2015), payable quarterly in arrears. On May 11, 2020, the Master Services Agreement was amended to replace the Base Service Fee with an incentive fee pursuant to which the Administrator was entitled to receive, on a quarterly basis, 15.00% of the Company's quarterly core funds from operations in excess of a quarterly threshold equal to 1.75% (i.e., 7.00% on an annualized basis) of the Company's average Adjusted Common Equity (defined above) for such quarter. The amendment was effective as of April 1, 2020 and was further modified by the Fee Waiver described above. No such incentive fee was paid by the Company.

In addition, pursuant to the terms of the Master Services Agreement, the Administrator may receive compensation and/or reimbursement for performing certain services for the Company and its subsidiaries that are not covered by the Base Fee. During the years ended December 31, 2023 and 2022, such services performed by the Administrator and its affiliates included accounting, tax, reporting, internal audit, legal, compliance, risk management, IT, human resources, corporate communications, operational and on-going support in connection with the Company's offering of Preferred Stock. The Company will also reimburse the Administrator for the Company's share of broken deal expenses that are incurred by the Administrator and its affiliates (i.e., fees and expenses relating to investments that were contemplated but the Company did not make and/or transactions that could have been executed by the Company but that the Company did not consummate, including fees and expenses associated with performing due diligence review and negotiating the terms of such investments or transactions). The Administrator's compensation is based on the salaries and benefits of the employees of the Administrator and/or its affiliates who performed these services (allocated based on the percentage of time spent on the affairs of the Company and its subsidiaries). The expense for such services is included in expense reimbursements to related parties—corporate in the accompanying consolidated statements of operations.

Property Management Fees and Reimbursements—CIM Management, Inc. and certain of its affiliates (collectively, the "CIM Management Entities"), all affiliates of CIM Group, provide property management, leasing, and development services to properties owned by the Company. Property management fees earned by the CIM Management entities and onsite management costs incurred are included in rental and other property operating expenses in the accompanying consolidated statements of operations, with the exception of certain onsite management costs which are capitalized in some cases. Leasing commissions earned are capitalized to deferred charges on the accompanying consolidated balance sheets. Construction

management fees and development management reimbursements are capitalized to investments in real estate on the accompanying consolidated balance sheets.

Lending Segment Expenses—The Company has a Staffing and Reimbursement Agreement with CIM SBA Staffing, LLC ("CIM SBA"), an affiliate of CIM Group, and the Company's subsidiary, PMC Commercial Lending, LLC. The agreement provides that CIM SBA will provide personnel and resources to the Company and that the Company will reimburse CIM SBA for the costs and expenses of providing such personnel and resources. The expense for such services is included in expense reimbursements to related parties—lending segment in the accompanying consolidated statements of operations.

Offering-Related Fees—CCO Capital, LLC ("CCO Capital") became the exclusive dealer manager for the Company's public offering of the Series A Preferred Stock and Series A Preferred Warrants effective as of May 31, 2019. CCO Capital is a registered broker dealer and is under common control with the Operator and the Administrator. The Company's offering of the Series A Preferred Warrants ended at the end of January 2020. On January 28, 2020, the Company entered into the Second Amended and Restated Dealer Manager Agreement, pursuant to which CCO Capital acted as the exclusive dealer manager for the Company's public offering of its Series A Preferred Stock and Series D Preferred Stock. The Second Amended and Restated Dealer Manager Agreement was subsequently amended by the Company and CCO Capital to address changes to, among other things, selling commissions and dealer manager fees.

On June 16, 2022, the Company entered into the Third Amended and Restated Dealer Manager Agreement, pursuant to which CCO Capital has been acting as the exclusive dealer manager for the Company's public offering of its Series A1 Preferred Stock. Thereunder, the Company agreed to compensate CCO Capital, as the dealer manager for the offering, as follows: (1) a dealer manager fee of up to 3.00% of the selling price of each share of Series A1 Preferred Stock sold and (2) selling commissions of up to 7.00% of the selling price of each share of Series A1 Preferred Stock sold. The Company has been informed that CCO Capital generally reallows 100% of the selling commissions on sales of Series A1 Preferred Stock and generally reallows substantially all of the dealer manager fee on sales of Series A1 Preferred Stock to participating broker-dealers. In addition, pursuant to the Third Amended and Restated Dealer Manager Agreement, CCO Capital will no longer solicit or make any offers for the sale of shares of Series A Preferred Stock or Series D Preferred Stock.

