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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): March 10, 2014

Commission File Number 1-13610

PMC COMMERCIAL TRUST

(Exact name of registrant as specified in its charter)

TEXAS
(State or other jurisdiction
of incorporation or organization)

**17950 Preston Road, Suite 600,
Dallas, TX 75252**
(Address of principal executive offices)

75-6446078
(I.R.S. Employer
Identification No.)

(972) 349-3200
(Registrant's telephone number)

Former name, former address and former fiscal year, if changed since last report: NONE

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

On March 11, 2014, in connection with the closing of the Merger as described in Item 2.01 below, PMC Commercial Trust (the “**Company**”) entered into the agreements described below (capitalized terms used in this Item 1.01 have the respective meanings set forth in Item 2.01 below).

Master Services Agreement

In connection with the Merger, the Company, certain of its subsidiaries and **CIM Service Provider**, LLC (the “**CIM Service Provider**”) executed and delivered a Master Services Agreement (the “**Master Services Agreement**”), effective as of the Effective Time.

A description of the Master Services Agreement is contained in the Registration Statement in the section entitled “THE REGISTRATION RIGHTS AND LOCKUP AGREEMENT; MASTER SERVICES AGREEMENT – Master Services Agreement” and is incorporated herein by reference. In addition, a copy of the Master Services Agreement is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Registration Rights and Lockup Agreement

In connection with the Merger, Urban II and the Company executed and delivered a Registration Rights and Lockup Agreement (the “**Registration Rights and Lockup Agreement**”), effective as of the Effective Time.

A description of the Registration Rights Agreement is contained in the Registration Statement in the section entitled “THE REGISTRATION RIGHTS AND LOCKUP AGREEMENT; MASTER SERVICES AGREEMENT – The Registration Rights and Lockup Agreement” and is incorporated herein by reference. In addition, a copy of the Registration Rights and Lockup Agreement is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

Credit Agreement Amendment

The information contained in Item 2.03 of this Current Report on Form 8-K is incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets

On March 11, 2014, the Company consummated the transactions contemplated by the Agreement and Plan of Merger dated as of July 8, 2013, as amended by the Consent to Assignment and Limited Waiver to Agreement and Plan of Merger dated as of November 20, 2013 (the “**Merger Agreement**”), by and among the Company, CIM Urban REIT, LLC, a Delaware limited liability company (“**CIM**”), CIM Merger Sub, LLC, a Delaware limited liability company and wholly-owned subsidiary of CIM (“**CIM Merger Sub**”), and Southfork Merger Sub, LLC, a Delaware limited liability company and wholly-owned subsidiary of the Company (“**Company Merger Sub**”). Pursuant to the Merger Agreement, (i) CIM Merger Sub merged with and into Company Merger Sub (the “**Merger**”), with Company Merger Sub remaining as the surviving entity (the “**Surviving Entity**”), (ii) all equity interests in CIM Merger Sub held by Urban Partners II, LLC, a Delaware limited liability company and wholly-owned subsidiary of CIM (“**Urban II**”), were cancelled and converted automatically into approximately 22.0 million common shares of beneficial interest, par value \$0.01 per share, of the Company (the “**Trust Common Shares**”) and approximately 65.0 million convertible preferred shares of beneficial interest, par value, \$0.01 per share, of the Company (the “**Trust Preferred Shares**”) with the terms set forth in the Statement of Designation for Trust Preferred Shares as described in Item 5.03 below, and (iii) all Trust Common Shares outstanding prior to the Effective Time of the Merger will remain outstanding following the Merger.

The effective time of the Merger (the “**Effective Time**”) occurred on March 11, 2014. Prior thereto, (i) Urban II formed Urban Partners GP, LLC, a Delaware limited liability company (“**Urban GP**”), which was admitted to CIM Urban Partners, L.P. (the “**CIM Partnership**”) as a successor general partner, (ii) CIM and CIM Urban Partners GP, LLC, a California limited liability company (“**CIM Urban GP**”), contributed all of their partnership interests in the CIM Partnership to Urban II, and CIM contributed to Urban II its membership interests in CIM Merger Sub, and (iii) Urban II contributed its limited partnership interests in the CIM Partnership and its membership interests in Urban GP to CIM Merger Sub. In addition, prior to the Effective Time, the Company contributed its equity ownership of most of its subsidiaries to Company Merger Sub.

On February 28, 2014, the Company declared a cash dividend, payable to each shareholder of record on the last business day prior to the Effective Time, of \$5.595 per Trust Common Share, which is equal to (a) \$5.50 per Trust Common Share plus (b) the accrued portion of the Company’s regular quarterly dividend (the “**Closing Dividend**”). The Closing Dividend will be payable on March 25, 2014.

As of the Effective Time, each Trust Common Share subject to forfeiture or vesting conditions shall no longer be subject to any such forfeiture or vesting condition and, in connection with the declaration of the Closing Dividend, the Company’s Compensation Committee reduced the exercise price of each outstanding option to purchase Trust Common Shares (each, a “**Trust Option**”) by \$5.50 per share.

The definitive Proxy Statement/Prospectus dated December 30, 2013, mailed to shareholders of the Company, forming a part of the Company’s Registration Statement on Form S-4 (File No. 333-190934) filed with the Securities and Exchange Commissions (the “**SEC**”) on December 30, 2013 (the “**Registration Statement**”), and the Supplement to the definitive Proxy Statement/Prospectus dated January 31, 2014, mailed to shareholders of the Company, provide additional information about the Merger and the Merger Agreement and is incorporated herein by reference. In addition, the foregoing description of the Merger and the Merger Agreement is not complete and is qualified in its entirety by reference to the full text of the Merger Agreement, a copy of which was attached as Exhibit 2.1 to the Company’s Current Report on Form 8-K filed with the SEC on July 8, 2013, and the Consent to Assignment and Limited Waiver to Agreement and Plan of Merger, a copy of which was attached as Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the SEC on November 22, 2013, and which is incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

The Company has entered into that certain Fourth Amendment to Amended and Restated Credit Agreement by and among the Company, certain of the Company’s subsidiaries: First Western SBLC, Inc. (“**First Western**”), Western Financial Capital Corporation (“**Western Financial**”) and PMC Investment Corporation (“**PMCIC**”), the lenders named therein and JPMorgan Chase Bank, N.A. (“**JPMorgan Chase**”), as Administrative Agent (the “**Credit Agreement Amendment**”). The Credit Agreement Amendment added Western Financial and PMCIC as co-borrowers thereunder and provides for total borrowings of up to \$55,000,000, including a new term loan in the principal amount of \$30,000,000 (the “**Term Loan**”) and revolving credit facilities in the aggregate amount of \$25,000,000, until such time as the term loan has been repaid, at which time the revolving credit availability shall automatically increase to \$40,000,000 (the “**Revolving Facilities**”). The Term Loan matures six months from the effective date of the Credit Agreement Amendment and the Revolving Facilities terminate on June 30, 2015. The Credit Agreement Amendment continues to provide for a revolving credit sublimit for the benefit of First Western in an amount up to \$20,000,000. All obligations of First Western will be jointly and severally guaranteed by the Company, PMCIC and Western Financial pursuant to an Amended and Restated Guaranty Agreement (the “**Guaranty**”). The Term Loan bears interest at an annual rate equal to the 30-day LIBOR plus 2.5%. Borrowings under the Revolving Facilities continue to bear interest at an annual rate equal to the prime rate less 50 basis points or the 30-day LIBOR plus 2%, at the Company’s option. The borrowers may voluntarily prepay all or any part of the outstanding balance of the Term Loan and/or the Revolving Facilities from time to time and at any time, without premium or penalty. The Credit Agreement Amendment also modified certain terms contained therein to, among other things, (1) decrease the revolving credit availability until the Term Loan is repaid, (2) permit the Merger and related

transactions, (3) permit the CIM Partnership to continue to operate in a manner consistent with its existing operations, (4) eliminate the net worth covenant, and (5) add an asset coverage test (eligible loans receivable) for balances outstanding under the Revolving Facilities of 3.0 times.

A copy of the Credit Agreement Amendment is attached hereto as Exhibit 10.3, and copies of the notes and Guaranty executed in connection therewith are attached hereto as Exhibits 10.4 through 10.7, and such agreements are incorporated herein by reference. The foregoing description of the Credit Agreement Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Credit Agreement Amendment.

Item 3.02 Unregistered Sales of Equity Securities

The information contained in Item 2.01 and Item 5.03 of this Current Report on Form 8-K is incorporated herein by reference.

Pursuant to the Merger Agreement, at the Effective Time of the Merger the Company issued approximately 65.0 million Trust Preferred Shares to Urban II. The issuance of these Trust Preferred Shares was exempt from registration under Section 4(a)(2) of the Securities Act of 1933, as amended (the “**Securities Act**”), pursuant to Rule 506 of Regulation D promulgated thereunder. Under the terms of the Merger Agreement, it was represented that Urban II is an “accredited investor”, as that term is defined in Rule 501 promulgated under the Securities Act, and that Urban II acquired the Trust Preferred Shares for its own account, for investment purposes only, and not with a view to or for the resale or other distribution thereof.

The Trust Preferred Shares have the terms set forth in the Statement of Designation for Trust Preferred Shares as described in Item 5.03 below, including a provision in the Statement of Designation that each Trust Preferred Share shall automatically convert into seven Trust Common Shares upon the filing of an amendment to the Company’s Declaration of Trust to increase the number of authorized Trust Common Shares to allow for a sufficient number of authorized Trust Common Shares such that all of the issued Trust Preferred Shares can be converted (or the reincorporation of the Company from Texas to Maryland having a similar effect). The Trust Preferred Shares issued in the Merger are convertible into approximately 455.2 million Trust Common Shares, which together with approximately 22.0 million Trust Common Shares also issued to Urban II in the Merger represent in the aggregate approximately 97.8% of the outstanding Trust Common Shares immediately after the Merger (assuming conversion of the Trust Preferred Shares). The Trust Preferred Shares and Trust Common Shares issued in the Merger were issued in consideration of the value provided by CIM and CIM Merger Sub under the terms of the Merger Agreement.

Item 4.01 Changes in Registrant’s Certifying Accountant

With the approval of the Company’s Audit Committee, as of the Effective Time of the Merger on March 11, 2014, PricewaterhouseCoopers LLP (“**PwC**”) was dismissed as the independent registered public accounting firm for the Company.

The audit reports of PwC on the Company’s financial statements for the fiscal years ended December 31, 2013 and December 31, 2012 did not contain an adverse opinion or a disclaimer of opinion, or were not qualified or modified as to uncertainty, audit scope, or accounting principles. In connection with the audits of the Company’s financial statements for each of the fiscal years ended December 31, 2013 and December 31, 2012 and through March 11, 2014, there were (1) no disagreements between the Company and PwC on any matters of accounting principles or practices, financial statement disclosure, or auditing scope and procedures that, if not resolved to the satisfaction of PwC, would have caused PwC to make reference to the subject matter in its audit report and (2) there were no reportable events as defined in Item 304(a)(1)(v) of Regulation S-K.

The Company has provided to PwC the disclosure contained in this Item 4.01 and requested PwC to furnish a letter addressed to the SEC stating whether it agrees with the above statements made by the Company herein and, if not, stating the respects in which it does not agree. A copy of such letter is attached hereto as Exhibit 16.1.

Item 5.01 Changes in Control of Registrant

The information contained in Item 2.01 of this Current Report on Form 8-K is incorporated herein by reference.

Pursuant to the Merger, the Company received all of the partnership interests in the CIM Partnership in exchange for the issuance of the Trust Common Shares and the Trust Preferred Shares as described in Item 2.01 above.

As a result of the Merger, Urban II owns 22,000,003 Trust Common Shares and 65,028,571 Trust Preferred Shares, which are convertible into 455,199,997 Trust Common Shares, which represent in the aggregate approximately 97.8% of the outstanding Trust Common Shares (assuming conversion of the Trust Preferred Shares) immediately after the Merger.

Richard Ressler, Avi Shemesh and Shaul Kuba are the control persons of CIM Holdings, Inc., a California corporation ("**CIM Holdings**"), which is the sole managing member of CIM Group, LLC, a Delaware limited liability company ("**CIM Group**"), which is the sole manager of CIM Urban GP, which is the sole managing member of Urban II. Messrs. Ressler, Shemesh and Kuba and each of CIM Holdings, CIM Group and CIM Urban GP may be deemed to beneficially own the 477,200,000 Trust Common Shares beneficially owned by Urban II; provided that each of Messrs. Ressler, Shemesh and Kuba disclaims beneficial ownership of the Trust Common Shares except to the extent of his pecuniary interest therein.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Directors

On March 11, 2014, in connection with the Merger and as of the Effective Time, each of Jan F. Salit, Nathan G. Cohen, Martha Rosemore Morrow and Barry A. Imber resigned from the Company's Board of Trust Managers and all committees thereof.

Effective at the same time and immediately following the resignation of the trust managers referred to in the immediately preceding paragraph, each of Richard Ressler, Avi Shemesh, Shaul Kuba, Kelly Eppich, Douglas Bech, Robert J. Cresci, and Frank Golay were appointed to the Company's Board of Trust Managers to hold office until the next annual meeting of shareholders of the Company or until a successor is duly elected and qualified or until his or her earlier resignation or removal as provided in the Company's Bylaws. Effective at the same time, Richard Ressler was also appointed Chairman of the Board of Trust Managers of the Company.

Biographical information with respect to each of Messrs. Ressler, Shemesh, Kuba, Eppich, Bech, Cresci and Golay is contained in the Registration Statement in the section entitled "MANAGEMENT OF PMC COMMERCIAL AFTER THE MERGER" and is incorporated herein by reference.

Officers

As of the Effective Time, Jan F. Salit resigned as Chief Executive Officer and Chairman of the Board of Trust Managers of the Company, although he retained the titles of President and Secretary of the Company and will remain the “principal executive officer” of the Company. In addition, as of the Effective Time, Barry N. Berlin resigned as Chief Financial Officer of the Company, although he will henceforth serve the Company as Executive Vice President of Finance and Accounting, Treasurer and Assistant Secretary. As of the Effective Time, David Thompson was appointed Chief Financial Officer of the Company and will serve as the “principal financial officer” of the Company. Biographical information with respect to Mr. Thompson is contained in the Registration Statement in the section entitled “MANAGEMENT OF PMC COMMERCIAL AFTER THE MERGER” and is incorporated herein by reference.

Committees of the Board of Trust Managers

Effective upon completion of the Merger, the Board of Trust Managers continues to have an Audit Committee. The Board of Trust Managers is not required to have a compensation committee or nominating and corporate governance committee as long as it is a “controlled company”, but may decide to have such committees in the future. The composition and responsibilities of the Audit Committee are described below. Members serve on the Audit Committee until their resignation or until otherwise determined by the Board of Trust Managers.

It is expected that each of Messrs. Bech, Cresci and Golay will be appointed to serve on the Audit Committee. The Audit Committee will consist only of independent Trust Managers. The Audit Committee will be comprised entirely of Trust Managers who meet the independence and financial literacy requirements of The NASDAQ Stock Market LLC listing standards as well as the standards established under the Sarbanes-Oxley Act. In addition, the Board of Trust Managers has determined that Douglas Bech qualifies as an “audit committee financial expert” as defined in SEC rules.

The Audit Committee’s responsibilities include providing assistance to the Board of Trust Managers 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 performance of the internal audit function. In accordance with its charter, the Audit Committee has sole authority to appoint and replace the independent registered public accounting firm, who reports directly to the Audit Committee, approve the engagement fee of the independent registered public accounting firm and pre-approve 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. The Audit Committee will hold separate executive sessions, outside the presence of executive management, with the Company’s independent registered public accounting firm.

Certain Relationships and Related Transactions

Shaul Kuba, Richard Ressler and Avi Shemesh, together with their respective heirs and trusts for the benefit of their respective heirs, directly and indirectly, control and are the majority owners of CIM Group and its subsidiaries, which receive asset management fees and certain other fees from CIM Partnership and will receive master services fees from the Company and its subsidiaries as contemplated in the Master Services Agreement. A description of the fees and expenses received by CIM Group is contained in the Registration Statement in the section entitled “CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS — Interests of Trust Managers in Fees Paid to CIM Group” and is incorporated herein by reference.

Compensation of Independent Trust Managers

As previously disclosed, the Company intends to continue to use a combination of cash and share-based compensation to attract and retain qualified candidates to serve on the Board of Trust Managers. In setting Trust Managers' compensation, the Board of Trust Managers will consider, among other things, the substantial time commitment on the part of Trust Managers in fulfilling their duties as well as the skill level it requires of Trust Managers. In addition, Trust Managers will be reimbursed by the Company for their expenses related to attending board or committee meetings.

It is anticipated that the independent Trust Managers will be compensated according to the following schedule:

Annual board retainer	\$50,000
Annual audit committee chairman retainer	\$20,000

The annual board retainer will be paid quarterly in advance. The annual audit committee chairman retainer will also be paid quarterly in advance.

In addition, the Company's 2005 Equity Incentive Plan, which will terminate in 2015, allows for the issuance of share awards at the discretion of the Board of Trust Managers in accordance with the plan. It is anticipated that each independent Trust Manager will receive (i) an initial share award of 10,000 Trust Common Shares, and (ii) an annual share award thereafter of Trust Common Shares in an amount equal to \$50,000 in value, which will vest twelve months from the date of the share award.

Item 5.03 Amendment to Articles of Incorporation or Bylaws; Change in Fiscal Year

Declaration of Trust

The Trust Preferred Shares issued to Urban II in connection with the Merger have the terms set forth in the Statement of Designation for Trust Preferred Shares (the "**Statement of Designation**"). The Statement of Designation was filed with the Dallas County Recorder of Deeds on March 10, 2014.

A description of the terms of the Trust Preferred Shares and the Statement of Designation is contained in the Registration Statement in the section entitled "THE TERMS OF THE PMC COMMERCIAL PREFERRED SHARES" and is incorporated herein by reference. A copy of the Statement of Designation is attached hereto as Exhibit 3.1 and is incorporated herein by reference.

Bylaws

As of the Effective Time of the Merger, the bylaws of the Company were amended by the Board of Trust Managers to remove the requirement that a majority of the Trust Managers comprising the Board of Trust Managers of the Company be residents of the State of Texas.

A copy of the Second Amendment to the Bylaws of the Company is attached hereto as Exhibit 3.2 and is incorporated herein by reference. The foregoing description of the Second Amendment to the Bylaws does not purport to be complete and is qualified in its entirety by reference to the full text of the Second Amendment to the Bylaws.

Item 7.01 Regulation FD Disclosure

On March 11, 2014, the Company issued a press release announcing the closing of the transactions contemplated by the Merger Agreement. A copy of the press release is attached as Exhibit 99.1 to this report. This information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or incorporated by reference in any filing under the Securities Act or the Exchange Act.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired

The Company intends to file the financial statements of the CIM Partnership required by Item 9.01(a) as part of an amendment to this Current Report on Form 8-K not later than 71 calendar days after the date this Current Report on Form 8-K is required to be filed.

(b) Pro Forma Financial Information

The Company intends to file the pro forma financial information required by Item 9.01(b) as an amendment to this Current Report on Form 8-K not later than 71 calendar days after the date this Current Report on Form 8-K is required to be filed.

(d) Exhibits

- 3.1 Statement of Designation of Class A Preferred Shares of Beneficial Interest of PMC Commercial Trust
- 3.2 Second Amendment to the Bylaws of PMC Commercial Trust
- 10.1 Master Services Agreement dated March 11, 2014 by and among PMC Commercial Trust, certain of its subsidiaries, and CIM Service Provider, LLC
- 10.2 Registration Rights and Lockup Agreement dated March 11, 2014 by and among Urban Partners II, LLC and PMC Commercial Trust
- 10.3 Fourth Amendment to Amended and Restated Credit Agreement dated March 10, 2014 by and among PMC Commercial Trust, certain of its subsidiaries, the lenders named therein and JPMorgan Chase Bank, National Association, as administrative agent
- 10.4 PMC Revolving Note dated March 10, 2014 by PMC Commercial Trust, Western Financial Capital Corporation and PMC Investment Corporation payable to the order of JPMorgan Chase Bank, National Association
- 10.5 First Western Revolving Note dated March 10, 2014 by First Western SBLC, Inc. payable to the order of JPMorgan Chase Bank, National Association
- 10.6 Term Note Note dated March 10, 2014, by PMC Commercial Trust, Western Financial Capital Corporation and PMC Investment Corporation payable to the order of JPMorgan Chase Bank, National Association
- 10.7 Amended and Restated Guaranty dated March 10, 2014 among PMC Commercial Trust, Western Financial Capital Corporation, PMC Investment Corporation for the benefit of JPMorgan Chase Bank, National Association, as administrative agent for itself and the benefit of each lender
- 16.1 Letter of PricewaterhouseCoopers LLP dated March 11, 2014
- 99.1** Press Release issued by PMC Commercial Trust on March 11, 2014

** In accordance with general instruction B.2 to Form 8-K, the information in this Form 8-K under Item 7.01 (Regulation FD Disclosure) shall be deemed “furnished” and not “filed” with the SEC for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: March 11, 2014

PMC COMMERCIAL TRUST

By: /s/ Jan F Salit

Jan F. Salit, President

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Title</u>
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**STATEMENT OF DESIGNATION
OF THE CLASS A PREFERRED SHARES
OF BENEFICIAL INTEREST OF
PMC COMMERCIAL TRUST**
(the “**Statement**”)

The Trust Managers (the “**Trust Managers**”) of PMC Commercial Trust (the “**Trust**”), pursuant to the Declaration of Trust of the Trust (as amended, the “**Declaration**”) and Title 5 of the Texas Business Organizations Code (the “**Texas REIT Act**”) hereby (i) authorize the issuance of a class of Preferred Shares (the Class A Preferred Shares, as defined below) and (ii) classify 65,028,571 of the authorized but unissued shares of the Trust into Class A Preferred Shares (as defined below).

Defined Terms.

“**Business Day**” shall mean any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in Texas are authorized or required by law, regulation or executive order to close.

“**Class A Preferred Amount**” shall have the meaning set forth in paragraph 3 below.

“**Class A Preferred Shares**” shall have the meaning set forth in paragraph 1 below.

“**Common Shares**” shall have the meaning set forth in the Declaration.

“**Conversion Date**” shall have the meaning set forth in paragraph 5(a) below.

“**Conversion Deadline**” shall mean **September 11, 2014**; provided, however, that in the event that the Conversion Date does not occur on or prior to September 11, 2014 due to the occurrence of one or more of the events specified below (each, a “**Force Majeure Event**”), then the Conversion Deadline shall be extended by one day for each day by which such Force Majeure Event(s) has delayed the occurrence of the Conversion Date (provided that each of Trust and the holders of Common Shares and Class A Preferred Shares issued in connection with the Merger Agreement uses its reasonable commercial efforts to cure the applicable Force Majeure Event and effect the Conversion Date as promptly as practicable). For purposes of this Statement, “**Force Majeure Events**” shall mean: (a) any action taken by any court, governmental body (including the Securities and Exchange Commission), or any other person or entity unaffiliated with the holders of Common Shares and Class A Preferred Shares issued in connection with the Merger Agreement that prevents or delays the Conversion Date; or (b) fire, flood, earthquakes, interruption of utilities, strikes, labor disturbances, terrorism, riots, explosions, civil disorders, armed conflict, economic catastrophe, governmental (including Securities and Exchange Commission) shutdown, breakdowns or malfunctions, interruptions or malfunctions of computer facilities, loss of data due to power failures or mechanical difficulties with information storage or retrieval systems, or other forces or events beyond the control of Trust and/or the holders of Common Shares and Class A Preferred Shares issued in connection with the Merger Agreement.

“**Dividend Date**” shall mean the record date, as defined in Section 6.101 of the Texas Business Organizations Code, pertaining to the most recent dividend declaration of the Trust on its Common Shares.

“**Junior Shares**” shall have the meaning set forth in paragraph 2.

“**Merger Agreement**” shall mean that certain Agreement and Plan of Merger, dated as of July 8, 2013, by and among CIM Urban REIT, LLC, CIM Merger Sub, LLC, Trust, and Southfork Merger Sub, LLC, as the same may be amended or otherwise modified (including pursuant to that certain Consent to Assignment and Limited Waiver to Agreement and Plan of Merger dated as of November 20, 2013).

“**Preferred Shares**” shall mean shares of beneficial interest of the Trust designated as or otherwise on a parity with the Class A Preferred Shares as to distributions and rights upon voluntary or involuntary liquidation, winding up or dissolution of the Trust as may be issued and outstanding from time to time

“**Trading Day**” shall mean any day on which the securities in question are traded on the NASDAQ Global Market, or if such securities are not listed or admitted for trading on the NASDAQ Global Market, on the principal national securities exchange on which such securities are listed or admitted.

“**Transfer Agent**” shall mean American Stock Transfer & Trust Company, LLC, or such other agent or agents of the Trust as may be designated by the Trust Managers or their designee as the transfer agent for the Class A Preferred Shares.

All other capitalized terms used but not defined herein shall have the meanings ascribed to them in the Declaration.

Class A Preferred Shares

1. **Number and Designation.** A class of Preferred Shares, consisting of 65,028,571 Preferred Shares designated as Class A Convertible Cumulative Preferred Shares, \$.01 par value per share (liquidation preference \$17.50 per share) (the “**Class A Preferred Shares**”), is hereby established.

2. **Ranking.** In respect of rights to receive distributions and to participate in distributions or payments in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Trust, the Class A Preferred Shares shall rank *pari passu* with any other Preferred Shares of the Trust, and will rank senior to the Common Shares and any other class or series of shares of beneficial interest of the Trust ranking, as to distributions and upon liquidation, junior (collectively, the “**Junior Shares**”) to the Preferred Shares.

3. **Distributions.** The holders of the then outstanding Class A Preferred Shares shall be entitled to receive, when and as authorized by the Trust Managers and declared by the Trust out of any funds legally available therefor, cumulative distributions at the rate of 2% of \$35.00 per Class A Preferred Share (as equitably adjusted to reflect any stock split, subdivision, combination or similar event) per share per year (the “**Class A Preferred Amount**”). Distributions paid on the Class A Preferred Shares in an amount less than the total amount of such distributions at the time accrued and payable on such shares shall be allocated pro rata on a per share basis among all such shares at the time outstanding. Unless the full Class A Preferred Amount shall have been or contemporaneously is declared and paid or declared and a sum sufficient for the payment thereof is set apart for payment, no dividends or distributions shall be declared or paid or set aside for payment nor shall any other dividend or distribution be declared or made upon the Common Shares or any Junior Shares (except for any dividends or distributions declared prior to the date hereof).

Except as provided in this Statement, the Class A Preferred Shares shall not be entitled to participate in the earnings or assets of the Trust.

4. Liquidation Rights.

(a) Upon the voluntary or involuntary dissolution, liquidation or winding up of the Trust, the holders of the Class A Preferred Shares then outstanding shall be entitled to receive and to be paid out of the assets of the Trust available for distribution to its shareholders, before any payment or distribution shall be made on any Junior Shares, the amount of \$17.50 (as equitably adjusted to reflect any stock split, subdivision, combination or similar event) per share, plus accrued and unpaid distributions thereon.

(b) After the payment to the holders of the Class A Preferred Shares of the full preferential amounts provided for in paragraph 4(a), the holders of the Class A Preferred Shares will share, ratably with the Common Shares, in any distribution(s) of the remaining assets of the Trust; provided, that, for such purposes, each Class A Preferred Share shall be considered three and one-half (3.5) Common Shares, and each Class A Preferred Share shall receive a distribution pursuant to this paragraph 4(b) that is three and one half (3.5) times the distribution paid to each Common Share (such 3.5 amount shall be equitably adjusted to reflect any stock split, subdivision, combination or similar event).

(c) If, upon any voluntary or involuntary dissolution, liquidation or winding up of the Trust, the amounts payable with respect to the preference value of the Class A Preferred Shares and any other shares of beneficial interest of the Trust ranking as to any such distribution on parity with the Class A Preferred Shares are not paid in full, the holders of the Class A Preferred Shares and of such other shares will share ratably in any such distribution of assets of the Trust in proportion to the full respective preference amounts to which they are entitled.

(d) Neither the sale of all or substantially all of the property or business of the Trust, nor the merger or consolidation of the Trust into or with any other entity or the merger or consolidation of any other entity into or with the Trust, shall be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for purposes of this paragraph 4.