The Company recorded fees and expense reimbursements as shown in the table below for services provided by related parties related to the services described above during the periods indicated:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Asset Management Fees:		
Asset management fees [(1)]	$ 2,627	$ 3,570
Property Management Fees and Reimbursements:		
Property management fees[(2)]	$ 2,107	$ 1,747
Onsite management and other cost reimbursement[(3)]	$ 5,794	$ 2,838
Leasing commissions[(4)]	$ 101	$ 794
Construction management fees[(5)]	$ 308	$ 398
Development management reimbursements[(6)]	$ 1,321	$ —
Administrative Fees and Expenses:		
Expense reimbursements to related parties - corporate	$ 2,342	$ 1,925
Lending Segment Expenses:		
Expense reimbursements to related parties - lending segment [(7)]	$ 2,579	$ 1,929
Offering-Related Fees:		
Upfront dealer manager and trailing dealer manager fees [(8)]	$ 1,391	$ 1,996
Non-issuance specific offering costs [(9)]	$ 623	$ 689

(1) The Company issued to the Operator 110,285 shares of Series A1 Preferred Stock in lieu of cash payment for the asset management fees incurred during the nine months ended September 30, 2022.

(2) Does not include the company's share of the property management fees from the Unconsolidated Joint Ventures of $78,000 and $40,000 for the years ended December 31, 2023 and 2022, respectively.

(3) Does not include the Company's share of the onsite management and other cost reimbursements from the Unconsolidated Joint Ventures of $336,000 and $94,000 for the years ended December 31, 2023 and 2022, respectively.

(4) Does not include the Company's share of the leasing commissions from the Unconsolidated Joint Ventures of $32,000 and $4,000 for the year ended December 31, 2023 and 2022, respectively.

(5) Does not include the Company's share of the construction management fees from the Unconsolidated Joint Ventures of $183,000 and $21,000 for the years ended December 31, 2023 and 2022, respectively.

(6) Does not include the Company's share of the development management reimbursements from the Unconsolidated Joint Ventures of $481,000 for the year ended December 31, 2023.

(7) Expense reimbursements to related parties - lending segment do not include personnel costs capitalized to deferred loan origination costs of $121,000 and $136,000 for the years ended December 31, 2023 and 2022, respectively.

(8) Represents fees earned by CCO Capital and allocated to Series A1 Preferred Stock, Series A Preferred Stock and Series D Preferred Stock.

(9) As of December 31, 2023 and 2022, $2.5 million and $2.3 million, respectively, was included in deferred costs as reimbursable expenses incurred pursuant to the Master Services Agreement and the then applicable dealer manager agreement with CCO Capital. These non-issuance specific costs are allocated against the gross proceeds from the sale of the Series A1 Preferred Stock, Series A Preferred Stock and Series D Preferred Stock on a pro rata basis for each issuance as a percentage of the total offering.

As of December 31, 2023 and 2022, due to related parties consisted of the following:

	December 31,	
	2023	2022
	(in thousands)	
Asset management fees	$ 555	$ 812
Property management fees and reimbursements	1,505	1,214
Expense reimbursements - corporate	613	466
Expense reimbursements - lending segment	156	124
Upfront dealer manager and trailing dealer manager fees	283	454
Non-issuance specific offering costs	61	17
Other amounts due to the CIM Management Entities and certain of its affiliates	290	68
Total due to related parties	$ 3,463	$ 3,155

Investments with Affiliates of CIM Group

In February 2022, the Company invested with the 1910 Sunset JV Partner, a CIM-managed separate account, in the 1910 Sunset JV which purchased an office property in Los Angeles, California for a gross purchase price of approximately $51.0 million, of which the Company initially contributed approximately $22.4 million and the 1910 Sunset JV Partner initially contributed the remaining balance. See Note 2 and Note 4 for more information.

In February 2023, the Company and the 1902 Park JV Partner invested in the 1902 Park JV, which purchased a multifamily property in the Echo Park neighborhood of Los Angeles, California for a gross purchase price of $19.1 million. The Company owns 50% of the 1902 Park JV. In connection with the closing in February 2023, the 1902 Park JV obtained financing of $9.6 million through the 1902 Park Mortgage Loan. The Company and the 1902 Park JV Partner both initially contributed $6.6 million to the 1902 Park JV. See Note 2 and Note 4 for more information.