5. **Conversion.** On the Conversion Date, the Class A Preferred Shares shall automatically convert into Common Shares as follows:

(a) For the purposes hereof, the “**Conversion Date**” shall mean the first Business Day on which, pursuant to the Declaration, there are sufficient authorized but unissued shares to convert all of the Class A Preferred Shares into Common Shares, pursuant to the terms hereof.

(b) On the Conversion Date, each Class A Preferred Share shall automatically convert into seven (7) fully paid and non-assessable Common Shares (as equitably adjusted to reflect any stock split, subdivision, combination or similar event). Each holder of each Class A Preferred Share shall surrender the certificate representing such share, duly endorsed or assigned to the Trust or in blank, at the office of the Transfer Agent. Unless the shares issuable on conversion are to be issued in the same name as the name in which such Class A Preferred Share is registered, each share surrendered for conversion shall be accompanied by instruments of transfer, in form satisfactory to the Trust, duly executed by the holder

or such holder's duly authorized attorney and an amount sufficient to pay any transfer or similar tax (or evidence reasonably satisfactory to the Trust demonstrating that such taxes have been paid). As promptly as practicable after the surrender of certificates representing Class A Preferred Shares as aforesaid, the Trust shall issue and shall deliver at such office to such holder, or on his or her written order, a certificate or certificates for the number of full Common Shares issuable upon the conversion of such shares in accordance with the provisions of this paragraph 5. Upon conversion, holders of Class A Preferred Shares shall be entitled to receive a final distribution, per Class A Preferred Share, equal to the Class A Preferred Amount which had accrued up to the most recent Dividend Date and which remains unpaid as of the Conversion Date; provided, however, that if the Conversion Date occurs on or before the Conversion Deadline, the Class A Preferred Amount for the purposes of this paragraph 5(b) shall be calculated at the rate of 3.5% of \$35.00 per Class A Preferred Share (as equitably adjusted to reflect any stock split, subdivision, combination or similar event) per share per year. For the avoidance of doubt, (i) the payment(s) described in this paragraph 5(b) shall be considered paid prior to the conversion of the Class A Preferred Shares into Common Shares, and (ii) if the Conversion Date occurs on the same date as a Dividend Date, then (A) the Class A Preferred Amount shall accrue through the Dividend Date and the final distribution shall be paid in accordance therewith, and (B) the Common Shares resulting from the conversion of Class A Common Shares shall not be deemed held or owned on the Dividend Date.

(c) The Trust covenants that any Common Shares issued upon conversion of the Class A Preferred Shares shall be validly issued, fully paid and non-assessable. The Trust shall list the Common Shares required to be delivered upon conversion of the Class A Preferred Shares, prior to such delivery, upon each national securities exchange, if any, upon which the outstanding Common Shares are listed at the time of such delivery.

(d) The Trust will pay any and all documentary stamp or similar issue or transfer taxes payable in respect of the issue or delivery of Common Shares or other securities or property on conversion of the Class A Preferred Shares pursuant hereto; provided, however, that the Trust shall not be required to pay any tax that may be payable in respect of any transfer involved in the issue or delivery of Common Shares or other securities or property in a name other than that of title holder of the Class A Preferred Shares to be converted, and no such issue or delivery shall be made unless and until the person requesting such issue or delivery has paid to the Trust the amount of any such tax or established, to the reasonable satisfaction of the Trust, that such tax has been paid.

(e) Prior to the delivery of any securities that the Trust shall be obligated to deliver upon conversion of the Class A Preferred Shares, the Trust shall endeavor to comply with all federal and state laws and regulations thereunder requiring the registration of such securities with, or any approval of or consent to the delivery thereof by any governmental authority.

6. Voting.

(a) Except as otherwise provided herein, the holders of the Class A Preferred Shares shall be entitled to vote at any meeting of the shareholders for election of Trust Managers, for any other purposes and otherwise to participate in any action taken by the Trust or the shareholders thereof, and to receive notice (except for such notice as required by law) of any meeting of shareholders.

(b) In any matter in which the Class A Preferred Shares are entitled to vote, including any action by written consent, each Class A Preferred Share shall be entitled to seven (7) votes, each of which seven (7) votes may be directed separately by the holder thereof (or by any proxy or proxies of such holder). With respect to each Class A Preferred Share, the holder thereof may designate up to seven (7) proxies, with each such proxy having the right to vote a whole number of votes (totaling seven (7) votes per Class A Preferred Share). The number of proxies and votes set forth in this paragraph shall be equitably adjusted to reflect any stock split, subdivision, combination or similar event.

(c) So long as any Class A Preferred Shares remain outstanding, the Trust will not (whether by merger, consolidation or otherwise), without the affirmative vote or consent of the holders of at least two-thirds of the Class A Preferred Shares outstanding at the time, given in person or by proxy, either in writing or at a meeting (such class voting separately as a class), (i) authorize or create, or increase the authorized or issued amount of, any class or series of shares of beneficial interest ranking on a parity with or senior to the Class A Preferred Shares with respect to the payment of distributions or the distribution of assets upon liquidation, dissolution or winding up or reclassify any authorized shares of beneficial interest of the Trust into such shares, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase any such shares; (ii) except for the amendment to the Declaration to increase the number of authorized Common Shares as contemplated in Section 8.18(a) of the Merger Agreement, amend, alter or repeal the provisions of the Declaration or the terms of the Class A Preferred Shares so as to affect any right, preference, privilege or voting power of the Class A Preferred Shares or the holders thereof; (iii) issue, combine or subdivide any shares of beneficial interest in the Trust (except upon exercise of stock options outstanding on the date hereof for the purchase of Common Shares) or (iv) issue any rights, options, warrants or other convertible securities evidencing the right to purchase shares of beneficial interest of the Trust.

(d) The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, there are no outstanding Class A Preferred Shares.

7. **Redemption.** The Class A Preferred Shares are not redeemable by any Person.

8. **Restrictions on Transfer.** The Class A Preferred Shares shall be subject to the restrictions on transfer and ownership of shares set forth in Article Twenty-One of the Declaration.

9. **Amendment.** The foregoing preferences, conversions, rights, voting powers, restrictions, limitations as to dividends, qualifications, terms and conditions of redemption, and all other terms regarding the Class A Preferred Shares may be amended with the affirmative vote of (i) the holders of at least two-thirds of the Class A Preferred Shares outstanding at the time and (ii) a majority of the independent trust managers of the Trust; provided, that if any such amendment would have an adverse financial effect (as described below) greater than \$250,000 in the aggregate or a non-financial material adverse effect on the holders of the Common Shares, then such amendment must also receive the approval of the holders of at least a majority of the Common Shares voting on such amendment (not including any votes cast by CIM Urban REIT, LLC and its affiliates or the holders of the Class A Preferred Shares). In determining whether there would be an adverse financial effect in the aggregate or a non-financial material adverse effect to the holders of the Common Shares under this Section 9, the terms and provisions of the proposed amendment shall be compared to the terms and provisions of this Statement and the Merger Agreement assuming for purposes of such comparison that any and all of the terms and provisions of this Statement, as adopted by the Trust Managers, and the Merger Agreement, as executed by the parties thereto, are given full force and effect.

The Class A Preferred Shares have been classified by the Trust Managers as authorized by the Declaration.

IN WITNESS WHEREOF, the Trust has caused this Statement to be duly executed on its behalf on the 11th day of March, 2014.

PMC Commercial Trust

By: /s/ Jan F. Salit

Jan F. Salit, Chief Executive Officer

STATE OF TEXAS

COUNTY OF DALLAS

BEFORE ME, the undersigned Notary Public, duly commissioned and qualified within and for the State and County aforesaid, personally came and appeared Jan F. Salit, in his capacity as President of PMC Commercial Trust, and acknowledged to me that he executed the above and foregoing instrument on behalf of the said PMC Commercial Trust.

This instrument was acknowledged before me on the 11th day of March, 2014.

Notary Public in and for the State of Texas

My commission expires: _____

**SECOND AMENDMENT
TO THE
BYLAWS
OF
PMC COMMERCIAL TRUST**

Pursuant to the provisions of Section 200.058(c) of the Texas Business Organizations Code (the “Code”) and Article 26 of the Declaration of Trust of PMC Commercial Trust (the “Trust”), as amended, the Board of Trust Managers adopts the following Second Amendment to the Bylaws of the Trust (the “Amendment”). Except as modified by this Amendment, the Bylaws remain unaltered and in full force and effect.

1. Section 3.2 of the Bylaws is hereby deleted and replaced in its entirety with the following:

Section 3.2 Number and Qualification. The Board of Trust Managers shall be comprised of not less than three nor more than 15 members who shall be elected annually by the shareholders. Subject to any limitations specified by law or in the Declaration of Trust, the number of Trust Managers may be increased or decreased by resolution adopted by a majority of the Trust Managers. No decrease in the number of Trust Managers shall have the effect of shortening the term of any incumbent Trust Managers. Trust Managers must be at least 18 years of age and must not be subject to any legal disability.

Prior to the nomination of any individual to the Board of Trust Managers, such nominee must complete the Trust’s standard form of trust manager and officer questionnaire, make representations regarding agreements the nominee may have entered into that may impact the fulfillment of his or her fiduciary duties if elected and regarding the lack of any agreement or understanding regarding how such nominee would act or vote on any issue. The nominee must also represent that if elected, he or she would comply with the Trust’s publicly disclosed Code of Business Conduct and Ethics.

PMC COMMERCIAL TRUST

- and -

CIM SERVICE PROVIDER, LLC

- and -

each of the Subsidiaries that has executed this Agreement on Schedule A hereto

MASTER SERVICES AGREEMENT

March 11, 2014

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MASTER SERVICES AGREEMENT

THIS AGREEMENT made as of the 11th day of March, 2014.

B E T W E E N:

PMC COMMERCIAL TRUST, a Texas real estate investment trust (“**PMC Commercial**”)

- and -

CIM SERVICE PROVIDER, a Delaware limited liability company (the “**CIM Service Provider**”)

- and -

each of the Subsidiaries (as defined below)

RECITALS:

A. The Service Recipients (as defined below) directly or indirectly hold interests in real estate, loans, and other assets and will directly or indirectly acquire, from time to time, interests in other real estate, loans, and/or assets; and

B. PMC Commercial and the Subsidiaries (as defined below) wish to engage the CIM Service Provider to provide or arrange for other Service Providers (as defined below) to provide to the Service Recipients certain management and administration services, subject to the terms and conditions of this Agreement, and the CIM Service Provider wishes to accept such engagement.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Agreement, except where the context otherwise requires, the following terms will have the following meanings:

1.1.1 “**Affiliate**” means, with respect to a Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls or is Controlled by such Person, or is under common Control of a third Person;

1.1.2 “**Agreement**” means this Master Services Agreement;

1.1.3 “**Automatic Renewal Term**” has the meaning assigned thereto in Section 11.1.

1.1.4 “**Available Cash**” means all cash and cash equivalents of the Service Recipients available for distribution by the Service Recipients determined at the sole discretion of the Governing Body of PMC Commercial, which, for greater certainty, (i) may not in all cases equal an amount of cash held by the Service Recipients after the payment of expenses, debt service obligations on any indebtedness and any other expense or reserve for any liability, working capital or capital expenditure and (ii) may include cash that has been borrowed by any of the Service Recipients;

1.1.5 “**Base Fee Amount**” means an amount equal to \$1 million, which amount shall be adjusted for inflation annually beginning on January 1, 2015 at the Inflation Factor;

1.1.6 “**Base Services**” has the meaning assigned thereto in Section 3.1;

1.1.7 “**Base Service Fee**” means the Base Service Fee, calculated quarterly in arrears, equal to 25% of the Base Fee Amount;

1.1.8 “**Business Day**” means a day which is not a Saturday or Sunday and on which banks are open for business in New York, New York;

1.1.9 “**Cause**” shall mean the commission by Urban GP Manager as the manager of the General Partner of an action, or the omission by Urban GP Manager as the manager of the General Partner to take an action, if such commission or omission constitutes willful misconduct, fraud, willful disregard for Urban GP Manager’s duties to the General Partner, in its capacity as manager of the General Partner, to CIM Partnership or to the Limited Partner in its capacity as limited partner of the CIM

Partnership, gross negligence (determined in the context of the Standard of Care), or the conviction of Urban GP Manager or any Principal, who is still Affiliated with Urban GP Manager, of a felony involving moral turpitude or constituting a financial crime or criminal culpability in connection with a securities law violation, or a material breach of the Governing Instruments of the General Partner or CIM Partnership by Urban GP Manager that has not been cured within ten (10) Business Days after notice to Urban GP Manager, with respect to a monetary breach, or thirty (30) Business Days after notice to Urban GP Manager, with respect to a non-monetary breach and, in the case of a commission or omission that constitutes a non-monetary breach of the Governing Instruments of the General Partner or CIM Partnership that cannot be cured, that (i) results in a material detriment to CIM Partnership or the Limited Partner (i.e., causing damages in excess of \$500,000) or (ii) is part of a course of conduct which is more than negligibly injurious to CIM Partnership or the Limited Partner; provided, however, that in the event that a non-monetary breach cannot reasonably be cured within thirty (30) days despite Urban GP Manager's diligent efforts to do so, the cure period for such breach will be extended for up to an additional ninety (90) days, but only for so long as the Urban GP Manager's efforts to cure such breach remain diligent and continuous. Notwithstanding the fact that a commission or omission that constitutes a material breach of this Agreement that cannot be cured, may not constitute Cause, such determination shall have no effect on any liability which Urban GP Manager may otherwise have with respect to such act or omission.

1.1.10 "**CIM Entities**" means CIM Service Provider or any of its Affiliates;

1.1.11 "**CIM Partnership**" means CIM Urban Partners L.P., a Delaware limited partnership;

1.1.12 "**CIM Partnership Agreement**" means that certain Second Amended and Restated Agreement of Limited Partnership of CIM Partnership, dated as of December 22, 2005, as amended.

1.1.13 "**CIM Partnership Investment Management Agreement**" means that certain Investment Management Agreement dated May 20, 2005 between CIM Partnership and CIM Urban REIT Management, LP a California limited partnership.

1.1.14 "**CIM Service Provider**" has the meaning assigned thereto in the preamble;

1.1.15 "**Claims**" has the meaning assigned thereto in Section 10.1.1;

1.1.16 "**Code**" means the Internal Revenue Code of 1986, as amended;

1.1.17 "**Compensation Charge**" has the meaning assigned thereto in Section 5.2;

1.1.18 "**Control**" means the control by one Person of another Person in accordance with the following: a Person ("A") controls another Person ("B") where A has the power to determine the management and policies of B by contract or status (for example, the status of A being the general partner of B) or by virtue of the beneficial ownership of or control over a majority of the voting interests in B; and, for greater certainty and without limitation, if A owns or has control over shares or other securities to which are attached more than 50% of the votes permitted to be cast in the election of directors to the Governing Body of B, or A is the general partner of B, a limited partnership, then in each case A Controls B for this purpose; and the term "**Controlled**" has the corresponding meaning;

1.1.19 "**Expense Statement**" has the meaning assigned thereto in Section 7.7;

1.1.20 "**Expenses**" has the meaning assigned thereto in Section 7.5.2;

1.1.21 "**Fair Market Value**" means, with respect to a Share, (i) if such Share is listed on a stock exchange or public quotation system, the Trading Price of such Share, or (ii) if such Share is not listed on a stock exchange or public quotation system, the fair market value of such Share determined by the Governing Body of PMC Commercial;

1.1.22 "**General Partner**" means the general partner of CIM Partnership;

1.1.23 "**Governing Body**" means (i) with respect to a corporation, the board of directors of such corporation, (ii) with respect to a limited liability company, the manager(s), director(s) or managing member(s) of such limited liability company, (iii) with respect to a partnership, the board, committee or other body of each general partner or managing partner of such partnership, that serves a similar function (or if any such general partner or managing partner is itself a partnership, the board, committee or other body of such general or managing partner's general or managing partner that serves a similar function), (iv) with respect to a real estate investment trust, the trustees, directors, trust managers or other body of such real estate investment trust that serves a similar function, and (v) with respect to any other Person, the body of such Person that serves a similar function, and in the case of each of (i) through (iv) includes any committee or other subdivision of such body and any Person to whom such body has delegated any power or authority, including any officer or managing director;

1.1.24 **“Governing Instruments”** means (i) the declaration of trust and bylaws in the case of a real estate investment trust, (ii) the articles or certificate of incorporation and by-laws in the case of a corporation, (iii) the partnership agreement in the case of a partnership, (iv) the articles or certificate of formation and operating agreement in the case of a limited liability company, (v) the trust instrument in the case of a trust and (vi) any other similar governing document under which an entity was organized, formed or created or operates, including any conflict guidelines or protocols in place from time to time;

1.1.25 **“Governmental Authority”** means any (i) international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) self-regulatory organization or stock exchange, (iii) subdivision, agent, commission, board, or authority of any of the foregoing, or (iv) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

1.1.26 **“Governmental Charges”** has the meaning assigned thereto in [Section 7.6](#);

1.1.27 **“Indemnified Party”** has the meaning assigned thereto in [Section 10.1.1](#);

1.1.28 **“Indemnifying Party”** has the meaning assigned thereto in [Section 10.1.1](#);

1.1.29 **“Independent Members”** means the members of the Governing Body of PMC Commercial that are (i) “independent” of Manager and its Affiliates in accordance with PMC Commercial’s Governing Instruments and the rules of the Principal Exchange and (ii) disinterested with respect to the applicable matter at hand;

1.1.30 **“Inflation Factor”** shall mean the annualized rate based on the change in the core CPI (Consumer Price Index—United States—All Urban Consumers—All Items Less Food and Energy (non-seasonally adjusted) (1982-84=100)) (the **“Index”**) published by the United States Department of Labor, Bureau of Labor Statistics, during the calculation period. If at any time the Index is discontinued, CIM Service Provider will select a substitute index which is nearly equivalent thereto, which substitute index will be subject to the approval of the Independent Members. The Inflation Factor shall be calculated in accordance with the following formula:

$$(CPI_n / CPI_0) - 1$$

Where:

CPI_n = Consumer Price Index as of January 1 of the current year

CPI₀ = Consumer Price Index as of January 1 of the prior year

1.1.31 **“Initial Term”** has the meaning assigned thereto in [Section 11.1](#);

1.1.32 **“Interest Rate”** means, for any day, the rate of interest equal to the overnight U.S. dollar London interbank offered rate on such day, as published in the Wall Street Journal (or if the Wall Street Journal ceases to publish such rates, a similar publication);

1.1.33 **“Investment Management Agreement”** means an investment management agreement between a Service Recipient and a Service Provider for the provision of external management services entered into pursuant to [Section 5.2.4](#);

1.1.34 **“Laws”** means any and all applicable (i) laws, constitutions, treaties, statutes, codes, ordinances, principles of common and civil law and equity, rules, regulations and municipal by-laws, whether domestic, foreign or international, (ii) judicial, arbitral, administrative, ministerial, departmental and regulatory judgments, orders, writs, injunctions, decisions, and awards of any Governmental Authority, and (iii) policies, practices and guidelines of any Governmental Authority which, although not actually having the force of law, are considered by such Governmental Authority as requiring compliance as if having the force of law; and the term **“applicable”**, with respect to such Laws and in the context that refers to one or more Persons, means such Laws that apply to such Person or Persons or its or their business, undertaking, property or securities at the relevant time and that emanate from a Governmental Authority having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;

1.1.35 **“Liabilities”** has the meaning assigned thereto in [Section 10.1.1](#);

1.1.36 **“Limited Partner”** means the limited partner of CIM Partnership;

1.1.37 **“Manager Change of Control”** means an event upon which Shaul Kuba, Richard Ressler and Avi Shemesh (each, a **“Principal”**) (or any of their heirs), individually or collectively, (i) cease to possess, directly or indirectly, beneficial ownership of more than fifty percent (50%) of the combined voting power of the CIM Service Provider’s then outstanding equity interests, or (ii) cease to possess the power to direct or control, directly or indirectly, the management policies of the Manager, whether through the ownership of beneficial interests, common directors or officers, by contract or otherwise; provided, however, that a Manager Change of Control shall not be deemed to occur, and cannot occur, from and after a Public Transaction. For the purposes hereof, a **“Public Transaction”** shall mean (i) an initial public offering (whether a primary offering, a secondary offering or both) of membership units or other equity interests of CIM Service Provider (or any Affiliate thereof) pursuant to a registration statement under the Securities Act or any similar law then in effect pursuant to which the equity interests of the CIM Service Provider (or any Affiliate thereof) become publicly traded securities (or are convertible into publicly traded securities) or (ii) a merger of the CIM Service Provider (or its Affiliate) with and into, or other acquisition of the Manager by, a Person substantially in exchange for publicly traded securities.

1.1.38 **“Manager”** means CIM Service Provider and, subject to Section 2.3, any other Affiliate of CIM Service Provider that is appointed by the CIM Service Provider from time to time to act as a manager pursuant to this Agreement;

1.1.39 **“Manager Group”** means the Manager and any other Service Providers who are Affiliates of CIM Service Provider (but excluding third party Service Providers);

1.1.40 **“Manager Indemnified Party”** has the meaning assigned to it in Section 10.1.1;

1.1.41 **“Manager Indemnifying Party”** has the meaning assigned to it in Section 10.1.2.

1.1.42 **“Permit”** means any consent, license, approval, registration, permit or other authorization granted by any Governmental Authority;

1.1.43 **“Person”** means any natural person, real estate investment trust, partnership, limited partnership, limited liability partnership, joint venture, syndicate, sole proprietorship, company or corporation (with or without share capital), limited liability corporation, unlimited liability company, joint stock company, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted and pronouns have a similarly extended meaning;

1.1.44 **“PMC Commercial”** has the meaning assigned thereto in the preamble;

1.1.45 **“Principal Exchange”** means the principal stock exchange or public quotation system (determined on the basis of aggregate trading volume for the prior four months) on which the Shares are listed;

1.1.46 **“Quarter”** means a calendar quarter ending on the last day of March, June, September or December;

1.1.47 **“Regulation FD”** means Regulation FD as promulgated by the SEC;

1.1.48 **“REIT”** means a “real estate investment trust” as defined under the Code;

1.1.49 **“SEC”** means the United States Securities and Exchange Commission;

1.1.50 **“Service Providers”** means the Manager, any member of the CIM Entities, and any third party retained by the Manager that the Manager has arranged to provide Services to any Service Recipient;

1.1.51 **“Service Recipients”** means PMC Commercial and the Subsidiaries;

1.1.52 **“Services”** shall mean either or both of the Base Services and the Transactional Services, as the context requires;

1.1.53 **“Shares”** means the shares of common beneficial interest of PMC Commercial;

1.1.54 **“Special Subsidiary”** shall mean any of First Western SBLC, Inc., a Florida corporation, PMC Investment Corporation, a Florida corporation, Western Financial Capital Corporation, a Florida corporation, or any of their direct or indirect subsidiaries;

1.1.55 **“Standard of Care”** means in managing the affairs of CIM Partnership, and in its dealings with the Limited Partner, except as expressly provided in the CIM Partnership Agreement, Urban GP Manager as the manager of the General Partner of CIM Partnership shall owe the same fiduciary duty to the Limited Partner as a general partner owes each other partner in a general partnership under the laws of the State of Delaware, including: a duty of loyalty, which requires Urban GP Manager to carry out its responsibilities under the CIM Partnership Agreement with loyalty, honesty, good faith, and fairness toward CIM Partnership and the Limited Partner. Furthermore, Urban GP Manager shall invest CIM Partnership’s assets and exercise all of its powers and duties under the CIM Partnership Agreement in accordance with a degree of diligence, prudence and care that a prudent person exercises with respect to his or her own assets;

1.1.56 “**Subsidiary**” means any Person in which PMC Commercial owns a direct or indirect interest. Subject to Section 12.5 hereof, any Person who becomes a Subsidiary after the date of this Agreement shall execute a joinder to this Agreement; however, each Subsidiary shall be bound by the terms of this Agreement regardless of whether a joinder is executed for such Subsidiary;

1.1.57 “**Third Party Claim**” has the meaning assigned thereto in Section 10.1.2;

1.1.58 “**Trading Price**” means, in any Quarter, with respect to any Share that is listed on a stock exchange or public quotation system, the volume-weighted average trading price of such Share on the Principal Exchange for the five trading days ending on the last trading day of such Quarter; provided that where the Trading Price of such Share is calculated in any currency other than U.S. dollars, such amount will be converted to U.S. dollars for purposes of this Agreement in accordance with the applicable exchange rate, as determined by the Manager acting reasonably;

1.1.59 “**Transactional Service**” has the meaning set forth in Section 3.2;

1.1.60 “**Transaction Fee**” has the meaning set forth in Section 7.8; and

1.1.61 “**Urban GP Manager**” has the meaning set forth in Section 5.2.3.

1.2 Headings and Table of Contents

The inclusion of headings and a table of contents in this Agreement are for convenience of reference only and will not affect the construction or interpretation hereof.

1.3 Interpretation

In this Agreement, unless the context otherwise requires:

1.3.1 words importing the singular will include the plural and vice versa, words importing gender will include all genders or the neuter, and words importing the neuter will include all genders;

1.3.2 the words “include”, “includes”, “including”, or any variations thereof, when following any general term or statement, are not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;

1.3.3 references to any Person include such Person’s successors and permitted assigns;

1.3.4 except as otherwise provided in this Agreement, any reference in this Agreement to a statute, regulation, policy, rule or instrument will include, and will be deemed to be a reference also to, all rules and regulations made under such statute, in the case of a statute, to all amendments made to such statute, regulation, policy, rule or instrument, and to any statute, regulation, policy, rule or instrument that may be passed which has the effect of supplementing or superseding the statute, regulation, policy, rule or instrument so referred to;

1.3.5 any reference to this Agreement or any other agreement, document or instrument will be construed as a reference to this Agreement or, as the case may be, such other agreement, document or instrument as the same may have been, or may from time to time be, amended, varied, replaced, amended and restated, supplemented or otherwise modified;

1.3.6 in the event that any day on which any amount is to be determined or any action is required to be taken hereunder is not a Business Day, then such amount will be determined or such action will be required to be taken at or before the requisite time on the next succeeding day that is a Business Day; and

1.3.7 except where otherwise expressly provided, all amounts in this Agreement are stated and will be paid in U.S. currency.

1.4 Actions by the Manager or the Service Recipients

Unless the context requires otherwise, where the consent of or a determination is required by any Manager or Service Recipient hereunder, the parties will be entitled to conclusively rely upon it having been given or taken, as applicable, if, such Manager or Service Recipient, as applicable, has communicated the same in writing.

1.5 Generally Accepted Accounting Principles

In this Agreement, references to “generally accepted accounting principles” mean the generally accepted accounting principles used by PMC Commercial in preparing its financial statements from time to time.

1.6 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties will engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

1.7 Entire Agreement

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement. There are no warranties, conditions, or representations (including any that may be implied by statute) and there are no agreements in connection with such subject matter except as specifically set forth or referred to in this Agreement. No reliance is placed on any warranty, representation, opinion, advice or assertion of fact made either prior to, contemporaneous with, or after entering into this Agreement, or any amendment or supplement hereto, by any party to this Agreement or its directors, officers, employees or agents, to any other party to this Agreement or its directors, officers, employees or agents, except to the extent that the same has been reduced to writing and included as a term of this Agreement, and none of the parties to this Agreement has been induced to enter into this Agreement or any amendment or supplement hereto by reason of any such warranty, representation, opinion, advice or assertion of fact. Accordingly, there will be no liability, either in tort or in contract, assessed in relation to any such warranty, representation, opinion, advice or assertion of fact, except to the extent contemplated above.

1.8 Waiver, Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement will be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement will constitute a waiver of any other provision nor will any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided. A party’s failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a party from any other or further exercise of that right or the exercise of any other right.

1.9 Governing Law

This Agreement will be governed by and interpreted and enforced in accordance with the laws of the state of Delaware. Each party irrevocably attorns and submits to the non-exclusive jurisdiction of the New York courts situated in New York, New York and waives objection to the venue of any proceeding in such court or any argument that such court provides an inconvenient forum.

ARTICLE 2 APPOINTMENT OF THE MANAGER

2.1 Appointment and Acceptance

2.1.1 Subject to and in accordance with the terms, conditions and limitations in this Agreement, the Service Recipients hereby appoint the Manager to provide or arrange for other Service Providers (including third parties retained on Manager’s behalf) to provide the Services to the Service Recipients. This appointment will be subject to each Service Recipient’s Governing Body’s supervision of the Manager and obligation to manage and control the affairs of such Service Recipient.

2.1.2 The Manager hereby accepts the appointment provided for in Section 2.1.1 and agrees to act in such capacity and to provide or arrange for other Service Providers to provide the Services to the Service Recipients upon the terms, conditions and limitations in this Agreement.

2.2 Subsidiaries

Subject to Section 12.5 hereof, the parties acknowledge that any Subsidiary that is not a party to this Agreement will execute a joinder of this Agreement agreeing to be bound by the terms of this Agreement; however, each Subsidiary shall be bound by the terms of this Agreement regardless of whether a joinder is executed for such Subsidiary.

2.3 Other Manager

The Manager may, from time to time, appoint an Affiliate of CIM Service Provider to act as a new Manager under this Agreement, effective upon the execution of a joinder agreement by the new Manager in the form set forth on Schedule B hereto.

2.4 Subcontracting and Other Arrangements

The Manager may subcontract to any other Service Provider or any of its other Affiliates, or arrange for the provision of any or all of the Services to be provided by it under this Agreement by any other Service Provider or any other of its Affiliates, and the Service Recipients hereby consent to any such subcontracting or arrangement; provided that the Manager will remain responsible to the Service Recipients for any Services provided by such other Service Provider or Affiliate.

ARTICLE 3 SERVICES AND POWERS OF THE MANAGER

3.1 Base Services

The Manager will provide or arrange for the provision by other Service Providers of, and will have the exclusive power and authority to provide or arrange for the provision by other Service Providers of, the following services (the “**Base Services**”) to the Service Recipients, for a fee as set forth in Article 7:

- 3.1.1 The non-exclusive right to make recommendations to the applicable nominating committee for members of PMC Commercial’s Governing Body;
- 3.1.2 providing overall strategic advice to PMC Commercial including advising with respect to the expansion of their business into new markets;
- 3.1.3 recommending suitable candidates to serve on the Governing Bodies of the Service Recipients (other than PMC Commercial);
- 3.1.4 making recommendations to the appropriate Governing Body with respect to the exercise of any voting rights to which the Service Recipients are entitled;
- 3.1.5 making recommendations to the PMC Governing Body with respect to the payment of dividends by PMC Commercial or any other distributions by the Service Recipients;
- 3.1.6 making recommendations to the PMC Governing Body with respect to individuals to carry out the functions of the principal executive, accounting and financial officers for PMC Commercial;
- 3.1.7 providing qualified individuals to act as senior officers of the Service Recipients as agreed from time to time, subject to the approval of the relevant Governing Body;
- 3.1.8 engaging and supervising, on PMC Commercial’s behalf and at PMC Commercial’s expense, independent contractors, including Affiliates of CIM Service Provider, that provide investment banking, securities brokerage, other financial services, due diligence services, underwriting review services, legal and accounting services, and all other services (including transfer agent and registrar services) as may be required relating to PMC Commercial’s operations and investments (or potential investments);
- 3.1.9 advising PMC Commercial as to its capital structure and capital raising activities;
- 3.1.10 advising PMC Commercial regarding marketing materials, advertising, industry group activities (such as conference participations and industry organization memberships) and other promotional efforts designed to promote PMC Commercial’s business;
- 3.1.11 providing all such other strategic planning services as may from time to time be deemed reasonably related to the above-listed Base Services as determined by the Manager; and
- 3.1.12 performing such other services as may be required from time to time for management and other activities relating to PMC Commercial’s properties and business, as its Governing Body shall reasonably request and the Manager shall deem appropriate under the particular circumstance.

To the extent that a service could be considered both a Base Service and a Transactional Service, such service shall be considered a Transactional Service.

3.2 Transactional Services

In the event that any Service Recipient would otherwise retain a third-party to perform any of the following “**Transactional Services**”, the Manager may elect, in its sole discretion, to provide, or have a Service Provider provide, such Transactional Service, for a fee to be approved by the Independent Members and determined pursuant to Section 7.8:

- 3.2.1 Identifying, recommending, negotiating terms, transacting and closing on acquisitions and dispositions of assets or businesses;
- 3.2.2 Overseeing, coordinating and executing on capital transactions for the Service Recipients whether in the form of debt, equity, preferred equity, bonds, debentures, or otherwise, including the preparation, review or distribution of any prospectus or offering memorandum in respect thereof and assisting with the communications support in connection therewith;
- 3.2.3 Securing, negotiating, structuring, working-out, amending and closing property level debt and other financing;
- 3.2.4 Identifying and securing Co-Investment or Joint Venture Partner equity for specific transactions;
- 3.2.5 Property management services;
- 3.2.6 Development and construction management services;
- 3.2.7 Leasing services;
- 3.2.8 Lending services and the origination of loans to third party borrowers;
- 3.2.9 Overseeing and assisting with the implementation of internal management at any Subsidiary as set forth in Section 5.2.4;
- 3.2.10 Obtaining insurance for Service Recipients and/or their properties;
- 3.2.11 Human resource services including, without limitation, payroll, payroll taxes, and benefits (including retirement benefits);
- 3.2.12 Accounting services; and
- 3.2.13 Activities related to the servicing of individual, or a portfolio, of loans due from third party borrowers.

The parties hereto agree that in the event any Service Recipient requires any other service for which a Service Recipient would otherwise need to retain a third party to perform, Manager or its affiliate shall have the right to perform such service as a Transactional Service. The fees and other terms and conditions under which the Transactional Service is to be rendered must be embodied in a written contract executed and delivered before the Transactional Service is to be rendered. For the avoidance of doubt, the Transactional Services are separate and apart from and are not duplicative of the services that are required to be provided under the CIM Partnership Investment Management Agreement, and notwithstanding anything to the contrary otherwise contained in this Agreement any services that are required to be provided under the CIM Partnership Investment Management Agreement cannot be performed under this Agreement as Transactional Services.

3.3 Supervision of the Manager’s Activities

Notwithstanding anything to the contrary otherwise contained herein, (i) the Manager will, at all times, be subject to the supervision of the relevant Service Recipient’s Governing Body, and (ii) no provision of this Agreement shall be construed as limiting the power and authority of each Service Recipient’s Governing Body to manage the business and affairs of such Service Recipient.

3.4 Restrictions on the Manager

3.4.1 The Manager represents and warrants that it is familiar with the provisions of the Code applicable to REITs. The Manager shall refrain (and shall cause each other Service Provider to refrain) from taking any action that, in their good faith judgment, and the Service Providers shall be entitled to rely on the advice of counsel and tax advisors in making such good faith judgment, would adversely and materially affect the qualification of PMC Commercial as a REIT under the Code (or its ability to satisfy the asset, income, diversity of ownership and other requirements set forth in Section 856, et seq. of the Code), would result in PMC Commercial being required to pay any taxes (or other sums) under Sections 856(c)(7), 857(b)(5), 857(b)(6), 857(f), 860(c) or 4981 of the Code or would adversely affect its status as an entity excluded from investment company status under the Investment Company Act of 1940, as amended. This Section 3.4.1 will only apply to the extent that PMC’s Governing Body intends that PMC continue to qualify as a REIT.

3.4.2 In performing its duties under this Agreement, each Service Provider will be entitled to rely in good faith on qualified experts, professionals and other agents (including on accountants, appraisers, consultants, legal counsel and other, professional advisors) and will be permitted to rely in good faith upon the direction of the applicable Governing Body to evidence any approvals or authorizations that are required under this Agreement. All references in this Agreement to the Service Recipients or Governing Body for the purposes of instructions, approvals and requests to the Manager will refer to the Governing Body.

3.4.3 The Manager acknowledges receipt of PMC Commercial's Code of Business Conduct and Ethics (the "**Code of Conduct**") and agrees to require such persons who provide services to PMC Commercial to comply with such Code of Conduct in the performance of such services hereunder or such comparable policies as shall in substance hold such persons to at least the standards of conduct set forth in the Code of Conduct.

3.4.4 CIM Service Provider, at its sole cost and expense, shall maintain any required registration of CIM Service Provider or any Affiliates with the SEC under the Investment Advisers Act of 1940, as amended. CIM Service Provider, at PMC Commercial's cost and expense, shall maintain any required registration of CIM Service Provider or any Affiliates with any state securities authority in any state in which CIM Service Provider or its Affiliates is required to be registered as an investment adviser under applicable securities Laws solely as a result of CIM Service Provider's or such Affiliate's provision of Services under this Agreement. In the event that CIM Service Provider or any such Affiliate is required to register and maintain any such registration under applicable securities Laws as a result of rendering services to third parties, the cost of such registration and maintenance shall be fairly and reasonably allocated between PMC Commercial and its Subsidiaries and such third parties.

3.4.5 The Manager will, and will cause any other Service Provider to, refrain from knowingly taking any action that is not in compliance with or would violate any Laws or that otherwise would not be permitted by the applicable Governing Instruments of the Service Recipients in performing the Services. If any Manager or any Service Provider is instructed to take any action that it believes is not in compliance with Section 3.4.1 or applicable Laws by the applicable Governing Body, such person will promptly notify such Governing Body of its judgment that such action would not comply with Section 3.4.1 or violate any such Laws or otherwise would not be permitted by such Governing Instrument, and shall not be obligated to take such action.

3.5 Errors and Omissions Insurance

The Manager will, and will cause, any other Service Provider to, at all times during the term of this Agreement maintain "**errors and omissions**" insurance coverage and other insurance coverage which is customarily carried by Persons performing functions that are similar to those performed by the Service Providers under this Agreement and in an amount which is comparable to that which is customarily maintained by such other Persons. Such insurance shall name PMC Commercial as an additional insured.

3.6 No Commingling

As necessary, the Manager shall establish and maintain one or more separate bank accounts in the name of a Service Recipient at a reputable bank or other financial institution. No funds of PMC Commercial or any Subsidiary shall be commingled with the funds of any other Person nor shall such funds be employed by the Manager or any Service Provider as compensating balances other than in respect of the relevant Service Recipient's borrowings. The Manager shall from time to time render appropriate accountings of such collections and payments to PMC Commercial's Governing Body and, upon request, to the auditors of PMC Commercial or any of its Subsidiaries.

ARTICLE 4 RELATIONSHIP BETWEEN THE MANAGER AND THE SERVICE RECIPIENTS

4.1 Other Activities

Nothing in this Agreement shall (i) prevent the Manager Group (or any Affiliate, director, officer, member, partner, shareholder or employee of any member of the Manager Group), from engaging in other businesses or from rendering services of any kind to any other person or entity, including, without limitation, investing in, or rendering advisory service to others investing in, any type of investments or other real estate investments (including, without limitation, investments that meet the principal investment objectives of PMC Commercial or its Subsidiaries), whether or not the investment objectives or policies of any such other person or entity are similar to those of PMC Commercial or its Subsidiaries, or (ii) in any way bind or restrict Manager Group (or any Affiliate, director, officer, member, partner, shareholder or employee of any member of the Manager Group) from buying, selling or trading any securities or commodities for their own accounts or for the account of others for whom the Manager Group (or any Affiliate, director, officer, member, partner, shareholder or employee of any member of the Manager Group) may be acting. The Manager Group has an allocation policy and procedure in place, and the Service Providers shall operate in compliance with such allocation policy and procedure, as it may be amended from time to time.

4.2 Exclusivity

The Service Recipients will not, during the term of this Agreement, engage any other Person to provide any services comparable to the Base Services or the services under an Investment Management Agreement without the prior written consent of the Manager.

4.3 Independent Contractor, No Partnership, Joint Venture or Agency

The parties acknowledge that the Manager is providing or arranging for the provision of the Services hereunder as independent contractors and that the Service Recipients and the Manager are not partners or joint venturers with or agents of each other, and nothing herein will be construed so as to make them partners, joint venturers or agents or impose any liability as such on any of them as a result of this Agreement; provided, however that nothing herein will be construed so as to prohibit the Service Recipients and the Manager from embarking upon an investment together as partners, joint venturers or in any other manner whatsoever.

ARTICLE 5 MANAGEMENT AND EMPLOYEES

5.1 Management and Employees

5.1.1 The Manager will arrange, or will arrange for Service Provider to arrange, for such qualified personnel and support staff to be available to carry out the Services. Such personnel and support staff will devote such of their time to the provision of the Services to the Service Recipients as the relevant member of the Manager Group reasonably deems necessary and appropriate in order to fulfill its obligations hereunder. Such personnel and support staff need not have as their primary responsibility the provision of the Services to the Service Recipients or be dedicated exclusively to the provision of the Services to the Service Recipients.

5.1.2 Each of the Service Recipients will do all things reasonably necessary on its part as requested by any member of the Manager Group consistent with the terms of this Agreement to enable the members of the Manager Group to fulfill their obligations, covenants and responsibilities and to exercise their rights pursuant to this Agreement, including making available to the Manager Group, and granting the Manager Group access to, the employees and contractors of the Service Recipients as any member of the Manager Group may from time to time request.

5.2 Compensation Charges

5.2.1 The parties acknowledge and agree that it may be desirable for employees and other personnel of any member of the Service Recipients or the CIM Entities to provide services not included in the Services to a member of the other group. In these cases, all or a portion of the compensation (including cash, options or other security-based compensation) paid or payable to employees or other personnel who devote a portion of their time to the provision of services to the other group may be allocated to a member of such other group (a “**Compensation Charge**”).

5.2.2 At the end of each calendar year, PMC Commercial and Manager agree to negotiate in good faith the terms of any Compensation Charge in respect of that calendar year; provided, that the amount of any Compensation Charge allocated to a member of the Service Recipients must be approved by the Independent Members.

5.2.3 Management of CIM Partnership

PMC Commercial hereby agrees to appoint a member of the CIM Entities, as designated by the CIM Entities, as the manager (the “**Urban GP Manager**”) of the General Partner. The parties hereto agree that subject to the limitations set forth in the Governing Instruments of CIM Partnership and the General Partner (i) the Urban GP Manager shall have the power and authority to manage, to direct the management, business and affairs of and to make all decisions to be made by or on behalf of (x) the General Partner and (y) CIM Partnership, and (ii) if Cause shall exist with respect to CIM Partnership then the Independent Members or, subject to the terms of the Governing Instruments of PMC Commercial, the PMC Commercial shareholders shall have the right to call a special meeting of the PMC Commercial shareholders for the purpose of voting on the removal of Urban GP Manager as the manager of the General Partner and the holders of at least sixty-six and two thirds percent (66 2/3%) of the outstanding shares of PMC Commercial (excluding for this purpose any shares held by the Manager Group and their Affiliates, except to the extent set forth in the immediately following sentence), may remove Urban GP Manager as the manager of the General Partner, and the Independent Members shall appoint a replacement manager of the General Partner. Notwithstanding the foregoing, CIM Urban REIT, LLC shall have the right to vote any shares of PMC Commercial that it owns with respect to any vote held to remove Urban GP Manager as the manager of the General Partner; provided, however, if any such removal vote is held after the second anniversary of this Agreement, CIM Urban REIT, LLC shall obtain voting instructions from each of its remaining Class A Members (excluding any Class A Members that are part of the Manager Group or Affiliates of the Manager Group) with respect to voting the shares beneficially owned

by such Class A Member, and CIM Urban REIT, LLC shall vote the number of shares beneficially owned by each such Class A Member as so instructed by such Class A Member. The Urban GP Manager may also be removed as the manager of the General Partner in the event the Urban GP Manager dissolves, makes a general assignment for the benefit of creditors, institutes bankruptcy proceedings, consents to the filing of a petition of bankruptcy against it, is adjudicated by a court of competent jurisdiction as being bankrupt or insolvent, seeks reorganization under any bankruptcy law or consents to the filing of a petition seeking such reorganization or has a decree entered against it by a court of competent jurisdiction appointing a receiver, liquidator, trustee or assignee in bankruptcy or insolvency.

5.2.4 Management of New Businesses

The Manager may develop plans and recommend new business opportunities to the PMC Governing Body for its approval. For each new business recommended by the Manager, the parties hereto agree that the Manager shall recommend for the approval of the PMC Commercial Governing Body whether each new Subsidiary or Subsidiaries comprising such new business shall be internally managed or externally managed (and if externally managed, the Person who shall be the external Manager and the terms of the applicable Investment Management Agreement); provided, however, that if the proposed external manager shall be a Service Provider, the decision to make such Subsidiary externally managed and the terms of the applicable Investment Management Agreement must be approved by the Independent Members. If the Subsidiary shall be internally managed, a Service Provider shall oversee the hiring of personnel and the implementation of internal management at any Subsidiary as a Transactional Service.

ARTICLE 6 INFORMATION AND RECORDS

6.1 Books and Records; Confidentiality

(a) The Manager Group shall maintain appropriate books of accounts and records relating to services performed hereunder, and such books of account and records shall be accessible for inspection by representatives of PMC Commercial or any Subsidiary at any time during normal business hours. In addition, the Manager Group will make available to the Service Recipients or their authorized representatives such financial and operating data in respect of the performance of the Services under this Agreement as may be in existence and as the Service Recipients or their authorized representatives may from time to time reasonably request, including for the purposes of conducting any audit in respect of expenses of the Service Recipients or other matters necessary or advisable to be audited in order to conduct an audit of the financial affairs of the Service Recipients. The Manager Group shall keep confidential any and all non-public information, written or oral, obtained by them in connection with the services rendered hereunder (“**Confidential Information**”) and shall not use Confidential Information except in furtherance of their duties under this Agreement or disclose Confidential information, in whole or in part, to any Person other than (i) to their Affiliates, officers, directors, employees, agents, representatives or advisors who need to know such Confidential Information for the purpose of rendering services hereunder, (ii) to appraisers, financing sources and others in the ordinary course of PMC Commercial’s business ((i) and (ii) collectively, “**Manager Permitted Disclosure Parties**”), (iii) in connection with any governmental or regulatory filings of PMC Commercial, or filings with the Principal Exchange or other applicable securities exchanges or markets, or disclosure or presentations to PMC Commercial’s investors (subject to compliance with Regulation FD), (iv) to governmental officials having jurisdiction over PMC Commercial, (v) as required by law or legal process to which the Manager or any Person to whom disclosure is permitted hereunder is a party, or (vi) with the consent of PMC Commercial. The Manager agrees to inform each of their Manager Permitted Disclosure Parties of the non-public nature of the Confidential Information and to obtain agreement from such Persons to treat such Confidential information in accordance with the terms hereof.

(b) Nothing herein shall prevent any Manager Permitted Disclosure Party from disclosing Confidential information (i) upon the order of any court or administrative agency, (ii) upon the request or demand of, or pursuant to any law or regulation to, any regulatory agency or authority, (iii) to the extent reasonably required in connection with the exercise of any remedy hereunder, or (iv) to its legal counsel or independent auditors; provided, however, that with respect to clauses (i) and (ii), it is agreed that, so long as not legally prohibited, the Manager will provide PMC Commercial with prompt written notice of such order, request or demand so that PMC Commercial may seek, at its sole expense, an appropriate protective order and for waive the Manager Permitted Disclosure Party compliance with the provisions of this Agreement. If, failing the entry of a protective order or the receipt of a waiver hereunder, the Manager Permitted Disclosure Party is required to disclose Confidential Information, the Manager Permitted Disclosure Party may disclose only that portion of such information that is legally required without liability hereunder; provided, that the Manager Permitted Disclosure Party agrees to exercise its commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such Confidential Information.

(c) Notwithstanding anything herein to the contrary, each of the following shall be deemed to be excluded from provisions hereof: any Confidential Information that (A) is available to the public from a source other than the Manager, (B) is released in writing by PMC Commercial to the public (except to the extent exempt under Regulation FD) or to persons who are not under similar obligation of confidentiality to PMC Commercial, or (C) is obtained by the Manager from a third-party which, to the best of the Manager’s knowledge, does not constitute a breach by such third-party of an obligation of confidence with respect to the Confidential Information disclosed. The provisions of this Section 6.1 shall survive the expiration or earlier termination of this Agreement.

6.2 Access to Information by Manager Group

6.2.1 The Service Recipients will, as necessary to provide the Services:

6.2.1.1 grant, or cause to be granted, to the Manager Group full access to all documentation and information, including all of the books, records, documents and financial and operating data of the Service Recipients necessary in order for the Manager Group to perform its obligations, covenants and responsibilities pursuant to the terms hereof and to enable the Manager Group to provide the Services; and

6.2.1.2 provide, or cause to be provided, all documentation and information as may be reasonably requested by any member of the Manager Group, and promptly notify the appropriate member of the Manager Group of any material facts or information of which the Service Recipients are aware, including any known, pending or threatened suits, actions, claims, proceedings or orders by or against any member of the Service Recipients before any Governmental Authority, that may affect the performance of the obligations, covenants or responsibilities of the Manager Group pursuant to this Agreement, including the maintenance of proper financial records.

6.3 Additional Information

The parties acknowledge and agree that conducting the activities and providing the Services contemplated herein may have the incidental effect of providing additional information which may be utilized with respect to, or may augment the value of, business interests and related assets in which any Service Provider or any of its Affiliates has an interest and that, subject to compliance with this Agreement, none of the Service Providers or any of their respective Affiliates will be liable to account to the Service Recipients with respect to such activities or results; provided, however, that the relevant Service Provider will not (and will cause its Affiliates not to), in making any use of such additional information, do so in any manner that the relevant Service Provider or any of its Affiliates knows, or ought reasonably to know, would cause or result in a breach of any confidentiality provision of agreements to which any Service Recipient is a party or is bound.

ARTICLE 7 FEES AND EXPENSES

7.1 Base Service Fee

7.1.1 The Service Recipients hereby agree to pay as provided by this Article 7, during the term of this Agreement, the Base Service Fee, quarterly in arrears. The Base Service Fee will accrue commencing on the date hereof and will be pro-rated based on the number of days during the first Quarter in which this Agreement is in effect.

7.2 Computation and Payment of Base Service Fee

7.2.1 The Manager or another Service Provider will compute each installment and allocation of the Base Service Fee as soon as practicable, but in any event no later than five Business Days, following the end of the Quarter with respect to which such installment is payable. Payment of the Base Service Fee for any Quarter (whether in cash, Shares, or any combination of the foregoing) will be due and payable no later than the 45th day following the end of such Quarter.

7.2.2 For any Quarter in which the Independent Members determines that the Service Recipients have insufficient Available Cash to pay the Base Service Fee as well as the next regular distribution on Shares, the Service Recipients may elect to pay all or a portion of the Base Service Fee payable in such Quarter in Shares, provided that any such election will be made within 45 days following the end of the applicable Quarter. If the Service Recipients elect to pay all or a portion of the Base Service Fee in Shares, PMC Commercial will issue, and the applicable Manager hereby agrees to acquire, Shares equal to the portion of the Base Service Fee elected to be paid in Shares divided by the Fair Market Value of a Share on the date the Service Recipients make such election (provided that no fractional Shares will be issued, and such number will be rounded down to the nearest whole number with the remainder payable to the Manager in cash). In such case, PMC Commercial shall apply such payment against the subscription price for such Shares.

7.2.3 If the Service Recipients elect to pay all or any portion of the Base Service Fee for any Quarter in Shares, the Service Recipients will take or cause to be taken all appropriate action to issue such Shares including any action required to ensure that such Shares are issued in accordance with applicable Laws and listed on any applicable stock exchanges and public quotation systems.

7.3 Failure to Pay When Due

Any amount payable by any Service Recipient to any member of the Manager Group hereunder which is not remitted when so due will remain due (whether on demand or otherwise) and interest will accrue on such overdue amounts (both before and after judgment) at a rate per annum equal to the Interest Rate.

7.4 Amendment to the Base Fee Amount

The parties acknowledge and agree that it may be desirable to increase or reduce the Base Fee Amount from time to time. The Base Fee Amount may be increased or reduced from time to time with the mutual approval of the Independent Members and CIM Service Provider.

7.5 Expenses

7.5.1 The Manager acknowledges and agrees that the Service Recipients will not be required to reimburse any member of the Manager Group for the salaries and other remuneration of the management, personnel or support staff who provide the Base Services to such Service Recipients or overhead for such persons, other than as contemplated by Section 7.5.2. Subject to Section 7.5.2, no member of the Manager Group shall be reimbursed for any costs and expenses relating to the general operation of such member's business, including administrative expenses, office expenses, insurance of the Manager Group and their employees, rent, and all or any part of any member of the Manager Group's travel expenses and legal expenses that are not directly incurred in the course of the business, and for the benefit of the Service Recipients.

7.5.2 Each of the Service Recipients will reimburse the relevant member of the Manager Group for all direct expenses and out-of-pocket fees, costs and expenses, including those of any third party (other than those contemplated by Section 7.5.1) ("**Expenses**"), incurred by the relevant member of the Manager Group in connection with the provision of the Base Services. Such Expenses are expected to include, among other things:

7.5.2.1 the cost of any insurance required to be obtained by the Service Providers under this Agreement, including without limitation, pursuant to Section 3.5;

7.5.2.2 all insurance costs incurred in connection with the operation of PMC Commercial's or any of its Subsidiaries' business, including, without limitation, any costs to obtain liability or other insurance to indemnify the Manager, the Service Providers and underwriters of any securities of PMC Commercial, but excluding the costs attributable to the insurance that the Manager elects to carry for itself and its personnel;

7.5.2.3 fees, costs and expenses incurred in connection with the general administration of any Service Recipient;

7.5.2.4 taxes, licenses and other statutory fees or penalties levied against or in respect of a Service Recipient in respect of Services;

7.5.2.5 amounts owed by the relevant member of the Manager Group under indemnification, contribution or similar arrangements;

7.5.2.6 any other fees, costs and expenses incurred by the relevant member of the Manager Group that are reasonably necessary for the performance by the relevant member of the Manager Group of its duties and functions under this Agreement; and

7.5.2.7 direct expenses of the Manager Group allocable to the provision of the Services, including without limitation, accounting expenses and information technology expenses associated with any computer software or hardware, electronic equipment or purchased information technology services from third-party vendors that is used for the Service Recipients.

7.6 Governmental Charges

Without limiting Section 7.5, the Service Recipients will pay or reimburse the relevant member of the Manager Group for all sales taxes, use taxes, value added taxes, goods and services taxes, harmonized sales taxes, withholding taxes or other similar taxes, customs duties or other governmental charges ("**Governmental Charges**") that are levied or imposed by any Governmental Authority by reason of this Agreement or the fees or other amounts payable hereunder, except for any income taxes, corporation taxes, capital taxes or other similar taxes payable by any member of the Manager Group which are personal to such member of the Manager Group. Any failure by the Manager Group to collect monies on account of these Governmental Charges will not constitute a waiver of the right to do so.

7.7 Computation and Payment of Expenses and Governmental Charges

From time to time the Manager will, or will cause the other Service Providers to, prepare statements (each an “**Expense Statement**”) documenting the Expenses and Governmental Charges to be reimbursed by the Service Recipients pursuant to this Article 7 and will deliver such statements to the relevant Service Recipient. All Expenses and Governmental Charges reimbursable pursuant to this Article 7 will be reimbursed by the relevant Service Recipient no later than the date which is 30 days after the receipt of an Expense Statement. The provisions of this Section 7.7 will survive the termination of this Agreement.

7.8 Transactional Service Fees

In connection with the provision of a Transactional Service, in addition to the Base Service Fee, the applicable Service Recipients shall pay to the applicable Service Providers a “**Transaction Fee**” equal to the fair market rate charged by similar quality service providers providing similar services in the same geographic market and are generally at least as favorable to the Service Recipient as the terms available in an arm’s-length transaction with a third party; provided, however, that the Service Provider may agree to accept a lower fee, in its sole discretion. The Transaction Fee shall be due at such times as is market for the applicable Transactional Service. The Transaction Fee for property management, leasing brokerage and development management services will not exceed the limits set forth on Schedule B to the CIM Partnership Agreement, as the same may be amended from time to time with the approval of the Independent Members to add Transactional Services and the related Transaction Fees thereto or to modify the amount of any Transaction Fee set forth thereon (the “**Approved Transaction Fee Services**”). Except for any agreement that provides for the provision of Approved Transaction Fee Services, without the approval of the Independent Members, the Service Recipients and the Manager Group will not enter into or amend any individual agreement which obligates the Service Recipients to pay, in the aggregate, Transaction Fees in excess of \$500,000 per calendar year. At each quarterly meeting of the PMC Commercial Governing Body, the Manager shall provide the PMC Commercial Governing Body with a schedule of all arrangements for Transactional Services (excluding Approved Transaction Fee Services) entered into during the prior quarter, which summary shall identify the agreement and the parties thereto, summarize the Transactional Services provided thereunder and the Transaction Fee payable thereunder. Following the review and consideration by the Governing Body of PMC Commercial, if the Independent Members determines that any Transaction Fees that are payable or that have been paid by the Service Recipients do not meet the standard set forth in the first sentence of this Section 7.8, the Independent Members and the Manager shall negotiate in good faith the proper fee.