In October 2023, the Company and the 1015 N Mansfield JV Partner acquired from an unrelated third-party a 100% fee-simple interest in a plot of land located in the Sycamore media district of Los Angeles, California for a gross purchase price of $18.0 million (excluding transaction costs). The property has a site area of approximately 44,141 square feet and contains a parking garage that has been leased to a third party tenant. The site is being evaluated for different creative office development options. The Company owns 28.8% of the 1015 N Mansfield JV.

Other

On May 15, 2019, an affiliate of CIM Group entered into an approximately 11-year lease for approximately 32,000 rentable square feet with respect to a property owned by the Company (4750 Wilshire). The lease was amended on August 7, 2019 to reduce the rentable square feet to approximately 30,000 rentable square feet. In February 2023, the Company sold an 80% interest in 4750 Wilshire and now holds its retained 20% interest in the property through the 4750 Wilshire JV. Prior to the sale, for the three months ended March 31, 2023, the Company recorded rental and other property income related to this tenant of $194,000 and for the year ended December 31, 2022, recorded rental and other property income from the tenant of $1.5 million. For the year ended December 31, 2023, the Company's share of the income from the tenant earned by the 4750 Wilshire JV was $170,000.

During the year ended December 31, 2023, the Company acquired an interest in four assets from entities indirectly wholly owned by a fund that is managed by affiliates of CIM Group for $282.9 million (exclusive of transactions costs). See Note 3 and Note 7 for more information.

15. COMMITMENTS AND CONTINGENCIES

Loan Commitments—Commitments to extend credit are agreements to lend to a customer when the terms established in the contract are met. The Company's outstanding commitments to fund loans were $12.6 million as of December 31, 2023, all of which are for prime-based loans to be originated by the Company's subsidiary engaged in SBA 7(a) Small Business Loan Program lending, the government guaranteed portion of which is intended to be sold. Commitments generally have fixed expiration dates. Since some commitments are expected to expire without being drawn upon, total commitment amounts do not necessarily represent future cash requirements.

General—In connection with the ownership and operation of real estate properties, the Company has certain obligations for the payment of tenant improvement allowances and lease commissions in connection with new leases and renewals. the Company had a total of $5.0 million in future obligations under leases to fund tenant improvements and other future construction obligations as of December 31, 2023. As of December 31, 2023, $2.5 million was funded to reserve accounts included in restricted cash on the Company's consolidated balance sheet for these tenant improvement obligations in connection with the mortgage loan agreement entered into in June 2016.

Employment Agreements—The Company has an employment agreement with one of its officers. Under certain circumstances, this employment agreement provides for (1) severance payment equal to the annual base salary paid to the officer and (2) death and disability payments in an amount equal to two times and one time, respectively, the annual base salary paid to the officer.

Litigation—The Company is not currently involved in any material pending or threatened legal proceedings nor, to the Company's knowledge, are any material legal proceedings currently threatened against the Company, other than routine litigation arising in the ordinary course of business. In the normal course of business, the Company is periodically party to certain legal actions and proceedings involving matters that are generally incidental to the Company's business. While the outcome of these legal actions and proceedings cannot be predicted with certainty, in management's opinion, the resolution of these legal proceedings and actions will not have a material adverse effect on the Company's business, financial condition, results of operations, cash flow or the Company's ability to satisfy its debt service obligations or to maintain its level of distributions on Common Stock or Preferred Stock.

A subsidiary of the Company is a defendant in a lawsuit in connection with injuries sustained by a third-party contractor at a property previously owned by such subsidiary. While it is possible that a loss may be incurred, the Company is unable to estimate a range of potential losses due to the complexity and current status of the lawsuit. However, the Company maintains insurance coverage to mitigate the impact of adverse exposures in lawsuits of this nature and do not expect this lawsuit to have a material adverse effect on the Company's business, financial condition, results of operations, cash flow or the Company ability to satisfy its debt service obligations or to maintain the level of distributions on the Company's Common Stock or Preferred Stock.

SBA Related—If the SBA establishes that a loss on an SBA guaranteed loan is attributable to significant technical deficiencies in the manner in which the loan was originated, funded or serviced under the Paycheck Protection Program or the SBA 7(a) Small Business Loan Program, the SBA may seek recovery of the principal loss related to the deficiency from the Company. As of December 31, 2023, the Company serviced an aggregate of $236.8 million of the guaranteed portion of SBA

7(a) loans. With respect to the guaranteed portion of SBA loans that have been sold, the SBA will first honor its guarantee and then seek compensation from the Company in the event that a loss is deemed to be attributable to technical deficiencies. Based on historical experience, the Company does not expect that this contingency is probable to be asserted. However, if asserted, it could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow or the Company's ability to satisfy its debt service obligations or to maintain its level of distributions on Common Stock or Preferred Stock.

Environmental Matters—In connection with the ownership and operation of real estate properties, the Company may be potentially liable for costs and damages related to environmental matters, including asbestos-containing materials. The Company has not been notified by any governmental authority of any noncompliance, liability, or other claim in connection with any of the properties, and the Company is not aware of any other environmental condition with respect to any of the properties that management believes will have a material adverse effect on the Company's business, financial condition, results of operations, cash flow or the Company's ability to satisfy its debt service obligations or to maintain its level of distributions on Common Stock or Preferred Stock.

16. LEASES

Future minimum rental revenue under long-term operating leases as of December 31, 2023, excluding tenant reimbursements of certain costs, are as follows (excludes unconsolidated properties, in thousands):

Years Ending December 31,	Total
2024	$ 62,035
2025	33,055
2026	23,491
2027	15,866
2028	12,381
Thereafter	37,929
	$ 184,757

17. INCOME TAXES

The Company has elected to be taxed as a REIT under the Code. To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement that the Company distributes at least 90% of its taxable income to its stockholders. As a REIT, the Company generally will not be subject to corporate level federal income tax on net income that is currently distributed to stockholders.

The Company has wholly-owned TRS's which are subject to federal and state income taxes. The income generated from the TRS's is taxed at normal corporate rates.

The provision for income taxes results in effective tax rates that differ from federal and state statutory rates. A reconciliation of the provision for income tax attributable to the TRSs' income from continuing operations computed at federal statutory rates to the income tax provision reported in the financial statements is as follows:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Income from continuing operations before income taxes for TRSs	$ 4,711	$ 6,128
Expected federal income tax provision	$ 989	$ 1,287
State income taxes	44	43
Change in valuation allowance	(2,619)	300
Other	2,814	(499)
Income tax provision	$ 1,228	$ 1,131

The components of the Company's net deferred tax asset, which are included in other assets, are as follows:

	December 31,	
	2023	2022
	(in thousands)	
Deferred tax assets:		
Net operating losses	$ 44	$ 2,664
Secured borrowings—government guaranteed loans	21	54
Other	232	145
Total gross deferred tax assets	297	2,863
Valuation allowance	(52)	(2,670)
	245	193
Deferred tax liabilities:		
Loans receivable	—	(71)
	—	(71)
Deferred tax asset, net	$ 245	$ 122

The net operating loss carryforwards as of December 31, 2023 and 2022 were generated by TRSs and are available to offset future taxable income of these TRSs.

The increase in the valuation allowance recorded in 2023 was $2,619,000.

The periods subject to examination for the Company's federal and state income tax returns are 2020 through 2023. As of December 31, 2023 and 2022, no reserves for uncertain tax positions have been established and the Company does not anticipate any material changes in the amount of unrecognized tax benefits recorded to occur within the next 12 months.

The Tax Cuts and Jobs Act of 2017, signed into law in late December 2017, made sweeping changes to provisions of the Code applicable to businesses. The CARES Act, signed into law in March 2020, made additional changes to provisions on the Code applicable to the businesses. Management has reviewed these statutory changes and determined that the impact to the Company’s consolidated financial statements is not material.

18. SEGMENT DISCLOSURE

The Company's reportable segments during the year ended December 31, 2023 consist of three types of commercial real estate properties, namely office, hotel and multifamily, as well as a segment for the Company's lending business. The Company's reportable segments during the year ended December 31, 2022 consist of two types of commercial real estate properties, namely office and hotel, as well as a segment for the Company's lending business. Management internally evaluates the operating performance and financial results of the segments based on net operating income. The Company also has certain general and administrative level activities, including public company expenses, legal, accounting, and tax preparation that are not considered separate operating segments. The reportable segments are accounted for on the same basis of accounting as described in Note 2.

For the Company's real estate segments, the Company defines net operating income (loss) as rental and other property income and expense reimbursements less property related expenses, and excludes non-property income and expenses, interest expense, depreciation and amortization, corporate related general and administrative expenses, gain (loss) on sale of real estate, gain (loss) on early extinguishment of debt, impairment of real estate, transaction costs, and provision (benefit) for income taxes. For the Company's lending segment, the Company defines net operating income as interest income net of interest expense and general overhead expenses.