ARTICLE 8 RESERVED

ARTICLE 9 REPRESENTATIONS AND WARRANTIES OF THE MANAGER AND THE SERVICE RECIPIENTS

9.1 Representations and Warranties of the Manager

The Manager hereby represents and warrants to the Service Recipients that:

- 9.1.1 it (and, as applicable, its general partner) is validly organized and existing under the Laws governing its formation and existence;
- 9.1.2 it, or another Service Provider, holds such Permits necessary to perform its obligations hereunder and is not aware of any reason why such Permits might be cancelled;
- 9.1.3 it (or, as applicable, its general partner on its behalf) has the power, capacity and authority to enter into this Agreement and to perform its duties and obligations hereunder;
- 9.1.4 it (or, as applicable, its general partner) has taken all necessary action to authorize the execution, delivery and performance of this Agreement;
- 9.1.5 the execution and delivery of this Agreement by it (or, as applicable, its general partner on its behalf) and the performance by it of its obligations hereunder do not and will not contravene, breach or result in any default under its Governing Instruments (or, as applicable, the Governing Instruments of its general partner), or under any mortgage, lease, agreement or other legally binding instrument, Permit or applicable Law to which it is a party or by which it or any of its properties or assets may be bound;
- 9.1.6 no authorization, consent or approval, or filing with or notice to any Person is required in connection with the execution, delivery or performance by it (or, as applicable, its general partner on its behalf) of this Agreement; and

9.1.7 this Agreement constitutes a valid and legally binding obligation of it enforceable against it in accordance with its terms, subject to: (i) applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and other laws of general application limiting the enforcement of creditors' rights and remedies generally; and (ii) general principles of equity, including standards of materiality, good faith, fair dealing and reasonableness, equitable defenses and limits as to the availability of equitable remedies, whether such principles are considered in a proceeding at law or in equity.

9.2 Representations and Warranties of the Service Recipients

Each of the Service Recipients (or, as applicable, its general partner on its behalf) hereby represents and warrants to the Manager that:

9.2.1 it (and, as applicable, its general partner) is validly organized and existing under the Laws governing its formation and existence;

9.2.2 it holds such Permits necessary to own and operate the assets that it directly or indirectly owns or operates from time to time and is not aware of any reason why such Permits might be cancelled;

9.2.3 it (or, as applicable, its general partner on its behalf) has the power, capacity and authority to enter into this Agreement and to perform its duties and obligations hereunder;

9.2.4 it (or, as applicable, its general partner) has taken all necessary action to authorize the execution, delivery and performance of this Agreement;

9.2.5 the execution and delivery of this Agreement by it (or, as applicable, its general partner on its behalf) and the performance by it of its obligations hereunder do not and will not contravene, breach or result in any default under its Governing Instruments (or, if applicable, the Governing Instruments of its general partner), or under any mortgage, lease, agreement or other legally binding instrument, Permit or applicable Law to which it is a party or by which any of its properties or assets may be bound;

9.2.6 no authorization, consent or approval, or filing with or notice to any Person is required in connection with the execution, delivery or performance by it (or, as applicable, its general partner on its behalf) of this Agreement; and

9.2.7 this Agreement constitutes a valid and legally binding obligation of it enforceable against it in accordance with its terms, subject to: (i) applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and other laws of general application limiting the enforcement of creditors' rights and remedies generally; and (ii) general principles of equity, including standards of materiality, good faith, fair dealing and reasonableness, equitable defenses and limits as to the availability of equitable remedies, whether such principles are considered in a proceeding at law or in equity.

ARTICLE 10 LIABILITY AND INDEMNIFICATION

10.1 Indemnity

10.1.1 The Service Recipients (for the purposes of this Article 10, each a "**Recipient Indemnifying Party**") hereby jointly and severally agree, to the fullest extent permitted by applicable Laws, to indemnify and hold harmless each member of the Manager Group, any of its Affiliates (other than any member of the PMC Commercial Group) and any directors, officers, agents, subcontractors, contractors, delegates, members, partners, shareholders, employees and other representatives of each of the foregoing (each, a "**Manager Indemnified Party**") from and against any claims, liabilities, losses, damages, costs or expenses (including legal fees) ("**Liabilities**") incurred by them or threatened in connection with any and all actions, suits, investigations, proceedings or claims of any kind whatsoever, whether arising under statute or action of a Governmental Authority or otherwise or in connection with the business, investments and activities of the Service Recipients or in respect of or arising from this Agreement or the Services provided hereunder ("**Claims**"), including any Claims arising on account of the Governmental Charges contemplated by Section 7.6; provided that no Manager Indemnified Party will be so indemnified with respect to any Claim to the extent that such Claim resulted from such Manager Indemnified Party's fraud, willful misconduct, gross negligence or any violation of any Federal or state securities law or any other intentional or criminal wrongdoing or a material breach of the terms of this Agreement. Such determination shall be made by the Independent Members; provided, however, that if there is a good-faith dispute as to whether such standard has been met (which shall be determined in the good-faith judgment of the Independent Members), the Manager Indemnified Party shall be entitled to indemnification unless it is finally determined by a final and non-appealable judgment entered by a court of competent jurisdiction, or pursuant to a settlement agreement agreed to by such Manager Indemnified Party, that such Manager Indemnified Party did not meet such standard.

10.1.2 Each member of the Manager Group (for the purposes of this Article 10, each a "**Manager Indemnifying Party**"; a Manager Indemnifying Party and a Recipient Indemnifying Party are each sometimes referred to herein as an "**Indemnifying Party**") shall, jointly and severally, to the fullest extent permitted by applicable Laws, reimburse, indemnify and hold harmless

the Service Recipients, and their trust managers, directors, officers, agents, members, partners, shareholders, employees and other representatives (each, a “**Recipient Indemnified Party**”; a Manager Indemnified Party and a Recipient Indemnified Party are each sometimes referred to herein as an “**Indemnified Party**”) of and from any and all Liabilities in respect of or arising from (i) any acts or omissions of the Manager constituting willful misconduct, gross negligence or any violation of any Federal or state securities law or any other intentional or criminal wrongdoing or a breach of the terms of this Agreement, or (ii) any Claims by the Manager’s employees relating to the terms and conditions of their employment by the Manager.

10.1.3 The Manager and the Service Recipients agree that if any action, suit, investigation, proceeding or Claim is made or brought by any third party with respect to which an Indemnifying Party is obligated to provide indemnification under this Agreement (a “**Third Party Claim**”), the Indemnified Party will have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel, as well as the reasonable costs (excluding an amount reimbursed to such Indemnified Party for the time spent in connection therewith) and out of pocket expenses incurred in connection therewith will be paid by the Indemnifying Party in such case, as incurred but subject to recoupment by the Indemnifying Party if ultimately it is not liable to pay indemnification hereunder.

10.1.4 The Manager and the Service Recipients agree that, promptly after the receipt of notice of the commencement of any Third Party Claim, the Indemnified Party in such case will notify the Indemnifying Party in writing of the commencement of such Third Party Claim (provided that any accidental failure to provide any such notice will not prejudice the right of any such Indemnified Party hereunder) and, throughout the course of such Third Party Claim, such Indemnified Party will use its best efforts to provide copies of all relevant documentation to such Indemnifying Party and will keep the Indemnifying Party apprised of the progress thereof and will discuss with the Indemnifying Party all significant actions proposed.

10.1.5 The parties hereto expressly acknowledge and agree that the right to indemnity provided in this Section 10.1 will be in addition to and not in derogation of any other liability which the Indemnifying Party in any particular case may have or of any other right to indemnity or contribution which any Indemnified Party may have by statute or otherwise at law.

10.1.6 The indemnities provided in this Section 10.1 will survive the completion of Services rendered under, or any termination or purported termination of, this Agreement.

10.2 Limitation of Liability

10.2.1 The Manager assumes no responsibility under this Agreement other than to render the Services in good faith and will not be responsible for any action of a Service Recipient’s Governing Body in following or declining to follow any advice or recommendations of the relevant Service Provider, including as set forth in Section 3.3 hereof.

10.2.2 The Service Recipients hereby agree that no Manager Indemnifying Party will be liable to a Service Recipient, a Service Recipient’s Governing Body (including, for greater certainty, a director or officer of a Service Recipient or another individual with similar function or capacity) or any security holder or partner of a Service Recipient for any Liabilities that may occur as a result of any acts or omissions by the Manager Indemnifying Party pursuant to or in accordance with this Agreement, except by reason of acts or omissions constituting fraud, willful misconduct, gross negligence or any violation of any Federal or state securities law or any other intentional or criminal wrongdoing or a breach of the terms of this Agreement.

10.2.3 The maximum amount of the aggregate liability of the Manager Indemnifying Parties pursuant to this Agreement will be equal to the Base Fee Amount and Transaction Fees (excluding Transaction Fees paid with respect to property management, leasing brokerage and development management services) previously paid in respect of the Services pursuant to this Agreement in the two most recent calendar years by the Service Recipients.

10.2.4 For the avoidance of doubt, the provisions of this Section 10.2 will survive the completion of the Services rendered under, or any termination or purported termination of, this Agreement. For the avoidance of doubt, the limitations on liability set forth in this Section 10.2 do not apply to any liability that any member of the Manager Group may have pursuant to the CIM Partnership Investment Management Agreement, the CIM Partnership Agreement, or any other agreement.

ARTICLE 11 TERM AND TERMINATION

11.1 Term

This Agreement will continue in full force and effect, until December 31, 2018 (the “**Initial Term**”) unless terminated in accordance with the terms hereof. After the Initial Term, this Agreement shall be renewed automatically each year for an additional one-year period (an “**Automatic Renewal Term**”) unless PMC Commercial or the Manager terminate this Agreement in accordance with Section 11.2 or Section 11.3, as applicable.

11.2 Termination by the Service Recipients

11.2.1 The Independent Members may, subject to Section 11.2.3, terminate this Agreement effective upon 30 days' prior written notice of termination to the Manager without payment of any termination fee if:

11.2.1.1 the Manager defaults in the performance or observance of any material term, condition or agreement contained in this Agreement in a manner that results in material harm to the Service Recipients and such default continues for a period of 60 days after written notice thereof specifying such default and requesting that the same be remedied in such 60-day period; provided, however, that if the fact, circumstance or condition that is the subject of such obligation cannot reasonably be remedied within such 60-day period and if, within such period, the Manager provides reasonable evidence to the Service Recipients that they have commenced, and thereafter proceed with all due diligence, to remedy the fact, circumstance or condition that is the subject of such obligation, such period will be extended for a reasonable period satisfactory to the Service Recipients, acting reasonably, for the Manager to remedy the same;

11.2.1.2 the Manager engages in any act of fraud, misappropriation of funds or embezzlement against any Service Recipient that results in material harm to the Service Recipients;

11.2.1.3 the Manager acts, or fails to act, in a manner constituting gross negligence, willful misconduct or reckless disregard in the performance of its obligations under this Agreement, in each case that results in material harm to the Service Recipients;

11.2.1.4 a Manager Change of Control occurs that the Independent Members determines is materially detrimental to the Service Recipients as a whole; or

11.2.1.5 the Manager dissolves or makes a general assignment for the benefit of its creditors, institutes proceedings to be adjudicated voluntarily bankrupt, consents to the filing of a petition of bankruptcy against it, is adjudicated by a court of competent jurisdiction as being bankrupt or insolvent, seeks reorganization under any bankruptcy law or consents to the filing of a petition seeking such reorganization or has a decree entered against it by a court of competent jurisdiction appointing a receiver liquidator, trustee or assignee in bankruptcy or in insolvency.

11.2.2 This Agreement may be terminated by the mutual agreement of the Independent Members and the Manager.

11.2.3 Each of the Service Recipients hereby agrees and confirms that this Agreement may not be terminated due solely to the poor performance or underperformance of any of the Service Recipient's operations or any investment made by any member of the Service Recipients on the recommendation of any member of the Manager Group.

11.3 Termination by the Manager

11.3.1 The Manager may terminate this Agreement effective upon written notice of termination to the Service Recipients without payment of any termination fee if:

11.3.1.1 any Service Recipient defaults in the performance or observance of any material term, condition or agreement contained in this Agreement in a manner that results in material harm to the Manager and such default continues for a period of 60 days after written notice thereof specifying such default and requesting that the same be remedied in such 60-day period; provided, however, that if the fact, circumstance or condition that is the subject of such obligation cannot reasonably be remedied within such 60-day period and if, within such period, the Service Recipients provide reasonable evidence to the Manager that they have commenced, and thereafter proceed with all due diligence, to remedy the fact, circumstance or condition that is the subject of such obligation, such period will be extended for a reasonable period satisfactory to the Manager, acting reasonably, for the Service Recipients to remedy the same; or

11.3.1.2 any Service Recipient makes a general assignment for the benefit of its creditors, institutes proceedings to be adjudicated voluntarily bankrupt, consents to the filing of a petition of bankruptcy against it, is adjudicated by a court of competent jurisdiction as being bankrupt or insolvent, seeks reorganization under any bankruptcy law or consents to the filing of a petition seeking such reorganization or has a decree entered against it by a court of competent jurisdiction appointing a receiver liquidator, trustee or assignee in bankruptcy or in insolvency.

11.4 Survival Upon Termination

If this Agreement is terminated pursuant to this Article 11, such termination will be without any further liability or obligation of any party hereto, except as provided in Section 6.1, Section 6.3, Section 7.3, Section 7.7, Article 10, Section 11.5 and Section 11.6.

11.5 Action Upon Termination

11.5.1 From and after the effective date of the termination of this Agreement, the Manager will not be entitled to receive the Base Service Fee for further Services under this Agreement, but will be paid all compensation accruing to and including the date of termination (or acquisition).

11.5.2 Upon any termination of this Agreement, the Manager will forthwith:

11.5.2.1 after deducting any accrued compensation and reimbursements for any Expenses to which it is then entitled, pay over to the Service Recipients all money collected and held for the account of the Service Recipients pursuant to this Agreement;

11.5.2.2 deliver to the Service Recipients' Governing Bodies a full accounting, including a statement showing all payments collected by it and a statement of all money held by it, covering the period following the date of the last accounting furnished to the Governing Bodies with respect to the Service Recipients;

11.5.2.3 deliver to the Service Recipients' Governing Bodies all property and documents of the Service Recipients then in the custody of the Manager Group; and

11.5.2.4 cooperate with PMC Commercial and the Subsidiaries in executing an orderly transition of the management of PMC Commercial's consolidated assets to PMC Commercial or a new manager.

11.6 Release of Money or other Property Upon Written Request

The Manager hereby agrees that any money or other property of the Service Recipients or their Subsidiaries held by the Manager Group under this Agreement will be held by the relevant member of the Manager Group as custodian for such Person, and the relevant member of the Manager Group's records will be appropriately marked clearly to reflect the ownership of such money or other property by such Person. Upon the receipt by the Manager of a written request signed by a duly authorized representative of a Service Recipient requesting the Manager to release to the Service Recipient any money or other property then held by the Manager for the account of such Service Recipient under this Agreement, the Manager will release such money or other property to the Service Recipient within a reasonable period of time, but in no event later than 30 business days following such request. Upon delivery of such money or other property to the Service Recipient, the Manager will not be liable to any Service Recipient, a Service Recipient's Governing Body or any other Person for any acts performed or omissions to act by a Service Recipient in connection with the money or other property released to the Service Recipient in accordance with the second sentence of this Section 11.6. Each Service Recipient will indemnify and hold harmless the relevant member of the Manager Group, any of its Affiliates (other than any member of the PMC Commercial Group) and any directors, officers, agents, subcontractors, delegates, members, partners, shareholders, employees and other representatives of each of the foregoing from and against any and all Liabilities which arise in connection with the relevant member of the Manager Group's proper release of such money or other property to the Service Recipient in accordance with the terms of this Section 11.6. Indemnification pursuant to this provision will be in addition to any right of such Persons to indemnification under Section 10.1 hereof. For the avoidance of doubt, the provisions of this Section 11.6 will survive termination of this Agreement.

ARTICLE 12 GENERAL PROVISIONS

12.1 RESERVED

12.2 Assignment

12.2.1 This Agreement will not be assigned by the Manager without the prior written consent of PMC Commercial, except in the case of assignment by the Manager to an Affiliate or to a Person that is its successor by merger or acquisition of the business of the Manager Group in which case the Affiliate or successor will be bound under this Agreement and by the terms of the assignment in the same manner as such Manager is bound under this Agreement, and such Manager will be fully and forever released from all obligations arising under this Agreement other than those obligations that have arisen prior to such assignment taking effect. In addition, provided that the Manager provides prior written notice to the Service Recipients for informational purposes only, nothing contained in this Agreement will preclude any pledge, hypothecation or other transfer or assignment of

any of the Manager's rights under this Agreement, including any amounts payable to the Manager under this Agreement, to a bona fide lender as security; provided, however, that the foreclosure of any such pledge shall be treated as a material breach by the Manager of this Agreement. In addition, nothing contained in this Section 12.2.1 will affect the Manager's ability to enter into subcontracting and other arrangements pursuant to Section 2.4.

12.2.2 This Agreement will not be assigned by any of the Service Recipients without the prior written consent of the Manager, except in the case of assignment by a Service Recipient to a Person that is its successor by merger or acquisition of the business of the Service Recipient, in which case the successor will be bound under this Agreement and by the terms of the assignment in the same manner as the Service Recipient is bound under this Agreement, and, in each case, such Service Recipient will be fully and forever released from all obligations arising under this Agreement other than those obligations that have arisen prior to such assignment taking effect.

12.2.3 Any purported assignment of this Agreement in violation of this Section 12.2 will be null and void.

12.3 Inurement

This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

12.4 Notices

Any notice or other communication required or permitted to be given hereunder will be in writing and will be given by prepaid first-class mail, by facsimile, by e-mail or other means of electronic communication or by hand-delivery as hereinafter provided. Any such notice or other communication, if mailed by prepaid first-class mail at any time other than during a general discontinuance of postal service due to strike, lockout or otherwise, will be deemed to have been received on the fourth Business Day after the post-marked date thereof, or if sent by facsimile, by e-mail or other means of electronic communication with confirmation of transmission without notation of error, will be deemed to have been received on the Business Day following the sending, or if delivered by hand will be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address will also be governed by this section. In the event of a general discontinuance of postal service due to strike, lock-out or otherwise, notices or other communications will be delivered by hand or sent by facsimile or other means of electronic communication and will be deemed to have been received in accordance with this section. Notices and other communications will be addressed as follows:

12.4.1 if to PMC Commercial:

17950 Preston Road, Suite 600
Dallas, Texas 75252
Attention: Jan F. Salit (or most senior officer at such location)

12.4.2 if to the CIM Service Provider:

6922 Hollywood Boulevard, 9th Floor
Los Angeles, California 90028
Attention: General Counsel

12.4.3 if to any new Manager appointed pursuant to Section 2.3, at the address listed in the joinder agreement executed by the new Manager

12.4.4 if to any of the Subsidiaries, at the applicable address listed on Schedule A hereto or to such other addresses as a party may from time to time notify the others in accordance with this Section 12.4.

12.5 Governmental Authority

Notwithstanding anything to the contrary otherwise contained in this Agreement, if the execution and delivery of this Agreement or the performance by any Special Subsidiary of its obligations hereunder would contravene, breach, conflict with or violate any requirement of any Governmental Authority having jurisdiction over the conduct of its business or the ownership of its assets, such Special Subsidiary shall not be required to execute and shall not otherwise be bound or subject to the terms of this Agreement.

12.6 Further Assurances

Each of the parties hereto will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and will use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

12.7 Counterparts

This Agreement may be signed in counterparts and each of such counterparts will constitute an original document and such counterparts, taken together, will constitute one and the same instrument.

12.8 Amendments

This Agreement, nor any terms hereof, may not be amended, supplemented or modified in any respect except in an instrument in writing duly executed by the parties hereto and with the approval of the Independent Members.

12.9 Independent Members

The Independent Members shall have the right to enforce the indemnification obligations of the Manager with respect to the Service Providers under Article X hereof on behalf of the Service Recipients and the termination rights of the Service Recipients under Section 11.2 on behalf of the Service Recipients. For the avoidance of doubt, the Independent Members shall have the right to engage advisors, including without limitation, legal and financial advisors, at the expense of the Service Recipients, to assist the members of the Independent Members in exercising its rights and satisfying its obligations under this Agreement.

[NEXT PAGE IS SIGNATURE PAGE]

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

PMC Commercial:

PMC Commercial Trust, a Texas real estate
investment trust

By: /s/ Jan F. Salit

Name: Jan F. Salit

Title: President

CIM SERVICE PROVIDER:

CIM Service Provider, LLC, a Delaware limited
liability company

By: /s/ David Thompson

Name: David Thompson

Title: Vice President and Chief Financial Officer

Schedule A

Joinder of Subsidiaries to Master Services Agreement

IN WITNESS WHEREOF the Subsidiaries have executed this Agreement as of the day and year first above written.

PMC Investment Corporation

By: /s/ Jan F. Salit
Name: Jan F. Salit
Title: President

Western Financial Capital Corporation

By: /s/ Jan F. Salit
Name: Jan F. Salit
Title: President

PMC Funding Corp.

By: /s/ Jan F. Salit
Name: Jan F. Salit
Title: President

PMC Asset Holding, LLC

By: /s/ Jan F. Salit
Name: Jan F. Salit
Title: President

PMCT Asset Holding, LLC

By: /s/ Jan F. Salit
Name: Jan F. Salit
Title: President

PMC Properties, Inc.

By: /s/ Jan F. Salit
Name: Jan F. Salit
Title: President

Joinder

This Joinder is attached hereto and made a part of the foregoing Agreement and all terms capitalized but not defined herein shall have the respective meanings given to them in the Agreement. The undersigned Subsidiary hereby executes this Joinder as of the date set forth below for the purposes of acknowledging and agreeing that it is a Subsidiary subject to the terms of the Agreement.

Date: _____

[NAME]

By: _____
Name: _____
Title: _____

Schedule B

JOINDER TO MASTER SERVICES AGREEMENT

THIS JOINDER to the Master Services Agreement dated as of [], 2014 among PMC Commercial Trust (“**PMC Commercial**”), CIM Service Provider, LLC (“**CIM Service Provider**”), and the Subsidiaries (the “**Master Services Agreement**”) is made and entered into as of this day of , by a [**corporation/partnership/limited partnership**] governed by the laws of (the “**New Manager**”). Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Master Services Agreement.

RECITALS:

- A. The Master Services Agreement provides that the Manager may, from time to time, appoint an Affiliate of CIM Service Provider to act as a new Manager under that agreement;
- B. The New Manager is an Affiliate of CIM Service Provider; and
- C. The Manager wishes to appoint the New Manager to act as a new Manager under the Master Services Agreement and the New Manager wishes to accept such appointment.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Joinder and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

- 1. **Agreement to be Bound.** The New Manager hereby agrees that upon execution of this Joinder, it shall become a party to the Master Services Agreement and acknowledges that it is fully bound by, and subject to, all of the covenants, representations, terms and conditions of the Manager under the Master Services Agreement.
- 2. **Successors and Assigns.** Any purported assignment of this Joinder in violation of section 12.2 of the Master Services Agreement will be null and void.
- 3. **Inurement.** This Joinder will inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
- 4. **Notices.** Notices and other communications to the New Manager will be addressed as follows:
- 5. **Counterparts.** This Joinder may be signed in counterparts and each of such counterparts will constitute an original document and such counterparts, taken together, will constitute one and the same instrument.
- 6. **Governing Law.** This Joinder will be governed by and interpreted and enforced in accordance with the laws of the State of Delaware.

[NEXT PAGE IS SIGNATURE PAGE]

IN WITNESS WHEREOF the parties have executed this Joinder to the Master Services Agreement as of the day and year first above written.

CIM Service Provider, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

REGISTRATION RIGHTS AND LOCKUP AGREEMENT

BY AND AMONG

PMC COMMERCIAL TRUST

AND

URBAN PARTNERS II, LLC

DATED AS OF MARCH 11, 2014

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REGISTRATION RIGHTS AND LOCKUP AGREEMENT

THIS REGISTRATION RIGHTS AND LOCKUP AGREEMENT (this "Agreement") is made and entered into as of March 11, 2014 by and between PMC Commercial Trust, a Texas real estate investment trust and Urban Partners II, LLC, a Delaware limited liability company ("Urban II").

WHEREAS, pursuant to the Agreement and Plan of Merger, dated as of July 8, 2013 (as the same may be amended, modified and supplemented from time to time prior to the date hereof, including the Consent to Assignment and Limited Waiver to Agreement and Plan of Merger dated as of November 20, 2013, the "Merger Agreement"), by and among the Company, Southfork Merger Sub, LLC, a Delaware limited liability company and a direct wholly owned subsidiary of the Company ("PMC Merger Sub"), CIM Urban REIT, LLC, a Delaware limited liability company ("CIM"), and CIM Merger Sub, LLC, a Delaware limited liability company ("CIM Merger Sub"), CIM Merger Sub will merge with and into PMC Merger Sub (the "Merger") in accordance with applicable state law and upon the terms and conditions set forth in the Merger Agreement;

WHEREAS, in connection with the Merger, Urban II shall be entitled to receive (i) 22,000,003 common shares of beneficial interest, par value \$0.01 per share, of the Company (the "Common Shares"), and (ii) 65,028,571 convertible preferred shares of beneficial interest, par value \$0.01 per share, of the Company (the "Preferred Shares"); and

WHEREAS, the parties wish to provide for the registration rights, lock up restrictions, and other rights and obligations set forth herein.

NOW, THEREFORE, in consideration of the foregoing, the mutual promises set forth herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Registration Rights.

1.1. Definitions.

For purposes of this Agreement:

(a) "Disclosure Package" means (i) the preliminary prospectus, (ii) each Free Writing Prospectus and (iii) all other information that is deemed, under Rule 159 under the Securities Act, to have been conveyed to purchasers of securities at the time of sale (including, without limitation, a contract of sale).

(b) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(c) "Form S-3" means such form under the Securities Act as in effect on the date hereof or any successor form under the Securities Act subsequently adopted by the SEC which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(d) "Free Writing Prospectus" means any "free writing prospectus," as defined in Rule 405 of the Securities Act.

(e) "Hedging Counterparty" means a broker-dealer registered under Section 15(b) of the Exchange Act or an affiliate thereof or any other financial institution or third party.

(f) "Hedging Transaction" means any transaction involving a security linked to the Registrable Class Securities or any security that would be deemed to be a "derivative security" (as defined in Rule 16a-1(c) under the Exchange Act) with respect to the Registrable Class Securities or any transaction (even if not a security) which would (were it a security) be considered such a derivative security, or which transfers some or all of the economic risk of ownership of the Registrable Class Securities, including, without limitation, any forward contract, equity swap, put or call, put or call equivalent position, collar, non-recourse loan, sale of exchangeable security or similar transaction. For the avoidance of doubt, the following transactions shall be deemed to be Hedging Transactions:

(i) transactions by a Holder in which a Hedging Counterparty engages in short sales of Registrable Class Securities pursuant to a prospectus and may use Registrable Securities to close out its short position;

(ii) transactions pursuant to which a Holder sells short Registrable Class Securities pursuant to a prospectus and delivers Registrable Securities to close out its short position; and

(iii) transactions by a Holder in which the Holder delivers, in a transaction exempt from registration under the Securities Act, Registrable Securities to the Hedging Counterparty who will then publicly resell or otherwise transfer such Registrable Securities pursuant to a prospectus or an exemption from registration under the Securities Act.

(g) "Holder" means any person owning or having the right to acquire Registrable Securities or any assignee thereof in accordance with Section 1.11 hereof.

(h) “Law” means any statute, law, ordinance, rule or regulation of any governmental entity.