Notes to Consolidated Financial Statements as of December 31, 2023 and 2022 and for the Years Ended December 31, 2023 and 2022 (Continued)

The net operating income (loss) of the Company's segments for the years ended December 31, 2023 and 2022 is as follows:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Office:		
Revenues	$ 55,033	$ 55,928
Property expenses:		
Operating	25,731	26,537
General and administrative	344	225
Total property expenses	26,075	26,762
(Loss) income from unconsolidated entities	(582)	164
Segment net operating income—office	28,376	29,330
Hotel:		
Revenues	41,096	35,213
Property expenses:		
Operating	27,959	23,989
General and administrative	33	110
Total property expenses	27,992	24,099
Segment net operating income—hotel	13,104	11,114
Multifamily:		
Revenues	11,224	—
Property expenses:		
Operating	8,803	—
General and administrative	661	—
Total property expenses	9,464	—
Income from unconsolidated entity	155	
Segment net operating income—multifamily	1,915	—
Lending:		
Revenues	11,458	10,765
Lending expenses:		
Interest expense	3,692	552
Expense reimbursements to related parties—lending segment	2,579	1,929
General and administrative	1,628	1,904
Total lending expenses	7,899	4,385
Segment net operating income—lending	3,559	6,380
Total segment net operating income	$ 46,954	$ 46,824

Notes to Consolidated Financial Statements as of December 31, 2023 and 2022 and for the Years Ended December 31, 2023 and 2022 (Continued)

A reconciliation of the Company's segment net operating income to net income attributable to the Company for the years ended December 31, 2023 and 2022 is as follows:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Total segment net operating income	$ 46,954	$ 46,824
Interest and other income	447	—
Asset management and other fees to related parties	(2,627)	(3,570)
Expense reimbursements to related parties—corporate	(2,342)	(1,925)
Interest expense	(31,406)	(9,052)
General and administrative	(5,453)	(4,630)
Transaction costs	(4,421)	(223)
Depreciation and amortization	(52,484)	(20,348)
Gain on sale of real estate	1,104	—
(Loss) income before provision for income taxes	(50,228)	7,076
Provision for income taxes	(1,228)	(1,131)
Net (loss) income	(51,456)	5,945
Net loss (income) attributable to noncontrolling interests	2,971	(27)
Net (loss) income attributable to the Company	$ (48,485)	$ 5,918

The condensed assets for each of the segments as of December 31, 2023 and 2022, along with capital expenditures and loan originations for the years ended December 31, 2023 and 2022 are as follows:

	December 31,	
	2023	2022
	(in thousands)	
Condensed assets:		
Office	$ 419,443	$ 471,677
Hotel	95,998	99,082
Multifamily	278,492	—
Lending	76,374	76,148
Non-segment assets	20,893	43,341
Total assets	$ 891,200	$ 690,248

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Capital expenditures [1] and loan originations:		
Office	$ 7,395	$ 9,094
Hotel	2,098	414
Multifamily	1,476	—
Total capital expenditures	10,969	9,508
Loan originations	45,188	40,619
Total capital expenditures and loan originations	$ 56,157	$ 50,127

(1) Represents additions and improvements to real estate investments, excluding acquisitions. Includes the activity for dispositions through their respective disposition dates.

19. SUBSEQUENT EVENTS

Dividend Declaration

On March 27, 2024, the Company declared a cash dividend of $0.085 per share of its Common Stock, to be paid on April 22, 2024 to stockholders of record at the close of business on April 8, 2024.

Schedule III—Real Estate and Accumulated Depreciation
December 31, 2023
(in thousands)

Property Name, City and State	Encumbrances	Initial Cost: Land	Initial Cost: Building and Improvements	Net Improvements (Write-Offs) Since Acquisition	Gross Amount at Which Carried[2]: Land	Gross Amount at Which Carried[2]: Building and Improvements	Gross Amount at Which Carried[2]: Total	Acc. Deprec.	Year Built / Renovated	Year of Acquisition
Office										
3601 S Congress Avenue [1]										
Austin, TX	$ —	$ 9,569	$ 18,593	$ 14,976	$ 9,569	$ 33,569	$ 43,138	$ 10,468	1918 / 2001 & 2020	2007
1 Kaiser Plaza										
Oakland, CA	97,100	9,261	113,619	14,353	9,261	127,972	137,233	54,338	1970 / 2008	2008
2 Kaiser Plaza Parking Lot [1]										
Oakland, CA	—	10,931	110	3,624	10,931	3,734	14,665	—	N/A	2015
11600 Wilshire Boulevard [1]										
Los Angeles, CA	—	3,477	18,522	2,780	3,477	21,302	24,779	7,902	1955	2010
11620 Wilshire Boulevard [1]										
Los Angeles, CA	—	7,672	51,999	8,214	7,672	60,213	67,885	21,902	1976	2010
4750 Wilshire Boulevard										
Los Angeles, CA	—	4,000	—	172	4,000	172	4,172	—	1984 / 2014	2014
Lindblade Media Center										
Los Angeles, CA	—	6,341	11,568	721	6,341	12,289	18,630	3,136	1930 & 1957 / 2010	2014
1037 N Sycamore										
Los Angeles, CA	—	1,839	1,094	130	1,839	1,224	3,063	81	2000 / 2021	2021
1130 Howard Street [1]										
San Francisco, CA	—	8,290	10,480	(49)	8,290	10,431	18,721	1,706	1930 / 2016 & 2017	2017
9460 Wilshire Boulevard [1]										
Los Angeles, CA	—	52,199	76,730	3,038	52,199	79,768	131,967	12,677	1959 / 2008	2018
1021 E 7th Street										
Austin, TX	—	4,979	733	(188)	4,979	545	5,524	112	1972 / 2001	2020
3101 S Western Avenue										
Los Angeles, CA	—	2,279	—	1,091	2,279	1,091	3,370	—	N/A	2022
3022 S Western Avenue										
Los Angeles, CA	—	5,638	156	716	5,638	872	6,510	12	N/A	2022
1007 E 7th Street										
Austin, TX	—	1,866	6	264	1,866	270	2,136	—	1920	2022
3109 S Western Avenue										
Los Angeles, CA	—	712	2	117	712	119	831	—	N/A	2022
Channel House										
Oakland, CA	87,000	17,214	103,553	214	17,214	103,767	120,981	2,934	2021	2023
1150 Clay										
Oakland, CA	66,600	16,643	115,828	288	16,643	116,116	132,759	2,968	2021	2023
F3 Land Site										
Oakland, CA	—	251	—	31	251	31	282	—	N/A	2023
466 Water Street Land Site										
Oakland, CA	—	2,505	—	95	2,505	95	2,600	—	N/A	2023
Hotel										
Sheraton Grand Hotel [1]										
Sacramento, CA	—	3,498	107,447	818	3,498	108,265	111,763	41,538	2001	2008
Sheraton Grand Hotel Parking & Retail [1]										
Sacramento, CA	—	6,551	10,996	322	6,551	11,318	17,869	4,342	2001	2008
	$ 250,700	$175,715	$ 641,436	$ 51,727	$175,715	$ 693,163	$868,878	$164,116		

(1) These properties collateralize the revolving credit facility, which had a $153.2 million outstanding balance as of December 31, 2023.

(2) The aggregate gross cost of property included above for federal income tax purposes approximates $956.9 million (unaudited) as of December 31, 2023.

Schedule III—Real Estate and Accumulated Depreciation (Continued)

December 31, 2023
(in thousands)

The following table reconciles the Company's investments in real estate from January 1, 2022 to December 31, 2023:

	Year Ended December 31,	
	2023	**2022**
	(in thousands)	
Investments in Real Estate		
Balance, beginning of period	$ 660,413	$ 642,702
Additions:		
Improvements	10,969	10,548
Property acquisitions	255,993	10,756
Deductions:		
Asset sales	(49,484)	—
Retirements	(9,013)	(3,593)
Balance, end of period	$ 868,878	$ 660,413

The following table reconciles the accumulated depreciation from January 1, 2022 to December 31, 2023:

	Year Ended December 31,	
	2023	**2022**
	(in thousands)	
Accumulated Depreciation		
Balance, beginning of period	$ (158,407)	$ (144,718)
Additions: depreciation	(22,384)	(17,282)
Deductions:		
Assets held for sale	—	—
Asset sales	7,662	—
Retirements	9,013	3,593
Balance, end of period	$ (164,116)	$ (158,407)

Schedule IV—Mortgage Loans on Real Estate
December 31, 2023
(dollars in thousands, except footnotes)