(i) “Merger Issuance Shares” means (i) the Common Shares and Preferred Shares issued pursuant to the Merger Agreement; (ii) the Common Shares issued upon conversion of the Preferred Shares issued pursuant to the Merger Agreement; and (iii) any shares of capital stock issued as (or issuable upon the conversion or exercise of any warrant, right or other security that is issued as) a dividend or other distribution with respect to, or upon exercise or in exchange for or in replacement of, the shares referenced in (i) or (ii) above.

(j) “Public Sale” means any sale of Registrable Securities to the public pursuant to a public offering registered under the Securities Act or to the public through a broker or market-maker pursuant to the provisions of Rule 144 (or any successor rule) adopted under the Securities Act or any other public offering not required to be registered under the Securities Act.

(k) “Register,” “registered” and “registration” refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document.

(l) “Registrable Class Securities” means securities of the Company that are of the same class and series as the Registrable Securities.

(m) The number of shares of “Registrable Common Securities then outstanding” shall be determined by the number of Common Shares outstanding which are, and the number of Common Shares issuable pursuant to then exercisable or convertible securities which are, Registrable Securities.

(n) “Registrable Securities” means: (i) the Common Shares issued to Urban II pursuant to the Merger Agreement; (ii) any Common Shares acquired on or after the date hereof by any of the Holders, including any and all Common Shares acquired upon conversion of the Preferred Shares issued to Urban II pursuant to the Merger Agreement; and (iii) any shares of capital stock issued as (or issuable upon the conversion or exercise of any warrant, right or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of the shares referenced in (i) or (ii) above; provided, that Registrable Securities shall not include (x) the Preferred Shares issued to Urban II pursuant to the Merger Agreement; or (y) any Common Shares previously (A) sold in a Public Sale, or (B) sold in a transaction in which the transferor’s rights hereunder are not assigned in accordance with Section 1.11 hereof.

(o) The term “SEC” means the Securities and Exchange Commission.

(p) “Securities Act” means the Securities Act of 1933, as amended.

1.2. Request for Registration.

(a) If the Company shall receive a written request from the Holders of at least a majority of the Registrable Common Securities then outstanding (the “Initiating Holders”) that the Company file a registration statement under the Securities Act covering the registration of at least 5% of the Registrable Common Securities then outstanding, or a lesser percent if the anticipated aggregate offering price, net of underwriting discounts and commissions, would exceed \$5.0 million, then the Company shall:

(i) within ten (10) days of the receipt thereof, give written notice of such request to all Holders; and

(ii) use commercially reasonable efforts to effect promptly the registration under the Securities Act of all Registrable Securities which the Holders request to be registered, subject to the limitations of subsection 1.2(b), in a written request received by the Company within fifteen (15) days of the making of the notice pursuant to Section 1.2(a)(i).

(b) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to subsection 1.2(a) and the Company shall include such information in the written notice referred to in subsection 1.2(a). The underwriter or underwriters will be selected by the Company, subject to the approval of a majority in interest of the Initiating Holders. In such event, the right of any Holder to include Registrable Securities in such registration shall be conditioned upon such Holder’s participation in such underwriting and the inclusion of such Holder’s Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in subsection 1.5(i)) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting. Notwithstanding any other provision of this Section 1.2, if the managing underwriter advises the Company and the Initiating Holders in writing that marketing factors require a limitation of the number of shares to be underwritten, then the Company shall so advise all Holders of Registrable Securities which would otherwise be underwritten pursuant hereto, and the number of shares of Registrable Securities that may be included in the underwriting shall be allocated among all Holders thereof, including the Initiating Holders, in proportion (as nearly as practicable) to the amount of Registrable Securities of the Company owned by each Holder at the time of the filing of the registration statement; provided, however, that the number of shares of Registrable Securities held by Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting. Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from the registration.

(c) Notwithstanding the foregoing, if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 1.2, a certificate signed by the Company's chief executive officer or the chairman of the board of trust managers of the Company (the "Board") stating that in the good faith judgment of the Board, as evidenced by a resolution by the Board, it would be seriously detrimental to the Company and its stockholders for such registration statement to be filed and it is therefore essential to defer the filing of such registration statement, the Company shall have the right to defer taking action with respect to such filing for a period of not more than sixty (60) days after receipt of the request of the Initiating Holders; provided, that the Company may not utilize this right more than once in any twelve month period; provided further, that this right is cumulative to the right under Section 1.4(b)(iii) such that the Company may only defer the filing of a registration statement under Section 1.2(c) or Section 1.4(b)(iii) once in any twelve-month period.

(d) In addition, the Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to this Section 1.2:

(i) After the Company has effected eight (8) registrations pursuant to this Section 1.2 and such registration statements have been declared or ordered effective and have remained effective for a period of at least 180 days; provided, that if such request pursuant to this Section 1.2 is subsequently withdrawn by the requester in writing, it shall not be counted against the limitation of requests set forth in this Section 1.2(d)(i);

(ii) If the Company has effected a registration pursuant to this Section 1.2 within the preceding three (3) months, and such registration has been declared or ordered effective; or

(iii) If the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 1.4 below.

1.3. Company Registration.

(a) If (but without any obligation to do so) the Company proposes to register any of its capital stock under the Securities Act for its own account or the account of any of its stockholders with registration rights (other than in connection with a registration effected solely to implement an employee benefit plan or arrangement or a business combination transaction or any other similar transaction for which a registration statement on Form S-4 under the Securities Act or any comparable successor form is applicable), the Company will promptly give written notice thereof to the Holders of Registrable Securities at least twenty (20) days prior to the filing of such registration statement, or such lesser time that is reasonable taking into account the Company's contractual obligation to file such registration statement. Upon the written request of each Holder given within fifteen (15) days after the giving of such notice by the Company, the Company shall, subject to the provisions of this Section 1.3, cause to be registered under the Securities Act in such registration statement all of the Registrable Securities that each such Holder has requested to be registered.

(b) In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required under this Section 1.3 to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by it, and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Company. Regardless of any other provision of this Section 1.3, if the underwriter advises the Company that marketing factors require a reduction in the number of shares to be underwritten, then the number of shares of Registrable Securities that may be included in the underwriting shall be allocated first, to the Company and the Person or Persons requesting such registration (if other than the Company) shall be entitled to participate in accordance with the relative priorities, if any, as shall exist among them; and then second, all other holders of securities having the right to include such securities in such registration (including the Holders of the Registrable Securities) shall be entitled to participate pro rata based on the number of shares requested to be sold by such Holders. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 1.3 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration. The registration expenses of such withdrawn registration shall be borne by the Company in accordance with Section 1.8 hereof.

1.4. Form S-3 Registration.

Notwithstanding anything in Section 1.2 or Section 1.3 to the contrary, in case the Company shall receive from any Holders of Registrable Common Securities then outstanding or Registrable Preferred Securities then outstanding, a written request or requests that the Company effect a registration on Form S-3 and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, and the Company is then eligible to use Form S-3 for the resale of Registrable Securities, the Company will:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders; and

(b) promptly effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within fifteen (15) days after receipt of such written notice from the Company; provided, that the Company shall not be obligated to effect any such registration, qualification or compliance, pursuant to this Section 1.4:

(i) if Form S-3 is not available for such offering by the Holders;

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities at an aggregate price to the public (net of any underwriters' discounts or commissions) of less than \$2.5 million;

(iii) if the Company shall furnish to the Holders a certificate signed by the Company's chief executive officer or chairman of the Board stating that in the good faith judgment of the Board as evidenced by a resolution by the Board, it would be seriously detrimental to the Company and its stockholders for such Form S-3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement for a period of not more than sixty (60) days after receipt of the request of the Holder or Holders under this Section 1.4; provided, that the Company shall not utilize this right more than once in any twelve-month period; provided further, that this right is cumulative to the right under Section 1.2(c) such that the Company may only defer the filing of a registration statement under Section 1.2(c) or Section 1.4(b)(iii) once in any twelve-month period;

(iv) if the Company has, within the three (3) month period preceding the date of such request, already effected one (1) registration on Form S-3 for the Holders pursuant to Section 1.3, provided, that any such registration shall be deemed to have been "effected" if the registration statement relating thereto (A) has become or been declared or ordered effective under the Securities Act, and any of the Registrable Securities of the Initiating Holder(s) included in such registration have actually been sold thereunder and (B) has remained effective for a period of at least 180 days; or

(v) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

(c) Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities and other securities so requested to be registered promptly after receipt of the request or requests of the Holders. Registrations effected pursuant to this Section 1.4 shall not be counted as requests for registration effected pursuant to Section 1.2 or Section 1.3, respectively.

(d) If the Holders intend to distribute the Registrable Securities covered by their request under this Section 1.4 by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 1.4 and the Company shall include such information in the written notice referred to in subsection 1.4(a). The underwriter or underwriters will be selected by the Company, subject to the approval of a majority in interest of the Holders participating in such registration. In such event, the right of any Holder to include Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Holders participating in the registration and the Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in subsection 1.5(h)) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting. Notwithstanding any other provision of this Section 1.4, if the managing underwriter advises the Company and the Holders participating in such underwriting in writing that marketing factors require a limitation of the number of shares to be underwritten, then the Company shall so advise all Holders of Registrable Securities which would otherwise be underwritten pursuant hereto, and the number of shares of Registrable Securities that may be included in the underwriting shall be allocated among all Holders thereof, in proportion (as nearly as practicable) to the amount of Registrable Securities of the Company owned by each Holder at the time of the filing of the registration statement; provided, however, that the number of shares of Registrable Securities held by Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting. Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from the registration.

1.5. Obligations of the Company.

Whenever required under this Section 1 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use commercially reasonable efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for 180 days or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, that, in the case of any registration of Registrable Securities on Form S-3 which are intended to be offered on a continuous or delayed basis, such 180-day period shall be extended, if necessary, to keep the registration statement continuously effective, supplemented and amended to the extent necessary to ensure that it is available

for sales of such Registrable Securities, and to ensure that it conforms with the requirements of this Agreement, the Securities Act and the policies, rules and regulations of the SEC as announced from time to time, until the earlier of when (i) the Holders have sold all of such Registrable Securities and (ii) the Holders may sell all of such Registrable Securities on a single day pursuant to Rule 144 promulgated under the Securities Act as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Company's transfer agent and the affected Holders.

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement; provided, that before filing a registration statement, or any amendments or supplements thereto, the Company will furnish to counsel selected by the Holders of the Registrable Securities covered by such registration statement to represent such Holders, copies of all documents proposed to be filed, which documents (other than the documents incorporated by reference therein) will be subject to the review of such counsel.

(c) Furnish to the Holders and any Hedging Counterparty, if any, such numbers of copies of such registration statement, the prospectus included in such registration statement (including each preliminary prospectus, summary prospectus and Free Writing Prospectus), and of each amendment and supplement thereto (in each case including all exhibits filed therewith, including any documents incorporated by reference), in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the public sale or other disposition of Registrable Securities owned by such Holder or Hedging Counterparty.

(d) Register and qualify the securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as shall be reasonably requested by the Holders and do any and all other acts and things which may be reasonably necessary or advisable to enable such Holders to consummate the disposition in such jurisdictions of the Registrable Securities owned by such Holder; provided, that the Company shall not be required in connection therewith or as a condition thereto (i) to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, (ii) subject itself to taxation in any jurisdiction or (iii) in the case of a registration pursuant to Section 1.3, register or qualify such Holder's Registrable Securities in any jurisdiction where shares to be sold by the Company or any other person initiating such registration are not to be registered or qualified.

(e) Notify each Holder of Registrable Securities covered by such registration statement and any Hedging Counterparty, if applicable, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the Company's becoming aware that the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and at the request of any such Holder or Hedging Counterparty, prepare and furnish to such Holder and Hedging Counterparty a reasonable number of copies of an amended or supplemental prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities, such amended or supplemental prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

(f) Cause all such Registrable Securities registered pursuant to this Agreement to be listed on any securities exchange on which any shares of the Common Shares are then listed.

(g) Provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

(h) Enter into and perform its obligations under such customary agreements (including an underwriting agreement in customary form), which may include indemnification provisions in favor of underwriters and other persons in addition to, or in substitution for the provisions of Section 1.9 hereof, and take such other actions as sellers of a majority of shares of such Registrable Securities, a Hedging Counterparty, if any, or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities or any Registrable Class Securities in connection with any Hedging Transaction.

(i) Make available for inspection by any seller of such Registrable Securities covered by such registration statement, by any underwriter participating in any disposition to be effected pursuant to such registration statement, by any Hedging Counterparty, and by any attorney, accountant or other agent retained by any such seller, any such underwriter, or any such Hedging Counterparty all pertinent financial and other records, pertinent corporate documents and properties of the Company, and cause all of the Company's officers, directors and employees to supply all information reasonably requested by any such seller, underwriter, Hedging Counterparty, attorney, accountant or agent in connection with such registration statement.

(j) Obtain for delivery to the Holders of Registrable Securities being registered and to the underwriter or agent, and, in connection with a Hedging Transaction, to any Hedging Counterparty, an opinion or opinions from counsel for the Company in customary form and in form, substance and scope reasonably satisfactory to such Holders, underwriters or agents and their counsel.

(k) Use commercially reasonable efforts to prevent the issuance of any stop order suspending the effectiveness of the registration statement or of any order preventing or suspending the use of any preliminary prospectus relating to such registration statement, and, if any such order is issued, to obtain the withdrawal of any such order at the earliest possible moment.

(l) Respond promptly to any comments received from the SEC and request acceleration of effectiveness promptly after it learns that the SEC will not review the registration statement or after it has satisfied comments received from the SEC.

(m) Promptly notify the Holders of Registrable Securities to be sold and confirm such notice in writing, (i) when a prospectus or any prospectus supplement or post-effective amendment has been filed, and, with respect to a registration statement or any post-effective amendment, when the same has become effective, (ii) of the receipt of any comments from the SEC, (iii) of any request by the SEC or any other federal or state governmental authority for amendments or supplements to a registration statement or related prospectus, (iv) of the issuance by the SEC or any other federal or state governmental authority of any stop order suspending the effectiveness of a registration statement, or of any order preventing or suspending the use of any preliminary prospectus relating to such registration statement, or the initiation of any proceedings for such purpose(s), (v) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose, (vi) of the discovery of any event that makes any statement made in such registration statement or related prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in a registration statement, prospectus or any such document so that, in the case of the registration statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, in light of the circumstances under which they were made, and, in the case of the prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and (vii) of the Company's reasonable determination that a post-effective amendment to a registration statement would be appropriate. In the event a registration statement is interfered with by any event of the kind described in clauses (iv) through (vii) of the first sentence of this Section 1.5(m) for more than twenty (20) days, such registration shall not be deemed "effected" for purposes of Section 1.2(d) or Section 1.4(b).

(n) If requested by the managing underwriter or agent or any Holder of Registrable Securities covered by the registration statement, promptly incorporate in a prospectus supplement or post-effective amendment such information as the managing underwriter or agent or such Holder reasonably requests to be included therein, including, without limitation, with respect to the number of Registrable Securities being sold by such Holder to such underwriter or agent, the purchase price being paid therefor by such underwriter or agent and with respect to any other terms of the underwritten offering of the Registrable Securities to be sold in such offering; and make all required filings of such prospectus supplement or post-effective amendment as soon as practicable after being notified of the matters incorporated in such prospectus supplement or post-effective amendment.

(o) Cooperate with the Holders of Registrable Securities covered by the registration statement and the managing underwriter or agent, if any, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legends) representing securities to be sold under the registration statement, and enable such securities to be in such denominations and registered in such names as the managing underwriter or agent, if any, or such Holders may request.

(p) Cooperate with each seller of Registrable Securities, any Hedging Counterparty, and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the Financial Industry Regulatory Authority.

(q) With respect to each Free Writing Prospectus or other materials to be included in the Disclosure Package, ensure that no Registrable Securities be sold "by means of" (as defined in Rule 159A(b) under the Securities Act) such Free Writing Prospectus or other materials without the prior written consent of the Holders of the Registrable Securities covered by such registration statement, which Free Writing Prospectuses or other materials shall be subject to the review of counsel to such Holders.

(r) Make all required filings of all Free Writing Prospectuses with the SEC.

Each Holder shall be deemed to have agreed by acquisition of the Registrable Securities that, upon receipt of any notice from the Company of the occurrence of any event of the kind described in clauses (iv) through (vii) of subsection (m) of this Section 1.5, such Holder will forthwith discontinue its disposition of the Registrable Securities pursuant to the Registration Statement relating thereto until Holder's receipt of the copies of the supplemented or amended prospectus contemplated by subsection (e) of this Section 1.5 and, if so directed by the Company, will deliver to the Company all copies, other than permanent file copies, then in Holder's possession of the prospectus relating to the Registrable Securities current at the time of receipt of such notice.

1.6. Registration In Connection With Hedging Transactions.

(a) The Company acknowledges that from time to time a Holder may seek to enter into one or more Hedging Transactions with a Hedging Counterparty. Notwithstanding anything to the contrary provided herein, the Company agrees that, in connection with any proposed Hedging Transaction, if, in the reasonable judgment of counsel to the Holder (after good faith consultation with counsel

to the Company), it is necessary or desirable to register under the Securities Act such Hedging Transaction or sales or transfers (whether short or long) of Registrable Class Securities in connection therewith, then the Company shall use its commercially reasonable efforts to take such actions (which may include among other things, the filing of a post-effective amendment to any shelf registration statement to include additional or changed information that is material or is otherwise required to be disclosed, including, without limitation, a description of such Hedging Transaction, the name of the Hedging Counterparty, identification of the Hedging Counterparty or its affiliates as underwriters or potential underwriters, if applicable, or any change to the plan of distribution) as may reasonably be required to register such Hedging Transactions or sales or transfers of Registrable Class Securities in connection therewith under the Securities Act in a manner consistent with the rights and obligations of the Company hereunder with respect to the registration of Registrable Securities.

(b) The Company agrees to include in each prospectus supplement filed in connection with any proposed Hedging Transaction language mutually agreed upon by the Company, the Holder and the Hedging Counterparty describing such Hedging Transaction.

(c) Any information regarding the Hedging Transaction included in a registration statement or prospectus pursuant to this Section 1.6 shall be deemed to be information provided by the Holder selling Registrable Securities pursuant to such registration statement or prospectus for purposes of Section 1.5 of this Agreement.

(d) If in connection with a Hedging Transaction a Hedging Counterparty or any affiliate thereof is (or may be considered) an underwriter or selling securityholder, then it shall be required to provide customary indemnities to the Company regarding itself, the plan of distribution and like matters.

1.7. Furnish Information; Limitation of Obligations.

It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Agreement with respect to the Registrable Securities of any selling Holder as to which a registration is being effected to furnish, that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be reasonably required to effect the registration of such Holder's Registrable Securities.

1.8. Expenses of Registrations.

All expenses other than underwriting discounts and commissions incurred in connection with registrations pursuant to this Section 1, including without limitation all registration, filing and qualification fees, printers' and accounting fees and reasonable fees and disbursements of counsel for the Company and one counsel for the participating Holders, shall be borne by the Company; provided, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 1.2 or Section 1.4 as applicable, if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all participating Holders shall bear all such expenses incurred), unless, in the case of a registration requested under Section 1.2, the Holders of a majority of the Registrable Securities agree to forfeit one demand registration pursuant to Section 1.2.

1.9. Indemnification.

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, any underwriter (as defined in the Securities Act) for such Holder, their respective affiliates and controlling persons (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, and the partners, officers, directors members, representatives, agents and employees of each Holder, and each such person (collectively, the "Holder Indemnified Parties"), against any losses, claims, damages or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively, a "Violation") by the Company: (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including without limitation any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, (iii) any untrue statement or alleged untrue statement of a material fact contained in the Disclosure Package or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, or (iv) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law in connection with the offering covered by such registration statement; and the Company will reimburse each such Holder Indemnified Party for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, that the indemnity agreement contained in this Section 1.9(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the written consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable in any such case to any Holder Indemnified Party for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation

which occurs in reliance upon and in conformity with written information furnished by such Holder Indemnified Party under an instrument duly executed by any such Holder Indemnified Party expressly for use in connection with such registration by such Holder; provided further, that the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of any Holder Indemnified Party from whom the person asserting any such losses, claims, damages or liabilities purchased shares in the offering, if a copy of the prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Holder Indemnified Party to such person, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the shares to such person, and if the prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, claim, damage or liability. For purposes of the last proviso to the immediately preceding sentence, the term "prospectus" shall not be deemed to include the documents, if any, incorporated therein by reference, and no person who participates as an underwriter in the offering or sale of Registrable Securities or any other person, if any, who controls such underwriter within the meaning of the Securities Act, shall be obligated to send or give any supplement or amendment to any document incorporated by reference in any preliminary prospectus or the final prospectus to any person other than a person to whom such underwriter had delivered such incorporated document or documents in response to a written request therefor. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such party and shall survive the transfer of such securities.

(b) To the extent permitted by law, each Holder shall, if shares held by such Holder are included in the securities as to which such registration, qualification or compliance is being effected, indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls the Company within the meaning of the Securities Act, each underwriter and each other stockholder selling securities under such registration statement against any losses, claims, damages or liabilities (joint or several) to which any of the foregoing persons may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder under an instrument duly executed by such Holder expressly for use in connection with such registration; and each Holder shall reimburse any legal or other expenses reasonably incurred by any person intended to be indemnified pursuant to this Section 1.9(b), in connection with investigating or defending any such loss, claim, damage, liability or action if it is judicially determined that there was such violation; provided, that the indemnity agreement contained in this Section 1.9(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the written consent of such Holder, which consent shall not be unreasonably withheld; provided further, that the liability of each Holder under this Section 1.9(b) shall be limited to an amount equal to the net proceeds actually received and retained by such Holder in the registered public offering out of which such liability arises, unless such liability arises out of or is based on willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 1.9 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 1.9, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, that an indemnified party (together with all other indemnified parties which may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if materially prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 1.9 to the extent so prejudiced, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 1.9.

(d) If the indemnification provided for in this Section 1.9 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the Violation that resulted in such loss, liability, claim, damage or expense as well as any other relevant equitable considerations; provided, that in no event shall any contribution by a Holder that is a selling party under this Section 1.9(d) exceed the net proceeds from the offering received by such Holder. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

(f) The obligations of the Company and Holders under this Section 1.9 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 1 and otherwise.

1.10. Rule 144 Reporting.

With a view to making available to the Holders the benefits of Rule 144 promulgated under the Securities Act and any other rule or regulation of the SEC which may permit the sale of the Registrable Securities to the public without registration or pursuant to a registration on Form S-3, the Company agrees to use commercially reasonable efforts to:

(a) make and keep public information available, as those terms are understood and defined in SEC Rule 144 or any similar or analogous rule promulgated under the Securities Act;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Exchange Act; and

(c) so long as a Holder owns any Registrable Securities, furnish to such Holder forthwith upon written request: (i) a written statement by the Company as to its compliance with the reporting requirements of SEC Rule 144 and the Exchange Act; (ii) a copy of the most recent annual or quarterly report of the Company; and (iii) such other reports and documents as a Holder may reasonably request in availing itself of any rule or regulation of the SEC allowing it to sell any such securities without registration.

1.11. Assignment of Registration Rights.

A Holder may assign any or all of its rights hereunder (but only with all related obligations) to any person or entity to whom the Holder may transfer or assign its Common Shares or Preferred Shares; provided, that: (i) the Company is, within ten (10) days after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned; and (ii) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement, including without limitation the terms and conditions of Section 1.13 hereof.

1.12. Limitations on Subsequent Registration Rights.

The Company shall not, without the prior written consent of the Holders of at least a majority of the Registrable Common Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that would grant to such holder or prospective holder registration rights superior to or, except with respect to piggyback or incidental registration rights, on parity with those granted under this Section 1.

1.13. Lockup.

(a) Each Holder agrees that it will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any Merger Issuance Shares in any Public Sale, enter into a transaction that would have the same effect, or enter into any Hedging Transaction or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the Merger Issuance Shares in a Public Sale, whether any of these transactions are to be settled by delivery of Merger Issuance Shares or other securities, in cash or otherwise, or publicly disclose the intention to make any offer, sale, pledge or disposition, or enter into any Hedging Transaction or other arrangement with respect to any Merger Issuance Shares in any Public Sale during the period from the "Effective Time" (as defined in the Merger Agreement) through the one-year anniversary of the Effective Time (such period, the "Lock-Up Period"); provided, that the restrictions set forth in this Section 1.13(a) shall terminate with respect to 40,000,000 Common Shares six months following the Effective Time with the prior approval of the majority of the independent trust managers of the Board.

(b) The terms of this Section 1.13 shall not, during the Lock-Up Period, restrict any offer, sale, contract to sell, pledge, Hedging Transaction or otherwise disposition of any Merger Issuance Shares in any transaction not directly or indirectly involving a Public Sale; *provided, however*, that in each such case, the transferred Merger Issuance Shares shall be subject to all of the provisions of this Section 1.13 of this Agreement as though the undersigned Holder were still the Holder of such Merger Issuance Shares; and *provided, further*, that the transferee must execute and deliver to the Company an agreement stating that the transferee is receiving and holding such Merger Issuance Shares subject to all of the restrictions set forth in this Section 1.13.

(c) The terms of this Section 1.13 shall not prohibit or restrict: (i) any disclosure by any Holder in a Schedule 13D or 13G under the Exchange Act of (x) its beneficial ownership of any Merger Issuance Shares or (y) its general intent to dispose of any Merger Issuance Shares (which stated intent shall not include any specific plan or expectation to dispose of any Merger Issuance Shares, other than the distribution of such shares to the owners of the Holder), subject to its compliance with this Section 1.13, from time to time; or (ii) any Holder from exercising its rights under this Agreement to require the Company to file a registration statement under the Securities Act to register all or any part of the Merger Issuance Shares for resale at any time after the six month anniversary hereof.

(d) Each Holder agrees that its registration rights relating to the Registrable Securities set forth in this Agreement shall be subject to material compliance with the restrictions set forth in this Section 1.13.

1.14. Confidential Information.

Each Holder of Registrable Securities agrees that any information obtained pursuant to this Agreement which the Company identifies to be proprietary to the Company or otherwise confidential will not be disclosed without the prior written consent of the Company. Notwithstanding the foregoing, each Holder of Registrable Securities may disclose such information, on a need to know basis, to their employees, accountants or attorneys (so long as each such person to whom confidential information is disclosed agrees to keep such information confidential) or to the extent required by applicable law, rule, regulation or court order. Each Holder of Registrable Securities further acknowledges, understands and agrees that any confidential information will not be utilized in connection with purchases and/or sales of the Company's securities except in compliance with applicable state and federal antifraud statutes.

1.15. Termination of Registration Rights.

No Holder shall be entitled to exercise any right provided for in this Section 1 after such time at which all Registrable Securities held by such Holder (and any affiliate of the Holder or other person with whom such Holder must aggregate sales under Rule 144 of the Securities Act) can be sold without restriction (including volume and manner-of-sale restrictions) on a single day without registration in compliance with Rule 144 of the Securities Act (or any similar provision then in effect) and such Holder has received, upon such Holder's request, an opinion of counsel to the Company to that effect.

2. Representations and Warranties of the Company.

The Company represents and warrants to the Holders as follows:

(a) The Company is duly organized, validly existing and in good standing under the laws of the State of Texas.

(b) The Company has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution and delivery by the Company of this Agreement have been duly authorized and approved by all necessary corporate action on the part of the Company. This Agreement has been duly executed and delivered by the Company and constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except to the extent that its enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting the enforcement of creditors' rights generally and by general equitable principles.

(c) The execution and delivery by the Company of this Agreement and the performance of its obligations hereunder and compliance with the terms hereof do not and will not violate any provision of law, any order of any court or other agency of government, the Company's declaration of trust or any provision of any indenture, agreement or other instrument to which it or any of its properties or assets is bound, and will not conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or other instrument or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Company.

3. Miscellaneous.

3.1. Effectiveness.

This Agreement shall become effective as of the Effective Time (as defined in the Merger Agreement).

3.2. Successors and Assigns.

This Agreement will be binding upon and will inure to the benefit of the signatories hereto and their respective successors and permitted assigns (including transferees of any shares of Registrable Securities). Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement.

3.3. Governing Law.

This Agreement will be governed by and construed in accordance with the internal Laws of the State of Delaware applicable to contracts made and wholly performed within such state, without regard to any applicable conflict of laws principles.

3.4. Counterparts.

This Agreement may be executed in two or more counterparts, all of which will be considered one and the same agreement and will become effective when counterparts have been signed by each of the parties and delivered to the other parties, it being understood that each party need not sign the same counterpart.

3.5. Notices.

All notices required or permitted pursuant to this Agreement will be in writing and will be deemed to be properly given when actually received by the person entitled to receive the notice at the address set forth on Exhibit A hereto, or at such other address as a party may provide by notice to the other.

3.6. Attorneys' Fees.

If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

3.7. Amendments and Waivers.

Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company (with the approval of a majority of the independent trust managers of the Board) and the holders of at least a majority of the Registrable Securities then outstanding. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each holder of any Registrable Securities then outstanding, each future holder of all such Registrable Securities and the Company.

3.8. Other Agreements.

Neither the Company nor any of its subsidiaries has entered, as of the date hereof, nor shall the Company or any of its subsidiaries, on or after the date of this Agreement, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof.

3.9. Specific Performance.

The parties hereby acknowledge and agree that the failure of any party to perform its agreements and covenants hereunder, including its failure to take all actions as are necessary on its part to the consummation of the transactions contemplated hereby, will cause irreparable injury to the other parties for which damages, even if available, will not be an adequate remedy. Accordingly, each party hereby consents to the issuance of injunctive relief by any court of competent jurisdiction to compel performance of such party's obligations and to the granting by any court of the remedy of specific performance of its obligations hereunder.

3.10. Severability.

The illegality or partial illegality of any of this Agreement, or any provision hereof, will not affect the validity of the remainder of this Agreement, or any provision hereof, and the illegality or partial illegality of this Agreement will not affect the validity of this Agreement in any jurisdiction in which such determination of illegality or partial illegality has not been made, except in either case to the extent such illegality or partial illegality causes this Agreement to no longer contain all of the material provisions reasonably expected by the parties to be contained therein.

3.11. Rules of Construction.

(a) When a reference is made in this Agreement to Articles, Sections, Exhibits or Schedules, such reference will be to an Article or Section or Exhibit or Schedule to this Agreement unless otherwise indicated. Whenever the words "include," "includes" or "including" are used in this Agreement, they will be deemed to be followed by the words "without limitation." Unless the context otherwise requires, (i) "or" is disjunctive but not necessarily exclusive, (ii) words in the singular include the plural and vice versa, and (iii) the use in this Agreement of a pronoun in reference to a party hereto includes the masculine, feminine or neuter, as the context may require. This Agreement will not be interpreted or construed to require any person to take any action, or fail to take any action, that would violate any applicable Law.

(b) The parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

3.12. Entire Agreement.

This Agreement constitutes the entire agreement and all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter of this Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the Company and Urban II have caused this Registration Rights and Lockup Agreement to be signed by its officer thereunto duly authorized, all as of the date first written above.

PMC COMMERCIAL TRUST

By: /s/ Jan F. Salit

Name: Jan F. Salit

Title: President

URBAN PARTNERS II, LLC

By: CIM Urban Partners GP, LLC, its managing member

By: /s/ David Thompson

Name: David Thompson

Title: Vice President and Chief Financial Officer

Addresses For Notices

PMC COMMERCIAL TRUST

17950 Preston Road, Suite 600

Dallas, Texas 75252

Attn: Jan F. Salit (or most senior officer at such location)

URBAN PARTNERS II, LLC

6922 Hollywood Blvd.

Ninth Floor

Los Angeles, CA 90028

Attn: General Counsel

FOURTH AMENDMENT TO
AMENDED AND RESTATED CREDIT AGREEMENT

THIS FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment") is entered into as of March 10, 2014 by and among PMC COMMERCIAL TRUST, a real estate investment trust organized under the laws of the State of Texas ("PMC") and FIRST WESTERN SBLC, INC., a Florida corporation ("First Western") (PMC and First Western herein collectively referred to as "Existing Borrowers"), and WESTERN FINANCIAL CAPITAL CORPORATION, a Florida corporation ("Western Financial") and PMC INVESTMENT CORPORATION, a Florida corporation ("PMC Investment"), (Western Financial and PMC Investment herein collectively referred to as "New Borrowers" and PMC, First Western, Western Financial and PMC Investment, herein collectively referred to as the "Borrowers" and individually, a "Borrower"), EACH OF THE FINANCIAL INSTITUTIONS WHICH IS A SIGNATORY HERETO OR WHICH MAY FROM TIME TO TIME BECOME A PARTY HERETO (individually, a "Lender" and collectively, the "Lenders") and JPMORGAN CHASE BANK, National Association ("JPMorgan"), a national banking association, as agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "Administrative Agent").

RECITALS:

WHEREAS, PMC, First Western, Lenders and Administrative Agent are party to that Amended and Restated Credit Agreement, dated as of December 28, 2010, as amended by that certain First Amendment to Amended and Restated Credit Agreement, dated as of June 8, 2011, that certain Second Amendment to Amended and Restated Credit Agreement, dated as of June 15, 2012, and that certain Third Amendment to Amended and Restated Credit Agreement, dated as of August 5, 2013 (as the same has been or may be renewed, extended, amended and restated from time to time, the "Credit Agreement"); and

WHEREAS, PMC and First Western have requested that Administrative Agent and Lenders agree to an amendment permitting the CIM Merger, adding Western Financial Capital Corporation and PMC Investment Corporation as new borrowers under the PMC Revolving Facility, adding a new \$30,000,000 term loan and making certain other changes. Subject to the conditions set forth in this Amendment, Administrative Agent and Lenders have agreed to amend the Credit Agreement as set forth herein.

NOW, THEREFORE, the parties to this Amendment, for good, fair and valuable consideration, the receipt and reasonable equivalency of which are hereby acknowledged, do hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Defined Terms; References. Unless otherwise stated in this Amendment (a) terms defined in the Credit Agreement (giving effect to this Amendment) have the same meanings when used in this Amendment, and (b) references to "Sections," "Schedules" and "Exhibits" are to sections, schedules and exhibits to the Credit Agreement.

FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

ARTICLE II
AMENDMENTS

Section 2.1 Credit Agreement. The Credit Agreement is, effective on the date hereof, hereby amended in its entirety to read as set forth in the attached Annex I.

Section 2.2 Amendment to Schedule 2. Schedule 2 to the Credit Agreement is hereby deleted and the attached Schedule 2 is hereby substituted in its stead.

Section 2.3 Amendment to Schedule 6.3. Schedule 6.3 to the Credit Agreement is hereby deleted and the attached Schedule 6.3 is hereby substituted in its stead.

Section 2.4 Amendment to Schedule 6.8. Schedule 6.8 to the Credit Agreement is hereby deleted and the attached Schedule 6.8 is hereby substituted in its stead.

Section 2.5 Amendment to Schedule 8.2. Schedule 8.2 to the Credit Agreement is hereby deleted and the attached Schedule 8.2 is hereby substituted in its stead.

Section 2.6 Amendment to Exhibit A. Exhibit A to the Credit Agreement is hereby deleted and the attached Exhibit A is hereby substituted in its stead.

Section 2.7 Addition of Exhibit A-2. The attached Exhibit A-2 is hereby added to the Credit Agreement immediately following Exhibit A attached thereto.

Section 2.8 Amendment to Exhibit B. Exhibit B to the Credit Agreement is hereby deleted and the attached Exhibit B is hereby substituted in its stead.

Section 2.9 Amendment to Exhibit C. Exhibit C to the Credit Agreement is hereby deleted and the attached Exhibit C is hereby substituted in its stead.

Section 2.10 Amendment to Exhibit D. Exhibit D to the Credit Agreement is hereby deleted and the attached Exhibit D is hereby substituted in its stead.

Section 2.11 Amendment to Exhibit E. Exhibit E to the Credit Agreement is hereby deleted and the attached Exhibit E is hereby substituted in its stead.

ARTICLE III
CONDITIONS PRECEDENT

Section 3.1 Conditions Precedent. Notwithstanding any contrary provisions herein, this Amendment is not effective unless and until:

(a) there exists no Default or Potential Default either prior to or after giving pro forma effect to this Amendment;

(b) the representations and warranties in this Amendment and in the Credit Agreement are true and correct (after giving effect to this Amendment);

(c) the Administrative Agent shall have received counterparts of this Amendment executed by each party named below;

(d) the Administrative Agent shall have received the Revolving Notes duly executed by each of the Borrowers;

(e) the Administrative Agent shall have received the Term Loan Notes duly executed by each of the Borrowers;

(f) the Administrative Agent shall have received counterparts of the Amended and Restated Guaranty executed by PMC, Western Financial and PMC Investment;

(g) the Administrative Agent shall have received an incumbency certificate executed by the Secretary or Assistant Secretary of Western Financial certifying the names of the officers of Western Financial authorized to sign each of the Credit Documents to which it is a party and the other documents or certificates to be delivered pursuant to the Credit Documents by Western Financial, together with the true signatures of each such officer;

(h) the Administrative Agent shall have received an incumbency certificate executed by the Secretary or Assistant Secretary of PMC Investment certifying the names of the officers of PMC Investment authorized to sign each of the Credit Documents to which it is a party and the other documents or certificates to be delivered pursuant to the Credit Documents by PMC Investment, together with the true signatures of each such officer;

(i) the Administrative Agent shall have received an officer's certificate executed by a Responsible Officer for each Borrower in form and substance acceptable to the Administrative Agent attaching (and certifying to the accuracy thereof) such resolutions, certificates of good standing, certified articles of organization and other corporate documents acceptable to the Administrative Agent;

(j) the Administrative Agent shall have received an opinion of counsel to the Companies regarding this Amendment, and other matters acceptable to the Administrative Agent, and in form and substance acceptable to the Administrative Agent, but in any event including a no conflict opinion with respect to the CIM Credit Agreements (for purposes hereof, "CIM Credit Agreements" means (i) that certain Credit Agreement, dated as of August 28, 2013, among CIM Urban Partners, L.P., each lender from time to time party thereto, and Bank of America, N.A., as administrative agent (as amended), and (ii) that certain Credit Agreement, dated as of February 6, 2012, among CIM Urban Partners, L.P., each lender from time to time party thereto, and Bank of America, N.A., as administrative agent (as amended));

(k) the Administrative Agent shall have received a Compliance Certificate acceptable to the Administrative Agent, certifying compliance by the Companies and the Consolidated Companies with this Agreement and demonstrating the Companies' pro forma compliance with Section 9 of the Credit Agreement after giving effect to this Amendment and the CIM Merger;

(l) the Administrative Agent shall have received the execution version of the CIM Merger Agreement, including all schedules and exhibits thereto, and execution versions of the Registration Rights and Lockup Agreement and the Master Services Agreement to be executed in connection with the CIM Merger Agreement, in each case certified by a Responsible Officer to be true, correct and complete copies of the all such documents, instruments and agreements;

(m) the Administrative Agent shall have received reimbursement for all costs and expenses incurred by it in connection with this Amendment and the other transactions and for which it has submitted an invoice to the Borrowers; and

(n) the Administrative Agent shall have received such other documents, instruments and certificates as reasonably requested by it in connection with this Amendment.

ARTICLE IV NO WAIVER

Section 4.1 No Waiver. Nothing herein shall be construed as a consent to or waiver of any Potential Default or Event of Default which may now exist or hereafter occur or any violation of any term, covenant or provision of the Credit Agreement or any other Credit Document. All rights and remedies of the Administrative Agent and the Lenders are hereby expressly reserved with respect to any such Potential Default or Event of Default. Nothing herein shall diminish the right of the Administrative Agent or any Lender to require strict performance by Borrowers of each provision of any Credit Document to which such Person is a party, except as expressly provided herein. All terms and provisions and all rights and remedies of the Administrative Agent and the Lenders under the Credit Documents shall continue in full force and effect and are hereby confirmed and ratified in all respects.

ARTICLE V MISCELLANEOUS

Section 5.1 Ratifications. This Amendment modifies and supersedes all inconsistent terms and provisions of the Credit Documents, and except as expressly modified and superseded by this Amendment, the Credit Documents are ratified and confirmed and continue in full force and effect. Borrowers, Administrative Agent and Lenders agree that the Credit Documents, as amended by this Amendment, continue to be legal, valid, binding and enforceable in accordance with their respective terms.

Section 5.2 Representations and Warranties. Each of the Borrowers hereby represents and warrants to Administrative Agent and Lenders that (a) this Amendment and any Credit Documents to be delivered under or in connection with this Amendment have been duly executed and delivered by each Borrower, (b) no action of, or filing with, any Governmental Authority is required to authorize, or is otherwise required in connection with, the execution, delivery, and performance by any Borrower of this Amendment and any Credit Document to be delivered under or in connection with this Amendment except for the acceptance by the SBA of the forfeiture or surrender of the SBIC licenses of Western Financial and PMC Investment, (c) this Amendment and any Credit Documents to be delivered under or in connection with this Amendment are valid and binding upon each Borrower and are enforceable against each

Borrower in accordance with their respective terms, (d) the execution, delivery, and performance by each Borrower of this Amendment and any Credit Documents to be delivered under or in connection with this Amendment do not require the consent of any other Person and do not and will not constitute a violation of any applicable laws, agreements or understandings to which such Person is a party or by which such Person is bound (except any technical violation of SBA regulations applicable to an SBIC which results from the execution of this Amendment and the other Credit Documents and which would not reasonably be expected to result in a Material Adverse Event), (e) the representations and warranties contained in the Credit Agreement, as amended by this Amendment, and any other Credit Document are true and correct in all material respects as of the date of this Amendment (except for any representations and warranties that speak to a specific date prior to the date of this Amendment), (f) as of the date of this Amendment, no Potential Defaults or Events of Default exist, and (g) each Borrower (other than First Western) is jointly and severally liable for all Obligations outstanding on the Fourth Amendment Effective Date and all Obligations incurred thereafter.

Section 5.3 References. All references in the Credit Documents to the "Credit Agreement" refer to the Credit Agreement as amended by this Amendment. This Amendment is a "Credit Document" as referred to in the Credit Agreement and the provisions relating to Credit Documents in the Credit Agreement are incorporated herein by reference, the same as if set forth verbatim in this Amendment.

Section 5.4 Counterparts. This Amendment may be executed in any number of counterparts with the same effect as if all signatories had signed the same document.

Section 5.5 Parties Bound. This Amendment binds and inures to the benefit of each Borrower, Agent and each Lender and their respective successors and assigns.

Section 5.6 Entirety. THIS AMENDMENT, THE CREDIT AGREEMENT AS AMENDED BY THIS AMENDMENT, AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES FOR THE TRANSACTIONS THEREIN, AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENT BETWEEN THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date set forth above.

BORROWERS:

PMC COMMERCIAL TRUST

By: /s/ Barry N. Berlin
Barry N. Berlin
Executive Vice President and
Chief Financial Officer

FIRST WESTERN SBLC, INC.

By: /s/ Barry N. Berlin
Barry N. Berlin
Executive Vice President and
Chief Financial Officer

NEW BORROWERS:

WESTERN FINANCIAL CAPITAL CORPORATION

By: /s/ Barry N. Berlin
Barry N. Berlin
Executive Vice President and
Chief Financial Officer

PMC INVESTMENT CORPORATION

By: /s/ Barry N. Berlin
Barry N. Berlin
Executive Vice President and
Chief Financial Officer

ADMINISTRATIVE AGENT AND LENDERS:

JPMORGAN CHASE BANK, N.A.,
individually, as a Lender and as Administrative Agent

/s/ Brooke Tankersley

By: Brooke Tankersley
Title: Underwriter II

FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT – SIGNATURE PAGE

ANNEX I
CREDIT AGREEMENT

FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT – ANNEX I

ANNEX 1 TO FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

AMENDED AND RESTATED CREDIT AGREEMENT

among

PMC COMMERCIAL TRUST,
FIRST WESTERN SBLC, INC.,
WESTERN FINANCIAL CAPITAL CORPORATION, and
PMC INVESTMENT CORPORATION,
as Borrowers

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,
as Administrative Agent

And

THE LENDERS NAMED HEREIN,
as Lenders

DECEMBER 28, 2010

UP TO \$40,000,000 SENIOR REVOLVING CREDIT FACILITIES
\$30,000,000 SENIOR TERM LOAN

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- Exhibit C - Conversion Notice
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AMENDED AND RESTATED CREDIT AGREEMENT

THIS AMENDED AND RESTATED CREDIT AGREEMENT is entered into as of December 28, 2010, among PMC COMMERCIAL TRUST, a real estate investment trust organized under the laws of the State of Texas ("PMC"), FIRST WESTERN SBLC, INC., a Florida corporation ("First Western"), WESTERN FINANCIAL CAPITAL CORPORATION, a Florida corporation ("Western Financial"), PMC INVESTMENT CORPORATION, a Florida corporation ("PMC Investment"), (collectively PMC, First Western, Western Financial and PMC Investment, the "Borrowers" and individually, a "Borrower"), certain Lenders (defined below) and JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, a national banking association (successor-in-interest to Bank One, NA), as Administrative Agent (defined below) for itself and the other Lenders.

PRELIMINARY STATEMENT:

A. PMC, the Administrative Agent and the Lenders have entered into that certain Credit Agreement dated as of February 29, 2004, as amended through the date hereof (as amended, the "Existing Credit Agreement").

B. On the Fourth Amendment Effective Date, PMC and First Western have requested and the Administrative Agent and the Lenders have agreed to amend the PMC Revolving Facility to add both Western Financial and PMC Investment as borrowers, to add a new term loan, and to amend, modify and restate the Existing Credit Agreement upon the terms and conditions hereinafter set forth.

ACCORDINGLY, for adequate and sufficient consideration, the receipt of which is hereby acknowledged, Borrowers, Administrative Agent and Lenders agree as follows:

SECTION 1. DEFINITIONS AND TERMS.

1.1 Definitions. As used in the Credit Documents:

"Adjusted One Month LIBOR Rate" means, with respect to a CBFRR Borrowing for any day, an interest rate per annum equal to the sum of (i) 2.50% plus (ii) the LIBOR Rate for one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day); provided that, for the avoidance of doubt, the LIBOR Rate for any day shall be based on the rate appearing on the Reuters Screen LIBOR01 Page (or on any successor or substitute page) at approximately 11:00 a.m. London time on such day.

"Administrative Agent" means JPMorgan Chase Bank, National Association (successor-in-interest to Bank One, NA) (or its successors appointed under Section 12), acting as administrative, managing and syndication agent for Lenders under the Credit Documents.

"Affiliate" of a Person means any other Person who directly or indirectly controls, is controlled by, or is under common control with that Person. For purposes of this definition (a) "control," "controlled by," and "under common control with" mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of voting securities or other interests, by contract or otherwise) and (b) the Companies are "Affiliates" of each other.

“**Applicable Margin**” means, for any day, for the Revolving Facilities and the Term Loan as applicable and as set forth below, the margin of interest under or over the CB Floating Rate or the LIBOR Rate, as the case may be, that is applicable when the CB Floating Rate or LIBOR Rate, as applicable, is determined under this agreement, which margin of interest shall be as follows:

<u>Type of Borrowing</u>	<u>Applicable Margin for the Revolving Facilities</u>	<u>Applicable Margin for the Term Loan</u>
CB Floating Rate	-0.50%	0.50%
LIBOR Rate	2.00%	2.50%

“**Asset Coverage Ratio**” means, as of any date of determination, the ratio of (a) the sum of (i) unencumbered cash and cash equivalents of the Borrowers, plus (ii) the aggregate outstanding principal balance of all unencumbered Commercial Loans then owned by the Borrowers less (A) the government guaranteed portion of First Western loans that have been sold pursuant to secondary market loan sales, (B) the Retained Loan Discount, and (C) loans identified as Doubtful Loans or Substandard Loans in accordance with the loan classification methodology currently used by the Borrowers to (b) the difference of (i) the aggregate amount of Debt of the Borrowers, minus (ii) the aggregate principal amount outstanding under the Junior Subordinated Notes. For the avoidance of doubt, the Asset Coverage Ratio shall be calculated with respect to the four Borrowers only and not any of the other Companies or any CIM Entity or other subsidiary.

“**Assignment**” means any assignment described in [Section 13.3](#).

“**Borrower**” and “**Borrowers**” are defined in the preamble to this agreement.

“**Borrowing**” means any amount disbursed (a) by one or more Lenders to or on behalf of any Borrower under the Credit Documents, either as an original disbursement of funds or a renewal, extension, modification or continuation of an amount outstanding, or (b) by any Lender in accordance with, and to satisfy a Company’s obligations under, any Credit Document.

“**Borrowing Date**” is defined in [Section 2.2\(a\)](#).

“**Borrowing Request**” means a request, subject to [Section 2.2\(a\)](#), [Section 2.6\(a\)](#) or [Section 2.9\(a\)](#), as applicable, substantially in the form of [Exhibit B](#) and otherwise in form and scope acceptable to Administrative Agent.

“**Business Day**” means (a) for purposes of any LIBOR Rate Borrowing, a day when commercial banks are open for international business in London, England, and (b) for all other purposes, any day other than Saturday, Sunday and any other day that most commercial banks in Texas are closed.

“Capital Lease” means any capital lease or sublease which should be capitalized on a balance sheet in accordance with GAAP.

“CB Floating Rate” means the Prime Rate; provided that the CB Floating Rate shall, on any day, not be less than the Adjusted One Month LIBOR Rate. The CB Floating Rate is a variable rate and any change in the CB Floating Rate due to any change in the Prime Rate or the Adjusted One Month LIBOR Rate is effective from and including the effective date of such change in the Prime Rate or the Adjusted One Month LIBOR Rate, respectively.

“CBFR Borrowing” means a Borrowing bearing interest at the sum of the CB Floating Rate plus the Applicable Margin for CBFR Borrowings.

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§9601 et seq.

“Change of Control” means any one or more of the following: (i) 100% of the total equity interests of any Borrower or any other Company (except PMC) is not owned by PMC (either directly or indirectly), (ii) all or any portion of the equity interests of First Western, Western Financial, PMC Investment, PMC Funding Corp., PMC Asset Holding, PMCT Asset Holding LLC, PMC Properties, Inc., FW Asset Holding, LLC or PMC Joint Venture 2003, LLP are owned, directly or indirectly, by any CIM Entity (other than indirectly solely as a result of PMC’s ownership in each such entity), (iii) Urban Partners GP, LLC or any wholly-owned Subsidiary of PMC shall cease to be the sole general partner of CIM Urban Partners, L.P., (iv) CIM Urban REIT Management, L.P. shall cease to be the sole advisor of CIM Urban Partners, L.P., (v) PMC shall cease to own, directly or indirectly, at least fifty-one percent (51%) of the equity interests of CIM Urban Partners, L.P.; (vi) a Subsidiary of CIM Group, LLC shall cease to be the sole manager of Urban Partners GP, LLC or any permitted successor general partner of CIM Urban Partners, L.P.; (vii) CIM Group, LLC shall cease to control, directly or indirectly, (a) the sole manager of Urban Partners GP, LLC (or any permitted successor general partner of CIM Urban Partners, L.P.) or (b) CIM Urban REIT Management, L.P. or (viii) during any period of twelve (12) consecutive months, a majority of the members of the board of directors or other equivalent governing body of PMC cease to be composed of individuals (a) who were members of that board or equivalent governing body on the first day of such period, (b) whose election or nomination to that board or equivalent governing body was approved by a vote of the majority of the individuals referred to in *clause (a)* above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (c) whose election or nomination to that board or other equivalent governing body was approved by a vote of the majority of the individuals referred to in *clauses (a) and (b)* above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body (excluding, in the case of both *clause (b)* and *clause (c)*, any individual whose initial nomination for, or assumption of office as, a member of that board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the board of directors), or (d) who became members of the board of directors or other equivalent governing body as a result of (w) the retirement/resignation of any director or trustee as a result of compliance with any written policy of PMC requiring retirement/resignation from the board upon reaching the retirement age specified in such policy,

(x) the death or disability of any director or trustee, (y) satisfaction of any requirement for the majority of the members of the board of directors or equivalent governing body to qualify under applicable law as independent directors or trustees or (z) the replacement of any director or trustee who is an officer or employee of PMC, CIM Group, LLC, or an affiliate of PMC or CIM Group, LLC, with any other officer or employee of PMC, CIM Group, LLC, or an affiliate of PMC or CIM Group, LLC.

“CIM Entities” means, collectively, Urban Partners II, LLC, Urban Partners GP, LLC, CIM Group LLC, a Delaware limited liability company, CIM Urban REIT, LLC, a Delaware limited liability company, CIM Urban Partners, L.P., a Delaware limited liability company, CIM Merger Sub, LLC, a Delaware limited liability company and their subsidiaries as they exist immediately prior to the consummation of the CIM Merger.

“CIM Merger” means the transactions to be effectuated pursuant to the CIM Merger Agreement.

“CIM Merger Agreement” means that certain Agreement and Plan of Merger dated as of July 8, 2013, by and among PMC, CIM Urban REIT, LLC, and their respective merger subsidiaries, as such agreement is in effect on the Fourth Amendment Effective Date, and with such changes thereto that have been approved in writing by the Administrative Agent.

“Closing Date” means the date upon which this agreement has been executed by Borrowers, Lenders and Administrative Agent and all conditions precedent specified in Section 5.1 have been satisfied or waived.

“Code” means the Internal Revenue Code of 1986.

“Commercial Loan Obligor” means each Person who is obligated or liable for the payment or performance of all or any portion of a Commercial Loan.

“Commercial Loans” means loans made by any Company to any Person (other than an Affiliate of the Companies) for business or commercial purposes and not for family consumer or household use, which loans are secured by real property or personal property.

“Commitment Usage” means, at the time of any determination thereof, the aggregate Principal Debt outstanding under the PMC Revolving Facility or the First Western Revolving Facility, as applicable.

“Committed Sum” means, for any Lender, the amount (subject to increase, reduction or cancellation as provided in this agreement) stated beside its name on Schedule 2, as such amount may be (a) increased in accordance with the terms hereof and the definition of Total Commitment Amount and (b) adjusted pursuant to permitted assignments in accordance with the terms of this agreement.

“Companies” means at any time, PMC, First Western, Western Financial, PMC Investment, PMC Funding Corp., PMC Asset Holding, PMCT Asset Holding LLC, PMC Properties, Inc., FW Asset Holding, LLC and PMC Joint Venture 2003, LLP. For the avoidance of doubt, the defined term “Companies” will not include any of the CIM Entities or Southfork. “Company” means any one of the Companies, as applicable in the context used.

“Compliance Certificate” means a certificate substantially in the form of Exhibit D, and otherwise in form and scope satisfactory to Administrative Agent, and signed by a Responsible Officer of PMC.

“Consequential Loss” means any loss, expense or reduction in yield (but not any Applicable Margin) that any Lender reasonably incurs because (a) one or more Borrowers fails or refuses (for any reason whatsoever other than a default by Administrative Agent or a Lender claiming that loss, expense or reduction in yield) to take any Borrowing that it has requested under this agreement or (b) one or more Borrowers prepays or pays any Borrowing or converts any Borrowing to a Borrowing of another Type, in each case, other than on the last day of the applicable Interest Period.

“Consolidated CIM Entities” means, collectively, Urban Partners GP, LLC, CIM Urban Partners, L.P., a Delaware limited liability partnership and CIM Merger Sub, LLC, a Delaware limited liability company and their subsidiaries as they exist immediately prior to the consummation of the CIM Merger.

“Consolidated Companies” means, at any time, PMC and each of its Subsidiaries, (in each case, specifically ***including*** the Consolidated CIM Entities.

“Conversion Notice” means a notice and request from any Borrower to Administrative Agent, subject to Section 3.10, substantially in the form of Exhibit C, and otherwise in form and scope satisfactory to Administrative Agent.

“Credit Documents” means (a) this agreement, certificates and reports delivered under this agreement, and exhibits and schedules to this agreement, (b) all agreements, documents, notes and instruments in favor of Administrative Agent or Lenders (or Administrative Agent on behalf of Lenders) ever delivered under this agreement or otherwise delivered in connection with (i) all or any part of the Obligation and (ii) all or any part of the Revolving Facilities and Term Loan, including, without limitation, any Guaranty (other than Assignments), and (c) all renewals, extensions, modifications and restatements of, and amendments and supplements to, any of the foregoing, which are made in accordance with the provisions of the respective Credit Documents.