Geographic Dispersion of Collateral	Number of Loans	Size of Loans From	Size of Loans To	Interest Rate			Final Maturity Date Range			Carrying Amount of Mortgages	Principal Amount of Loans Subject to Delinquent Principal or "Interest"
SBA 7(a) Loans - States 2% or greater [1] [2]:											
Ohio	16	$ 100	$ 800	9.75%	to	11.25%	07/28/41	—	11/06/48	$ 7,876	$ —
Texas	19	$ 20	$ 850	9.50%	to	11.25%	07/13/34	—	06/13/48	7,140	—
Michigan [3]	14	$ 20	$ 940	9.00%	to	11.25%	12/10/34	—	12/18/48	4,044	198
Florida	11	$ 30	$ 1,030	10.50%	to	11.25%	06/29/32	—	02/07/48	3,957	—
Indiana	7	$ 80	$ 930	10.00%	to	11.25%	05/14/36	—	08/26/46	2,770	—
Louisiana	6	$ 60	$ 960	9.50%	to	11.25%	11/22/31	—	12/07/48	2,408	—
West Virginia	7	$ 50	$ 850	10.00%	to	11.25%	09/25/31	—	09/07/47	2,400	—
Kentucky	7	$ 60	$ 430	10.25%	to	11.25%	03/11/33	—	05/08/48	1,893	—
Pennsylvania	4	$ 290	$ 660	10.25%	to	11.25%	03/05/40	—	11/29/43	1,810	—
North Carolina	7	$ 50	$ 760	10.25%	to	11.25%	09/08/32	—	04/25/47	1,771	—
Illinois	9	$ 50	$ 280	10.25%	to	11.25%	09/08/39	—	10/26/47	1,564	—
New York	4	$ 190	$ 700	10.50%	to	11.25%	02/11/47	—	09/26/48	1,472	—
Washington	2	$ 300	$ 1,140	10.00%	to	10.75%	03/09/46	—	10/12/48	1,435	—
Colorado	4	$ 260	$ 500	10.00%	to	10.75%	02/17/41	—	05/22/48	1,406	—
Montana	4	$ 150	$ 470	9.50%	to	11.00%	07/14/45	—	10/10/48	1,365	—
New Mexico	4	$ 90	$ 750	9.50%	to	11.25%	11/17/34	—	04/19/48	1,329	—
Georgia	5	$ 100	$ 320	10.50%	to	11.25%	12/28/34	—	08/11/47	1,133	—
Other	39	$ 20	$ 850	9.50%	to	11.25%	07/27/25	—	11/17/49	9,831	—
Government guaranteed portions [4]										74	—
SBA 7(a) loans, subject to secured borrowings [5]										3,007	—
Current expected credit losses										(1,680)	—
	169									$ 57,005 [6]	$ 198

(1) Includes $724,000 of loans with subordinate lien positions.

(2) Interest rates are variable at spreads over the prime rate unless otherwise noted.

(3) Includes a loan with a retained face value of $172,000 and a fixed interest rate of 9.00%.

(4) Represents the government guaranteed portions of the Company's SBA 7(a) loans detailed above retained by us. As there is no risk of loss to us related to these portions of the guaranteed loans, the geographic information is not presented as it is not meaningful.

(5) Represents the guaranteed portion of SBA 7(a) loans which were sold with the proceeds received from the sale reflected as secured borrowings. For Federal income tax purposes, these proceeds are treated as sales and reduce the carrying value of loans receivable.

(6) For Federal income tax purposes, the aggregate cost basis of the Company's loans was approximately $54.5 million (unaudited).

Schedule IV—Mortgage Loans on Real Estate (Continued)
December 31, 2023
(in thousands)

	Year Ended December 31,	
	2023	2022
Balance, beginning of period	$ 62,547	$ 73,543
Additions during period:		
New loans	45,188	40,619
Other - deferral of loan origination costs	742	1,086
Other - bad debt recovery	125	—
Other - accretion of loan discounts, net of amortization of deferred origination costs	1,643	1,836
Deductions during period:		
Collections of principal	(16,843)	(20,250)
Cost of mortgages sold, net	(35,614)	(34,124)
Other - adoption of ASU 2016-13 [(1)]	(783)	—
Other - bad debt expense	—	(163)
Balance, end of period	$ 57,005	$ 62,547

(1) Effective January 1, 2023, the Company adopted ASU 2016-13 and recorded a cumulative adjustment of $783,000 representing a non cash transaction.