“Current Financials,” unless otherwise specified:

(a) means either (i) the Consolidated Companies’ consolidated Financials for the year ended December 31, 2009, or (ii) at any time after annual Financials are first delivered under Section 7.1(a), the Consolidated Companies’ annual Financials then most recently delivered to Administrative Agent under Section 7.1(a), together with the Consolidated Companies’ quarterly Financials then most recently delivered to Administrative Agent under Section 7.1(b); but

(b) does not include the results of operation and cash flows for any Consolidated Company for the time period before it becomes a member of the Consolidated Companies.

“Debt” means, with respect to any Person on any date of determination (without duplication), (a) all obligations for borrowed money, (b) all obligations evidenced by bonds, debentures, notes or similar instruments, (c) all obligations to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, which are paid when due in accordance with ordinary course payment terms or which are being contested in good faith in appropriate proceedings, (d) all obligations arising under acceptance facilities or facilities for the discount or sale of accounts or loans receivable, (e) all direct or contingent obligations in respect of letters of credit, (f) Capital Lease obligations, (g) liabilities secured (or for which the holder of any obligations or liabilities has an existing Right, contingent or otherwise, to be so secured) by any Lien existing on property owned or acquired by that Person and (h) all guaranties, endorsements and other contingent obligations for liabilities, obligations or the maintenance of the financial condition of others, including obligations to repurchase or purchase properties or to maintain or cause to maintain any financial condition. For purposes of this agreement, “Debt” shall not include amounts consisting of cash proceeds received by any Person from the government guaranteed loans sold for premiums and excess spread that are required by GAAP to be reflected on the balance sheet of such Person as secured borrowings.

“Debtor Relief Laws” means the Bankruptcy Code of the United States of America and all other applicable laws providing for liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, or suspension of payments or similar Governmental Requirements affecting creditors’ Rights.

“Default Rate” means, for any day, an annual interest rate equal to the lesser of either (a) the CB Floating Rate on such day plus 3.0% or (b) the Maximum Rate.

“Distribution” means, with respect to any shares of any beneficial interests, capital stock or other equity securities issued by a Person (a) the retirement, redemption, purchase, repurchase or other acquisition for value of those securities, (b) the declaration or payment of any dividend on or with respect to those securities, (c) any loan or advance by that Person to, or other investment by that Person in, the holder of any of those securities and (d) any other payment by that Person with respect to those securities.

“Doubtful Loan” means any Commercial Loan that is not complying with its contractual terms, the collection of the balance of the principal is considered impaired and on which the fair value of the collateral securing such Commercial Loan is less than the remaining unamortized principal balance of such Commercial Loan.

“EBITDA” means, with respect to any Person and for any period (without duplication) an amount equal to (a) Net Income, plus (b) to the extent deducted in calculating Net Income, the sum of (i) Interest Expense, plus (ii) Tax expense, plus (iii) depreciation and amortization from its continuing operations, minus (c) to the extent included in calculating Net Income, any gains that are extraordinary items.

“Employee Plan” means any employee pension benefit plan (a) covered by Title IV of ERISA and established or maintained by any Borrower or any ERISA Affiliate (other than a Multiemployer Plan) or (b) established or maintained by any Borrower or any ERISA Affiliate or to which any Borrower or any ERISA Affiliate contributes, under the Governmental Requirements of any foreign country.

“Environmental Investigation” means any health, safety or environmental site assessment, investigation, study, review, audit, compliance audit or compliance review conducted at any time or from time to time (whether at the request of Administrative Agent or any Lender, upon the order or request of any Governmental Authority, or at the voluntary instigation of any Company or Affiliate of any Company or otherwise) concerning any Real Property or the business operations or activities of any Company or Affiliate of any Company, including, without limitation, (a) air, soil, groundwater or surface water sampling and monitoring, (b) repair, cleanup, remediation, or detoxification, (c) preparation and implementation of any closure, remedial, spill, emergency or other plans, and (d) any health, safety or environmental compliance audit or review.

“Environmental Law” means any applicable Governmental Requirement that relates to (a) the condition of air, ground or surface water, soil, or other environmental media, (b) the environment or natural resources, (c) safety or health, (d) the regulation of any contaminants, wastes, and Hazardous Substances, including, without limitation, CERCLA, OSHA, the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Clean Water Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. § 136 et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 et seq.), the Safe Drinking Water Act (42 U.S.C. § 201 and § 300f et seq.), the Rivers and Harbors Act (33 U.S.C. § 401 et seq.), the Oil Pollution Act (33 U.S.C. § 2701 et seq.), state and local Governmental Requirements, and any future Governmental Requirements which may be enacted or adopted, in each case, now existing or hereafter adopted, which are analogous to any of the preceding referenced requirements, or (e) the Release or threatened Release of Hazardous Substances.

“Environmental Liability” means any liability, loss, fine, penalty, charge, lien, damage, cost or expense of any kind to the extent that it results directly or indirectly, in whole or in part, (a) from the violation of any Environmental Law, (b) from the Release or threatened Release of any Hazardous Substance, (c) from removal, remediation, or other actions in response to the Release or threatened Release of any Hazardous Substance, (d) from actual or threatened damages to natural resources, (e) from the imposition of injunctive relief or other orders, (f) from personal injury, death, or property damage which occurs as a result of any Company’s or any Affiliate of any Company’s use, storage, handling, or Release or threatened Release of a Hazardous Substance, or (g) from any Environmental Investigation performed at, on, or for any Real Property.

“Environmental Lien” means any Lien imposed as a result of the operation of any Environmental Law.

“Environmental Permit” means any permit or license from any Person defined in clause (a) of the definition of Governmental Authority that is required under any Environmental Law for the lawful conduct of any business, process or other activity.

“Equity Issuance” means the issuance by PMC of any shares of any class of beneficial interests, stock, warrants, options or other equity interests, whether pursuant to a public offering or otherwise, but does not include (a) any present and future shares of beneficial interests, stock, options or warrants issued to employees or trust managers of PMC, or (b) any present and future shares of beneficial interests, stock, options or warrants issued in respect of any dividend reinvestment plan established and maintained by PMC.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” means any Person that, for purposes of Title IV of ERISA, is a member of any Borrower’s controlled group or is under common control with any Borrower within the meaning of Section 414 of the Code (which provisions are deemed by this agreement to apply to Foreign Persons).

“Event of Default” is defined in Section 10.

“Existing Credit Agreement” is defined in the recitals of this agreement.

“Existing Debt” is defined in Section 8.2(a).

“Existing Liens” is defined in Section 8.3(a).

“Federal Funds Rate” means, for any day, the annual rate (rounded upwards, if necessary, to the nearest 0.01%) determined by Administrative Agent (which determination is conclusive and binding, absent manifest error) to be equal to (a) the weighted average of the rates on overnight federal funds transactions with member banks of the Federal Reserve System arranged by federal funds brokers on that day, as published by the Federal Reserve Bank of New York on the next Business Day or (b) if the rates referred to in the preceding clause (a) are not published for any day, the average of the quotations at approximately 10:00 a.m. received by Administrative Agent from three federal funds brokers of recognized standing selected by Administrative Agent in its sole discretion.

“Financial Contract” of a Person means (i) any exchange-traded or over-the-counter futures, forward, swap or option contract or other financial instrument with similar characteristics, or (ii) any Rate Management Transaction.

“Financials” of a Person means balance sheets, profit and loss statements, reconciliations of capital and surplus, and statements of cash flow prepared (a) according to GAAP (subject to year-end audit adjustments with respect to interim Financials) and (b) except as stated in Section 1.4, in comparative form to prior year-end figures or corresponding periods of the preceding fiscal year or other relevant period, as applicable.

“First Western” is defined in the preamble to this agreement.

“First Western Commitment” means an amount equal to \$20,000,000.

“First Western Revolving Facility” means the revolving line of credit facility described in Section 2.8.

“First Western Revolving Note” means one of the promissory notes executed by First Western in favor of a Lender pursuant to this agreement, substantially in the form of Exhibit A and otherwise in form and scope acceptable to Administrative Agent and that Lender.

“Foreign” means, in respect of any Person, a Person organized under the Governmental Requirements of a jurisdiction other than, or domiciled outside of, the United States of America or one of its states, territories, commonwealths, or possessions.

“Fourth Amendment Effective Date” means March 10, 2014.

“GAAP” means generally accepted accounting principles of the Accounting Principles Board of the American Institute of Certified Public Accountants and the Financial Accounting Standards Board that are applicable from time to time.

“Governmental Authority” means any (a) local, state, territorial, federal or Foreign judicial, executive, regulatory, administrative, legislative or governmental agency, board, bureau, commission, department or other instrumentality, (b) private arbitration board or panel or (c) central bank.

“Governmental Requirements” means all applicable statutes, laws, treaties, ordinances, rules, regulations, orders, writs, injunctions, decrees, judgments, opinions and interpretations of any Governmental Authority.

“Guarantor” means any Subsidiary of a Borrower that is a Company which has entered into a Guaranty of the Obligation, which such Guaranty remains valid, binding and enforceable against such Company, except as that enforceability may be limited by Debtor Relief Laws and general principles of equity.

“Guaranty” means any guaranty agreement executed by PMC or any other Company in favor of the Administrative Agent for the benefit of itself and the Lenders pursuant to this agreement, all in form and scope acceptable to Administrative Agent.

“Hazardous Substance” means (a) any substance that is reasonably expected to require removal, remediation, or other response under any Environmental Law, (b) any substance that is designated, defined or classified as a hazardous waste, hazardous material, pollutant, contaminant, explosive, corrosive, flammable, infectious, carcinogenic, mutagenic, radioactive, dangerous, or toxic or hazardous substance under any Environmental Law, including, without limitation, any hazardous substance within the meaning of § 101(14) of CERCLA, (c) petroleum, oil, gasoline, natural gas, fuel oil, motor oil, waste oil, diesel fuel, jet fuel, and other petroleum hydrocarbons, (d) asbestos and asbestos-containing materials in any form, (e) polychlorinated biphenyls; (f) urea formaldehyde foam, or (g) any substance the presence of which on any Real Property either (i) poses or threatens to pose a hazard to the health or safety of persons or to the environment, or (ii) could reasonably be expected to constitute a health or safety hazard to persons or the environment if emanated or migrated from the Real Property.

“Interest Expense” means, with respect to any Person and for any period (without duplication), all interest on that Person’s Debts, whether paid in cash or accrued as a liability and payable in cash during any subsequent period (including, without limitation, the interest component of Capital Leases), as determined by GAAP.

“Interest Period” is determined in accordance with Section 3.9.

“Investment” means, in respect of any Person, any loan, advance, extension of credit or capital contribution to that Person, any investment in that Person, or any purchase or commitment to purchase any equity securities or Debt issued by that Person or substantially all of the assets or a division or other business unit of that Person.

“JPMorgan Chase” means JPMorgan Chase Bank, National Association, in its individual capacity as a Lender, and its successors and assigns.

“Junior Subordinated Notes” means the Debt of PMC evidenced by notes payable of approximately \$27,070,000, due March 30, 2035, which is subordinated to the Obligation.

“Lenders” means the financial institutions (including, without limitation, Administrative Agent in respect of its share of Borrowings) from time to time party hereto and, subject to this agreement, their respective successors and assigns (but not any Participant who is not otherwise a party to this agreement). Lenders on the Fourth Amendment Effective Date are listed on Schedule 2 hereto.

“LIBOR Rate” means, for a LIBOR Rate Borrowing and for the relevant Interest Period, the annual interest rate (rounded upward, if necessary, to the nearest 0.01%) equal to the quotient obtained by dividing (a) the rate that deposits in United States dollars are offered to Administrative Agent in the London interbank market at approximately 11:00 a.m. London, England time two Business Days before the first day of that Interest Period as shown on Reuters Screen LIBOR01, formerly known as Page 3750 of the Moneyline Telerate Service (together with any successor or substitute, the “Service”), or such other page or pages as may replace such pages on the Service for the purpose of displaying such rate (provided that if such rate is not available on the Service then such offered rate shall be otherwise independently determined by Administrative Agent from an alternate, substantially similar independent service available to Administrative Agent or shall be calculated by Administrative Agent by a substantially similar methodology as that theretofore used to determine such offered rate in the Service) in an amount comparable to that LIBOR Rate Borrowing and having a maturity approximately equal to that Interest Period by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to the relevant Interest Period.

“LIBOR Rate Borrowing” means a Borrowing bearing interest at the sum of the LIBOR Rate plus the Applicable Margin for LIBOR Rate Borrowings.

“Lien” means any lien, mortgage, security interest, pledge, assignment, charge, title retention agreement or encumbrance of any kind and any other arrangement for a creditor’s claim to be satisfied from assets or proceeds prior to the claims of other creditors or the owners (other than title of the lessor under an operating lease).

“Litigation” means any action, proceeding, investigation or hearing by or before any Governmental Authority.

“Loan Obligor” means any Mortgage Loan Obligor and/or Commercial Loan Obligor.

“Material Adverse Event” means any circumstance or event that, individually or collectively, is reasonably expected to result (at any time before the Total Commitment Amount is fully canceled or terminated and the Obligation is fully paid and performed) in any (a) material impairment of (i) the ability of any Borrower or any other Company to perform any of its payment or other material obligations under any Credit Document or (ii) the ability of Administrative Agent or any Lender to enforce any of those obligations or Rights under the Credit Documents, (b) material and adverse effect on the business, management or financial condition of Borrowers or of the Companies as a whole, as represented to Lenders in the Current Financials, or (c) Event of Default or Potential Default.

“Maximum Amount” and “Maximum Rate” respectively mean, for a Lender, the maximum non-usurious amount and the maximum non-usurious rate of interest that, under applicable Governmental Requirements of the State of Texas or federal laws of the United States of America (as applicable), that Lender is permitted to contract for, charge, take, reserve or receive on the Obligation.

“Mortgage” means a mortgage, deed of trust or trust deed that grants a perfected first-priority Lien (or a second- or third-priority Lien in the case of Second-Lien Loans and Third-Lien Loans, respectively) on a Project.

“Mortgage Loan” means a commercial mortgage loan (i.e. not for family, consumer or household use) made by a Company that is evidenced by a valid promissory note and is secured by a Mortgage.

“Mortgage Loan Documents” means, with respect to each Mortgage Loan, the documents designated as such on Schedule 5.2.

“Mortgage Loan Obligor” means each Person who is obligated or liable for the payment or performance of all or any portion of a Mortgage Loan.

“Multiemployer Plan” means a multiemployer plan as defined in Sections 3(37) or 4001(a)(3) of ERISA or Section 414(f) of the Code (or any similar type of plan established or regulated under the Governmental Requirements of any foreign country) to which any Borrower or any ERISA Affiliate is making, or has made, or is accruing, or has accrued, an obligation to make contributions.

“Net Income” of any Person means that Person’s profit or loss determined in accordance with GAAP.

“Net Proceeds” means the net proceeds, whether received in cash or otherwise, received before, on or after the date of consummation of a subject transaction, by any Person from such transaction, after payment of (a) all usual and customary brokerage commissions and all other reasonable fees and expenses related to such transaction (including, without limitation, reasonable attorney’s fees and closing costs), and (b) any Debt (other than the Obligation) relating to the assets being sold which must be repaid in connection with such subject transaction.

“Net Worth” means, for any Person, total beneficiaries’ or stockholders’ equity, as applicable, as determined in accordance with GAAP.

“Notes” means, at the time of any determination thereof, all outstanding and unpaid Revolving Notes and the Term Loan Notes.

“Obligation” means (a) all present and future Debts, liabilities and obligations of any Company to Administrative Agent, or any Lender and related to any Credit Document, whether principal, interest, fees, costs, attorneys’ fees or otherwise, (b) all present and future Rate Management Obligations, (c) any of the foregoing amounts that would become due but for the operation of 11 U.S.C. § 502 and 503 or any other provision of Title 11 of the United States Code, (d) all present and future pre- and post-maturity interest on any of the foregoing, including all post-petition interest if any Company voluntarily or involuntarily files for protection under any Debtor Relief Law, and (e) renewals, extensions, rearrangements and modifications of any character whatsoever of any the foregoing.

“Organizational Documents” means, for any Person, the documents for its formation and organization, which, for example, (a) for a corporation are its corporate charter and bylaws, (b) for a partnership are its certificate of partnership (if applicable) and partnership agreement, (c) for a limited liability company are its certificate of formation or organization and its operating agreement, regulations or the like and (d) for a trust is the trust agreement, declaration of trust, indenture or bylaws under which it is created.

“OSHA” means the Occupational Safety and Health Act of 1970, 29 U.S.C. § 651 et seq.

“Participant” is defined in Section 13.2(a).

“PBGC” means the Pension Benefit Guaranty Corporation.

“Performing Commercial Loans” means a Commercial Loan with respect to which (i) no payment of principal or interest is 61 days or more past due (whether under the initial payment plan or a modified payment plan established pursuant to a workout), and (ii) there is no claim of fraud in connection with the origination of such Commercial Loan.

“Permitted Asset Sale” means (a) any sale of assets which are obsolete or are no longer in use and which are not significant to the continuation of the Companies’ business, (b) any sale of REO Property, (c) any sale of the government guaranteed portion of Commercial Loans and Mortgage Loans, (d) any sale and disposition in the ordinary course of business on current market terms, and (e) any other sales and dispositions approved in writing in advance by Administrative Agent.

“Permitted Debt” is defined in Section 8.2.

“Permitted Investments” is defined in Section 8.7.

“Permitted Liens” is defined in Section 8.3.

“Person” means any individual, entity or Governmental Authority.

“PMC” is defined in the preamble to this agreement.

“PMC Commitment” means on any date of determination, an amount (subject to increase, reduction or cancellation as herein provided) equal to (a) the applicable Total Commitment Amount on such date, minus (b) the Commitment Usage under the First Western Revolving Facility on such date.

“PMC Revolving Facility” means the revolving line of credit facility described in Section 2.1.

“PMC Revolving Note” means one of the promissory notes executed by Specified Borrowers in favor of a Lender pursuant to this agreement, substantially in the form of Exhibit A and otherwise in form and scope acceptable to Administrative Agent and that Lender.

“Potential Default” means any event, occurrence or circumstance the existence of which, upon any required notice, time lapse, or both, could become an Event of Default.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase as its prime rate. The Prime Rate is a variable rate and each change in the Prime Rate is effective from and including the date the change is announced as being effective. THE PRIME RATE IS A REFERENCE RATE AND MAY NOT BE JPMORGAN CHASE’S LOWEST RATE.

“Principal Debt” means, at any time, the unpaid principal balance of all Borrowings.

“Pro Rata” and “Pro Rata Part” mean, at any time and for any Lender, the proportion (stated as a percentage) that the Principal Debt owed to it bears to the total Principal Debt owed to all Lenders.

“Projects” means the commercial real estate projects owned from time to time by Loan Obligors which are subject to perfected Liens which secure Mortgage Loans or Commercial Loans owned by Companies. The term “Project” means and includes the land and all appurtenances, servitudes, easements, rights, privileges, prescriptions and advantages belonging or in any way appertaining to the land and all buildings, fixtures, improvements, equipment and other property, whether real, personal or mixed, located upon the land or used or intended to be used in connection with the land or buildings, fixtures or improvements thereon.

“Purchaser” is defined in Section 13.3.

“Rate Management Obligations” of a Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) under (i) any and all Rate Management Transactions, and (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any Rate Management Transactions.

“Rate Management Transaction” means any transaction (including an agreement with respect thereto) now existing or hereafter entered into between any Borrower and any Lender or any Affiliate thereof which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

“Real Property” means any land, buildings, fixtures and other improvements to land now or in the future directly or indirectly owned by any Company, leased to or otherwise operated by any Company or subleased by any Company to any other Person.

“Regulation D” means Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor thereto or other regulation or official interpretation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

“Regulation U” means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by banks for the purpose of purchasing or carrying margin stocks applicable to member banks of the Federal Reserve System.

“REIT” means a “real estate investment trust” as defined in the Code.

“Release” means any “release” as defined under any Environmental Law.

“REO Property” means real property acquired through foreclosure, deed-in-lieu of foreclosure, workout of a loan transaction secured by such real estate or similar process.

“Reportable Event” means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to an Employee Plan, excluding, however, such events as to which the PBGC has by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event, provided, however, that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

“Representatives” means, with respect to a Person, its representatives, officers, directors, employees, accountants, attorneys, insurers, shareholders and agents.

“Required Lenders” means any combination of one or more Lenders holding (directly or indirectly) at least either (a) prior to the Termination Date, 66 2/3% of the sum of (i) the Total Commitment Amount plus (ii) the outstanding amount of the Term Loan, or (b) on and after the Termination Date, 66 2/3% of the Principal Debt.

“Reserve Requirement” means, for any LIBOR Rate Borrowing and for the relevant Interest Period, the total reserve requirements (including all basic, supplemental, emergency, special, marginal and other reserves required by applicable Governmental Requirements, including, without limitation, Regulation D) applicable to eurocurrency fundings or liabilities, as of the first day of that Interest Period, in amount and maturity of such Borrowing.

“Responsible Officer” means a Borrower’s chairman, president, chief executive officer, chief financial officer, chief operating officer, executive vice president or, with respect to non-financial matters, its general counsel.

“Retained Loan Discount” means the remaining unamortized discount pertaining to the retained portion of Commercial Loans originated by First Western. The Retained Loan Discount is recorded upon sale of the SBA guaranteed portion of a Commercial Loan which is accounted for as a sale in accordance with GAAP. The discount is initially recorded as a reduction in basis of the retained portion of a Commercial Loan originated by First Western and accreted to income over the estimated life of the Commercial Loan.

“Revolving Facilities” means collectively, the PMC Revolving Facility and the First Western Revolving Facility, and “Revolving Facility” means any one of the PMC Revolving Facility or the First Western Revolving Facility as applicable in the context used.

“Revolving Notes” means collectively, the PMC Revolving Notes and the First Western Revolving Notes.

“Rights” means rights, remedies, powers, privileges and benefits.

“SBA” means the U.S. Small Business Administration.

“SBIC” means a Person that is a Small Business Investment Company as licensed by the U.S. Small Business Administration.

“Second-Lien Loan” means a Mortgage Loan secured by a Mortgage granting a second-priority Lien on a Project, subject only to the first-priority Lien on the same project in favor of the applicable Company.

“Solvent” means, as to any Person, that (a) the aggregate fair market value of such Person’s assets exceeds its liabilities (whether contingent, subordinated, unmatured, unliquidated, or otherwise), (b) such Person has sufficient cash flow to enable it to pay its debts as they mature and (c) such Person does not have unreasonably small capital to conduct its businesses.

“Southfork” means Southfork Merger Sub, LLC, a Delaware limited liability company.

“Specified Borrowers” means collectively, PMC, Western Financial and PMC Investment. “Specified Borrower” means any one of the Specified Borrowers, as applicable in the context used.

“Specified Percentage” means, for any Lender on any date of determination, the proportion (stated as a percentage) that its Committed Sum bears to the Total Commitment Amount.

“Stated Termination Date” means June 30, 2015.

“Subsidiary” of any Person means any other Person of which (a) more than 50% (in number of votes) of the stock (or equivalent interests) is owned of record or beneficially, directly or indirectly, by that Person or (b) such Person serves as a general partner or in a similar capacity. Notwithstanding the foregoing, the term “Subsidiary” when used herein with respect to PMC refers only to First Western, Western Financial, PMC Investment, PMC Funding Corp., PMC Asset Holding, PMCT Asset Holding LLC, PMC Properties, Inc., FW Asset Holding, LLC and PMC Joint Venture 2003, LLP. Unless specifically stated herein to apply to another Person, the term “Subsidiary” when used herein will mean all Companies except PMC. For the avoidance of doubt, Southfork and its Subsidiaries that are CIM Entities shall NOT be included in the definition of “Subsidiary” when that term is used with respect to PMC, First Western and/or the other Borrowers and Companies.

“Substandard Loan” means any Commercial Loan that is either not complying or had previously not complied with its contractual terms and has other credit weaknesses which may make payment default or principal exposure likely but not yet certain.

“Taxes” means, for any Person, taxes, assessments or other governmental charges or levies imposed upon it, its income or any of its properties, franchises or assets.

“Term Loan” means the term loan described in Section 2.5.

“Term Loan Note” means one of the promissory notes executed by Specified Borrowers in favor of a Lender pursuant to this agreement, substantially in the form of Exhibit A-2 and otherwise in form and scope acceptable to Administrative Agent and that Lender.

“Term Loan Termination Date” means the earlier of (a) September 10, 2014 and (b) the first date after the Fourth Amendment Effective Date that the Term Loan is repaid in full.

“Termination Date” means the earlier of (a) the Stated Termination Date and (b) the effective date that the Lenders’ commitments to lend under the Revolving Facilities under this agreement are fully canceled or terminated.

“Third-Lien Loan” means a Mortgage Loan secured by a Mortgage granting a third-priority Lien on a Project, subject only to the first- and second-priority Liens on the same project in favor of a Borrower.

“Total Commitment Amount” means, with respect to the Revolving Facilities, \$25,000,000, provided that, notwithstanding the foregoing, so long as there exists no Event of Default or Potential Default on the Term Loan Termination Date and the Term Loan has been repaid in full, such \$25,000,000 amount shall automatically increase on the Term Loan Termination Date to \$40,000,000.

“Total Commitment Usage” means, at the time of any determination thereof, the aggregate Principal Debt outstanding under both the PMC Revolving Facility and the First Western Revolving Facility.

“Type” means any type of Borrowing determined with respect to the applicable interest option.

“UCC” means the Uniform Commercial Code as enacted in Texas or other applicable jurisdictions.

“Wholly-owned” when used in connection with any Subsidiary shall mean a Subsidiary of which all of the issued and outstanding shares of stock (or equivalent interests) are owned by PMC or one or more of its Wholly-owned Subsidiaries or Southfork, and that are not owned in whole or in part, directly or indirectly, by one or more of the Consolidated CIM Entities.

1.2 Time References. Unless otherwise specified, in the Credit Documents (a) time references (e.g., 10:00 a.m.) are to time in Dallas, Texas, and (b) in calculating a period from one date to another, the word “from” means “from and including” and the word “to” or “until” means “to but excluding.”

1.3 Other References. Unless otherwise specified, in the Credit Documents (a) where appropriate, the singular includes the plural and vice versa, and words of any gender include each other gender, (b) heading and caption references may not be construed in interpreting provisions, (c) monetary references are to currency of the United States of America, (d) section, paragraph, annex, schedule, exhibit and similar references are to the particular Credit Document in which they are used, (e) references to “teletype,” “teletext,” “facsimile,” “fax” or similar terms are to facsimile or teletype transmissions, (f) references to “including” mean including without limiting the generality of any description preceding that word, (g) the rule of construction that references to general items, following references to specific items are limited to the same type or character of those specific items is not applicable in the Credit Documents, (h) references to any Person include that Person’s heirs, personal representatives, successors, trustees, receivers and permitted assigns, (i) references to any Governmental Requirement include every amendment or supplement to it, rule and regulation adopted under it, and successor or replacement for it and (j) references to any Credit Document or other document include every renewal and extension of it, amendment, modification and supplement to it, and replacement or substitution for it, as each is made in accordance with the applicable provisions of such Credit Document.

1.4 Accounting Principles. Unless otherwise specified, in the Credit Documents (a) GAAP determines all accounting and financial terms and compliance with financial covenants, (b) GAAP in effect on the date of this agreement determines compliance with financial covenants, and (c) all accounting principles applied in a current period must be comparable in all material respects to those applied during the preceding comparable period; provided that, notwithstanding the foregoing, when making financial determinations under Section 9, such determinations shall be made as specified therein.

SECTION 2. BORROWING FACILITIES.

2.1 PMC Revolving Facility. Subject to and in reliance upon the terms, conditions, representations and warranties in the Credit Documents, each Lender severally and not jointly agrees to lend to the Specified Borrowers, such Lender's Specified Percentage of one or more Borrowings under the PMC Revolving Facility not to exceed such Lender's Committed Sum, which, subject to the Credit Documents, the Specified Borrowers may borrow, repay and reborrow under this agreement, provided that (a) each such Borrowing must occur on a Business Day and no later than the Business Day immediately preceding the Termination Date, (b) each such Borrowing shall be in an amount not less than \$500,000 or a greater integral multiple of \$100,000, (c) on any date of determination, the Commitment Usage under the PMC Revolving Facility shall never exceed the PMC Commitment and (d) on any date of determination, the aggregate Commitment Usage under the PMC Revolving Facility and the First Western Revolving Facility shall never exceed the Total Commitment Amount applicable at such time. The obligations of the Specified Borrowers under the PMC Revolving Facility, this agreement and under all of the other Credit Documents shall be joint and several in all respects.

2.2 PMC Borrowing Procedure. The following procedures apply to all Borrowings under the PMC Revolving Facility:

(a) PMC Borrowing Request. Any Specified Borrower may request a Borrowing only by making or delivering a Borrowing Request to Administrative Agent, which is irrevocable and binding on each of the Specified Borrowers, stating the Type, amount and, if applicable, Interest Period for each Borrowing and which must be received by Administrative Agent no later than (i) 10:00 a.m. on the second Business Day before the date on which funds are requested (the "Borrowing Date") for any LIBOR Rate Borrowing or (ii) 10:00 a.m. on the Borrowing Date for any CBFR Borrowing. Administrative Agent shall promptly notify each Lender of any Borrowing Request.

(b) Funding. Each Lender shall remit its Specified Percentage of each requested Borrowing to Administrative Agent's principal office in Dallas, Texas, in funds that are available for immediate use by Administrative Agent by 2:00 p.m. on the applicable Borrowing Date. Subject to receipt of those funds, Administrative Agent shall (unless to its actual knowledge any of the applicable conditions precedent have not been satisfied by the Specified Borrowers or waived by the requisite Lenders under Section 14.10) make those funds available to the specified Specified Borrower by (at the Specified Borrowers' option) (i) wiring the funds to or for the account of the specified Specified Borrower at the direction of any Specified Borrower or (ii) depositing the funds in the specified Specified Borrower's account with Administrative Agent.

(c) Funding Assumed. Absent contrary written notice from a Lender, Administrative Agent may assume that each Lender has made its Specified Percentage of the requested Borrowing available to Administrative Agent on the applicable Borrowing

Date, and Administrative Agent may, in reliance upon such assumption (but shall not be required to), make available to the Specified Borrowers a corresponding amount. If a Lender fails to make its Specified Percentage of any requested Borrowing available to Administrative Agent on the applicable Borrowing Date, Administrative Agent may recover the applicable amount on demand, (i) from that Lender together with interest, commencing on the Borrowing Date and ending on (but excluding) the date Administrative Agent recovers the amount from that Lender, at an annual interest rate equal to the Federal Funds Rate, or (ii) if that Lender fails to pay its amount upon demand, then from the Specified Borrowers on a joint and several basis. No Lender is responsible for the failure of any other Lender to make its Specified Percentage of any Borrowing; however, failure of any Lender to make its Specified Percentage of any Borrowing does not excuse any other Lender from making its Specified Percentage of any Borrowing.

2.3 PMC Borrowing Requests. Each Borrowing Request constitutes a representation and warranty by the Specified Borrowers that as of the Borrowing Date, all of the conditions precedent for that Borrowing in Section 5 have been satisfied.

2.4 Reduction or Termination of PMC Commitment. Without premium or penalty, and upon giving not less than three Business Days prior written and irrevocable notice to Administrative Agent, the Specified Borrowers may terminate in whole or in part the unused portion of the PMC Commitment; provided that: (a) each partial termination shall be in an amount of not less than \$5,000,000 or a greater integral multiple of \$2,500,000; (b) the amount of the PMC Commitment may not be reduced below the Commitment Usage at such time; (c) the amount of the PMC Commitment may not be reduced below the First Western Commitment; and (d) each reduction shall be allocated among the Lenders in accordance with their respective Specified Percentages. Promptly after receipt of such notice of termination or reduction, Administrative Agent shall notify each Lender of the proposed cancellation or reduction. Such termination or partial reduction of the PMC Commitment shall be effective on the Business Day specified in Specified Borrowers' notice (which date must be at least three Business Days after Specified Borrowers' delivery of such notice). In the event that the PMC Commitment is reduced to zero at a time when there is no outstanding Principal Debt, this agreement shall be terminated (except for any indemnification or expense reimbursement provisions in this agreement which survive the termination of this agreement) and all commitment fees and other fees then earned and unpaid hereunder and all other amounts constituting part of the Obligation then due and owing shall be immediately due and payable, without notice or demand by Administrative Agent or any Lender.

2.5 Term Loan. Subject to and in reliance upon the terms, conditions, representations and warranties in the Credit Documents, each Lender severally and not jointly agrees to lend in one advance on the Fourth Amendment Effective Date a term loan to the Specified Borrowers in the amount of such Lender's Specified Percentage of \$30,000,000. The term loan may be borrowed in one advance on the Fourth Amendment Effective Date only and once borrowed may not be reborrowed. No repayment or prepayment of the Term Loan may be reborrowed. The obligations of the Specified Borrowers under the Term Loan, this agreement and under all of the other Credit Documents shall be joint and several in all respects.

2.6 Initial Borrowing of the Term Loan. The following procedures apply to the Borrowing under the Term Loan:

(a) Borrowing Request. The Specified Borrowers may request a Borrowing on the Fourth Amendment Effective Date only by making or delivering a Borrowing Request to Administrative Agent, which is irrevocable and binding on the Specified Borrowers stating the Type, amount and, if applicable, Interest Period for each Borrowing and which must be received by Administrative Agent no later than (i) 10:00 a.m. on the second Business Day before the Fourth Amendment Effective Date for any LIBOR Rate Borrowing or (ii) 10:00 a.m. on the Fourth Amendment Effective Date for any CBFR Borrowing. Administrative Agent shall promptly notify each Lender of any Borrowing Request.

(b) Funding. Each Lender shall remit its Specified Percentage of the Term Loan to Administrative Agent's principal office in Dallas, Texas, in funds that are available for immediate use by Administrative Agent by 2:00 p.m. on the Fourth Amendment Effective Date. Subject to receipt of those funds, Administrative Agent shall (unless to its actual knowledge any of the applicable conditions precedent have not been satisfied by the Specified Borrowers or waived by the requisite Lenders under Section 14.10) make those funds available to the Specified Borrowers by (at the Specified Borrowers' option) (i) wiring the funds to or for the account of the specified Specified Borrower at the direction of any of the Specified Borrowers or (ii) depositing the funds in the specified Specified Borrower's account with Administrative Agent.

(c) Funding Assumed. Absent contrary written notice from a Lender, Administrative Agent may assume that each Lender has made its Specified Percentage of the Term Loan available to Administrative Agent on the Fourth Amendment Effective Date, and Administrative Agent may, in reliance upon such assumption (but shall not be required to), make available to the Specified Borrowers a corresponding amount. If a Lender fails to make its Specified Percentage of the Term Loan available to Administrative Agent on the Fourth Amendment Effective Date, Administrative Agent may recover the applicable amount on demand, (i) from that Lender together with interest, commencing on the Fourth Amendment Effective Date and ending on (but excluding) the date Administrative Agent recovers the amount from that Lender, at an annual interest rate equal to the Federal Funds Rate, or (ii) if that Lender fails to pay its amount upon demand, then from the Specified Borrowers on a joint and several basis. No Lender is responsible for the failure of any other Lender to make its Specified Percentage of the Term Loan; however, failure of any Lender to make its Specified Percentage of the Term Loan does not excuse any other Lender from making its Specified Percentage of any Borrowing.

2.7 Borrowing Requests. The Borrowing Request for the Term Loan constitutes a representation and warranty by each of the Specified Borrowers that as of the Fourth Amendment Effective Date, all of the conditions precedent for Borrowing the Term Loan in Section 5 have been satisfied.

2.8 First Western Revolving Facility. Subject to and in reliance upon the terms, conditions, representations and warranties in the Credit Documents, each Lender severally and not jointly agrees to lend to First Western such Lender's Specified Percentage of one or more Borrowings under the First Western Revolving Facility not to exceed such Lender's Committed Sum, which, subject to the Credit Documents, First Western may borrow, repay and reborrow under this agreement, provided that (a) each such Borrowing must occur on a Business Day and no later than the Business Day immediately preceding the Termination Date, (b) each such Borrowing shall be in an amount not less than \$500,000 or a greater integral multiple of \$100,000, (c) on any date of determination, the Commitment Usage under the First Western Revolving Facility shall never exceed the First Western Commitment, and (d) on any date of determination, the aggregate Commitment Usage under the PMC Revolving Facility and the First Western Revolving Facility shall never exceed the Total Commitment Amount applicable at such time.

2.9 First Western Borrowing Procedure. The following procedures apply to all Borrowings under the First Western Revolving Facility:

(a) Borrowing Request. First Western may request a Borrowing only by making or delivering a Borrowing Request to Administrative Agent, which is irrevocable and binding on First Western, stating the Type, amount and, if applicable, Interest Period for each Borrowing and which must be received by Administrative Agent no later than (i) 10:00 a.m. on the second Business Day before the Borrowing Date for any LIBOR Rate Borrowing or (ii) 10:00 a.m. on the Borrowing Date for any CBFRR Borrowing. Administrative Agent shall promptly notify each Lender of any Borrowing Request.

(b) Funding. Each Lender shall remit its Specified Percentage of each requested Borrowing to Administrative Agent's principal office in Dallas, Texas, in funds that are available for immediate use by Administrative Agent by 2:00 p.m. on the applicable Borrowing Date. Subject to receipt of those funds, Administrative Agent shall (unless to its actual knowledge any of the applicable conditions precedent have not been satisfied by First Western or waived by the requisite Lenders under Section 14.10) make those funds available to First Western by (at First Western's option) (i) wiring the funds to or for the account of First Western at the direction of First Western or (ii) depositing the funds in First Western's account with Administrative Agent.

(c) Funding Assumed. Absent contrary written notice from a Lender, Administrative Agent may assume that each Lender has made its Specified Percentage of the requested Borrowing available to Administrative Agent on the applicable Borrowing Date, and Administrative Agent may, in reliance upon such assumption (but shall not be required to), make available to First Western a corresponding amount. If a Lender fails to make its Specified Percentage of any requested Borrowing available to Administrative Agent on the applicable Borrowing Date, Administrative Agent may recover the applicable amount on demand, (i) from that Lender together with interest, commencing on the Borrowing Date and ending on (but excluding) the date Administrative Agent recovers the amount from that Lender, at an annual interest rate equal to the Federal Funds Rate, or (ii) if that Lender fails to pay its amount upon demand, then from First Western. No Lender is responsible for the failure of any other Lender to make its Specified Percentage of any Borrowing; however, failure of any Lender to make its Specified Percentage of any Borrowing does not excuse any other Lender from making its Specified Percentage of any Borrowing.

2.10 First Western Borrowing Requests. Each Borrowing Request constitutes a representation and warranty by First Western that as of the Borrowing Date, all of the conditions precedent for that Borrowing in Section 5 have been satisfied.

2.11 Reduction or Termination of First Western Commitment. Without premium or penalty, and upon giving not less than three Business Days prior written and irrevocable notice to Administrative Agent, First Western may terminate in whole or in part the unused portion of the First Western Commitment; provided that: (a) each partial termination shall be in an amount of not less than \$5,000,000 or a greater integral multiple of \$2,500,000; (b) the amount of the First Western Commitment may not be reduced below the Commitment Usage under the First Western Revolving Facility at such time; and (c) each reduction shall be allocated among the Lenders in accordance with their respective Specified Percentages. Promptly after receipt of such notice of termination or reduction, Administrative Agent shall notify each Lender of the proposed cancellation or reduction. Such termination or partial reduction of the First Western Commitment shall be effective on the Business Day specified in First Western's notice (which date must be at least three Business Days after First Western's delivery of such notice).

SECTION 3. TERMS OF PAYMENT.

3.1 Notes and Payments.

(a) Notes. The Principal Debt outstanding under the PMC Revolving Facility shall be evidenced by the PMC Revolving Notes, one payable to each Lender executed by each of the Specified Borrowers on a joint and several basis in the maximum stated principal amount of such Lender's Committed Sum under the PMC Revolving Facility as of the Fourth Amendment Effective Date. The Principal Debt outstanding under the First Western Revolving Facility shall be evidenced by the First Western Revolving Notes, one payable to each Lender executed by First Western in the maximum stated principal amount of such Lender's Committed Sum under the First Western Revolving Facility as of the Fourth Amendment Effective Date. The Principal Debt outstanding under the Term Loan shall be evidenced by the Term Loan Notes, one payable to each Lender executed by each of the Specified Borrowers on a joint and several basis in the maximum stated principal amount of such Lender's Specified Percentage of \$30,000,000.

(b) Payment. The Borrowers must make each payment and prepayment on the Obligation to Administrative Agent's principal office in Dallas, Texas in immediately available funds by 1:00 p.m. on the day due; otherwise, but subject to Section 3.8, those funds continue to accrue interest as if they were received on the next Business Day. Administrative Agent shall promptly pay to each Lender the part of any payment or prepayment to which that Lender is entitled under this agreement on the same day Administrative Agent is deemed to receive the funds from the Borrowers.

(c) Payment Assumed. Unless Administrative Agent has received notice from the Borrowers prior to the date on which any payment is due under this agreement, that the Borrowers will not make that payment in full, Administrative Agent may assume that the Borrowers have made the full payment due and Administrative Agent may, in reliance upon that assumption, cause to be distributed to each Lender on that date the amount then due to each Lender. If and to the extent the Borrowers do not make the full payment due to Administrative Agent, each Lender shall repay Administrative Agent on demand the amount distributed to that Lender by Administrative Agent, together with interest for each day from the date that Lender received payment from Administrative Agent until the date that Lender repays Administrative Agent (unless such repayment is made on the same day as such distribution), at an interest rate equal to the Federal Funds Rate.

3.2 Interest and Principal Payments.

(a) Interest. Interest on each LIBOR Rate Borrowing shall be due and payable as it accrues on the last day of its respective Interest Period and on the Termination Date and Term Loan Termination Date, as applicable; provided that if any Interest Period is a period greater than three months, then accrued interest shall also be due and payable on the date three months after the commencement of such Interest Period. Interest on each CBFR Borrowing shall be due and payable as it accrues on the last day of each month (commencing on the first of those dates that follows the Closing Date), and on the Termination Date and Term Loan Termination Date, as applicable.

(b) Principal. The Principal Debt under the PMC Revolving Facility and the First Western Revolving Facility is due and payable on the Termination Date. The Specified Borrowers promise to pay the Principal Debt outstanding under the PMC Revolving Facility on the Termination Date and First Western promises to pay the Principal Debt outstanding under the First Western Revolving Facility on the Termination Date. The Principal Debt under the Term Loan is due and payable on the Term Loan Termination Date, and the Specified Borrowers promise to pay the Principal Debt outstanding under the Term Loan on the Term Loan Termination Date. After giving Administrative Agent advance written notice of the intent to prepay, the Borrowers may voluntarily prepay all or any part of the Principal Debt from time to time and at any time, in whole or in part, without premium or penalty; provided that: (i) such notice must be received by Administrative Agent by 10:00 a.m. on (A) the third Business Day preceding the date of prepayment of a LIBOR Rate Borrowing, and (B) one Business Day preceding the date of prepayment of a CBFR Borrowing; (ii) each such partial prepayment must be in a minimum amount of at least \$500,000 or a greater integral multiple of \$100,000 thereof (if a LIBOR Rate Borrowing or a CBFR Borrowing); (iii) all accrued interest on the Obligation must also be paid in full, to the date of such prepayment; and (iv) the Borrowers shall pay any related Consequential Loss within ten (10) days after demand therefor. Each notice of prepayment shall specify the prepayment date, the facility or the subfacility hereunder being prepaid, the Type of Borrowing(s) and amount(s) of such Borrowing(s) to be prepaid and shall constitute a binding obligation of each of the Borrowers to make a prepayment on the date stated therein.

(c) Mandatory Prepayments. On any date of determination, if the Commitment Usage under the PMC Revolving Facility exceeds the PMC Commitment then in effect, then the Specified Borrowers shall make a mandatory prepayment of the Principal Debt under the PMC Revolving Facility in at least the amount of any such excess, together with (A) all accrued and unpaid interest on the principal amount so prepaid and (B) any Consequential Loss arising as a result thereof. On any date of determination, if the Commitment Usage under the First Western Revolving Facility exceeds the First Western Commitment then in effect, then First Western shall make a mandatory prepayment of the Principal Debt under the First Western Revolving Facility in at least the amount of any such excess, together with (x) all accrued and unpaid interest on the principal amount so prepaid and (y) any Consequential Loss arising as a result thereof.

3.3 Interest Options. Except that the LIBOR Rate may not be selected when an Event of Default or Potential Default exists, and except as otherwise provided in this agreement, Borrowings bear interest at an annual rate equal to the lesser of (a) the CB Floating Rate plus the Applicable Margin or the LIBOR Rate plus the Applicable Margin (in each case as designated or deemed designated by Borrowers), as the case may be and (b) the Maximum Rate. Each change in the CB Floating Rate, LIBOR Rate or Maximum Rate is effective, without notice to any Borrower or any other Person, upon the effective date of change. If the Borrowers do not designate the Type for a requested Borrowing, then the requested Borrowing shall be deemed to be a LIBOR Rate Borrowing with an Interest Period of one month (unless the LIBOR Rate is unavailable because of the conditions described in Sections 3.15 or 3.17, in which case the requested Borrowing will be deemed a CBFRR Borrowing).

3.4 Quotation of Rates. Any Borrower may call Administrative Agent before delivering a Borrowing Request to receive an indication of the interest rates then in effect, but the indicated rates do not bind Administrative Agent or Lenders or affect the interest rate that is actually in effect when the Borrowers make a Borrowing Request or on the Borrowing Date.

3.5 Default Rate. All past-due Principal Debt and, unless prohibited by applicable Government Requirements, past-due interest accruing on the Principal Debt shall, at Administrative Agent's option, bear interest on the amount thereof from time to time outstanding from the date due (stated or by acceleration) at the Default Rate until paid, regardless of whether payment is made before or after entry of a judgment.

3.6 Interest Recapture. If the designated interest rate applicable to any Borrowing exceeds the Maximum Rate, the interest rate on that Borrowing is limited to the Maximum Rate, but any subsequent reductions in the designated rate shall not reduce the interest rate thereon below the Maximum Rate until the total amount of accrued interest equals the amount of interest that would have accrued if that designated rate had always been in effect. If at maturity (stated or by acceleration), or at final payment of the Notes, the total interest paid or accrued is less than the interest that would have accrued if the designated rates had always been in effect, then, at that time and to the extent not prohibited by applicable Governmental Requirements, the Borrowers shall, on a joint and several basis, pay an amount equal to the difference between (a) the lesser of the amount of interest that would have accrued if the designated rates had always been in effect and the amount of interest that would have accrued if the Maximum Rate had always been in effect, and (b) the amount of interest actually paid or accrued on the applicable Notes.

3.7 Interest Calculations. Interest on all Borrowings will be calculated on the basis of actual number of days (including the first day but excluding the last day) elapsed but computed as if each calendar year consisted of (a) 360 days in the case of LIBOR Borrowings or CBFR Borrowings calculated with reference to the Federal Funds Rate (unless such calculation would result in the interest on the Borrowings exceeding the Maximum Rate in which event such interest shall be calculated on the basis of a year of 365 or 366 days, as the case may be) and (b) 365 or 366 days, as the case may be, in the case of CBFR Borrowings calculated with reference to Administrative Agent's base rate of interest. All interest rate determinations and calculations by Administrative Agent are conclusive and binding absent manifest error.

3.8 Maximum Rate. It is the intent of Administrative Agent, Lenders and Borrowers in the execution and performance of the Credit Documents to remain in strict compliance with applicable Governmental Requirements from time to time in effect, including applicable laws limiting the amount or rate of interest. Administrative Agent, Lenders and Borrowers stipulate and agree that none of the terms and provisions contained in the Credit Documents shall ever be construed to create a contract to pay for the use, forbearance or detention of money with interest at a rate or in an amount in excess of the Maximum Rate or Maximum Amount. For purposes of the Credit Documents, "interest" shall include the aggregate of all charges which constitute interest under applicable Governmental Requirements that are contracted for, charged, reserved, received or paid under the Credit Documents. No Borrower shall ever be required to pay unearned interest and shall never be required to pay interest at a rate or in an amount in excess of the Maximum Rate or Maximum Amount, and the provisions of this section shall control over all other provisions of the Credit Documents, and of any other instrument pertaining to or securing the Obligation, which may be in actual or apparent conflict herewith. If the Obligation is prepaid, or if the maturity of the Obligation is accelerated for any reason, or if under any contingency the effective rate or amount of interest which would otherwise be payable under the Credit Documents would exceed the Maximum Rate or Maximum Amount, or in the event any Lender or any holder of the Notes shall charge, contract for, take, reserve or receive monies that are deemed to constitute interest which would, in the absence of this provision, increase the effective rate or amount of interest payable under the Credit Documents to a rate or amount in excess of that permitted to be charged, contracted for, taken, reserved or received under applicable Governmental Requirements then in effect, then the principal amount of the Obligation or the amount of interest which would otherwise be payable under the Notes or both shall be reduced to the amount allowed under applicable Governmental Requirements as now or hereinafter construed by the courts having jurisdiction, and all such moneys so charged, contracted for, taken, reserved or received that are deemed to constitute interest in excess of the Maximum Rate shall immediately be returned to or credited to the account of any Borrower upon such determination. Administrative Agent, Lenders and Borrowers further stipulate and agree that, without limitation of the foregoing, all calculations of the rate or amount of interest contracted for, charged, taken, reserved or received under the Credit Documents which are made for the purpose of determining whether such rate or amount exceeds the Maximum Rate or Maximum Amount, shall be made to the extent not prohibited by applicable Governmental Requirements, by amortizing, prorating, allocating and spreading during the period of the full stated term of the Notes, all interest at any time contracted for, charged, taken, reserved or

received from Borrowers or otherwise by Lenders or any other holder of the Notes. If the Governmental Requirements of the State of Texas are applicable for purposes of determining the “Maximum Rate” or the “Maximum Amount,” then those terms mean the indicated rate ceiling from time to time in effect under Chapter 303 of the Texas Finance Code, as amended.

3.9 Interest Periods. When Borrowers request any LIBOR Rate Borrowing, the Borrowers may elect the applicable interest period (each an “Interest Period”), which may be, at the Borrowers’ option, one, three or six months, subject to the following conditions: (a) the initial Interest Period for a LIBOR Rate Borrowing commences on the applicable Borrowing Date or conversion date, and each subsequent Interest Period applicable to any Borrowing commences on the day when the next preceding applicable Interest Period expires; (b) if any Interest Period for a LIBOR Rate Borrowing begins on a day for which no numerically corresponding Business Day in the calendar month at the end of the Interest Period exists, then the Interest Period ends on the last Business Day of that calendar month; (c) if Borrowers are required to pay any portion of a LIBOR Rate Borrowing before the end of its Interest Period in order to comply with the payment provisions of the Credit Documents, the Borrowers shall also pay, on a joint and several basis, any related Consequential Loss; (d) no Interest Period for any portion of Principal Debt may extend beyond the scheduled repayment date for that portion of Principal Debt; and (e) no more than four Interest Periods may be in effect at one time.

3.10 Conversions. Subject to the dollar limits of Sections 2.1 and 2.8 and provided that no Borrower may convert to or select a new Interest Period for a LIBOR Rate Borrowing at any time when an Event of Default exists, the Borrowers may (a) convert a LIBOR Rate Borrowing on the last day of the applicable Interest Period to a CBFR Borrowing, (b) convert a CBFR Borrowing at any time to a LIBOR Rate Borrowing and (c) elect a new Interest Period for a LIBOR Rate Borrowing. That election may be made by telephonic request to Administrative Agent no later than 10:00 a.m. on the second Business Day before the conversion date or the last day of the Interest Period, as the case may be (for conversion to a LIBOR Rate Borrowing or election of a new Interest Period), and no later than 10:00 a.m. on the last day of the Interest Period (for conversion to a CBFR Borrowing). The Borrowers shall provide a Conversion Notice to Administrative Agent no later than two days after the date of the conversion or election. Absent Borrowers’ telephonic request for conversion or election of a new Interest Period or if an Event of Default exists, then, a LIBOR Rate Borrowing shall be deemed converted to a CBFR Borrowing effective when the applicable Interest Period expires. Notwithstanding the foregoing, no Borrower may request an Interest Period for Borrowings outstanding under (i) the Revolving Facilities that extends past the Termination Date or (ii) the Term Loan that extends past the Term Loan Termination Date.

3.11 Order of Application.

(a) No Event of Default. Payments and prepayments of the Obligation shall be applied in the order and manner specified in this agreement; provided, however, if no order is otherwise specified in this agreement and no Event of Default or Potential Default has occurred and is continuing, payments and prepayments of the Obligation shall be applied first to fees, second to accrued interest then due and payable on the Principal Debt under the Term Loan, then to the Principal Debt under the Revolving Facilities and then to the remaining Obligation in the order and manner as Borrowers may direct.

(b) Event of Default or No Direction. If an Event of Default or Potential Default has occurred and is continuing (or if Borrowers fail to give direction as permitted under Section 3.11(a)), any payment or prepayment (including proceeds from the exercise of any Rights) shall be applied in the following order: (i) to all fees and expenses for which Administrative Agent or Lenders have not been paid or reimbursed in accordance with the Credit Documents (and if such payment or prepayment is less than all unpaid or unreimbursed fees and expenses, then the payment or prepayment shall be paid against unpaid and unreimbursed fees and expenses in the order of incurrence or due date); (ii) to accrued interest on the Principal Debt; (iii) to the remaining Principal Debt in such order as Required Lenders may elect (provided that Required Lenders will apply such proceeds in an order that will minimize any Consequential Loss); and (iv) to the remaining Obligation in the order and manner Required Lenders deem appropriate.

(c) Pro Rata. Each payment or prepayment shall be distributed to each Lender in accordance with its Pro Rata Part of that payment or prepayment.

3.12 Sharing of Payments, Etc. If any Lender obtains any payment or prepayment with respect to the Obligation (whether voluntary, involuntary, or otherwise, including, without limitation, as a result of exercising its Rights under Section 3.13) that exceeds the part of that payment or prepayment that it is then entitled to receive under the Credit Documents, then that Lender shall purchase from the other Lenders participations that will cause the purchasing Lender to share the excess payment or prepayment ratably with each other Lender. If all or any portion of any excess payment or prepayment is subsequently recovered from the purchasing Lender, then the purchase shall be rescinded and the purchase price restored to the extent of the recovery. Each Borrower agrees that any Lender purchasing a participation from another Lender under this section may, to the fullest extent permitted by applicable Governmental Requirements, exercise all of its Rights of payment (including the Right of offset) with respect to that participation as fully as if that Lender were the direct creditor of Borrowers in the amount of that participation.

3.13 Offset. If an Event of Default exists, to the extent not prohibited by applicable Governmental Requirements, each Lender may exercise (for the benefit of all Lenders in accordance with Section 3.12) the Rights of offset and banker's lien against each and every account and other property, or any interest therein, that any Company may now or hereafter have with, or which is now or hereafter in the possession of, that Lender to the extent of the full amount of the Obligation owed (directly or participated) to it.

3.14 Booking Borrowings. To the extent permitted by applicable Governmental Requirements, any Lender may make, carry, or transfer its Borrowings at, to, or for the account of any of its branch offices or the office or branch of any of its Affiliates. However, no Affiliate or branch is entitled to receive any greater payment under Section 3.16 than the transferor Lender would have been entitled to receive with respect to those Borrowings, and a transfer may not be made if, as a direct result of it, Section 3.15 or 3.17 would apply to any of the Obligation. If any of the conditions of Sections 3.16 or 3.17 ever apply to a Lender, that Lender shall, to the extent

possible, carry or transfer its Borrowings at, to, or for the account of any of its branch offices or the office or branch of any of its Affiliates so long as the transfer is consistent with the other provisions of this section, does not create any burden or adverse circumstance for that Lender that would not otherwise exist, and eliminates or ameliorates the conditions of Sections 3.16 or 3.17, as applicable.

3.15 Basis Unavailable or Inadequate for LIBOR Rate. If on or before any date when a LIBOR Rate is to be determined for a Borrowing, Administrative Agent or any Lender determines (and Required Lenders agree with that determination) that the basis for determining the applicable rate is not available or that the resulting rate does not accurately reflect the cost to Lenders of making or converting Borrowings at that rate for the applicable Interest Period, then Administrative Agent shall promptly notify Borrowers and Lenders of that determination (which is conclusive and binding on each Borrower absent manifest error), and the applicable Borrowing shall bear interest at the sum of the CB Floating Rate plus the Applicable Margin. Until Administrative Agent notifies Borrowers that those circumstances giving rise to such notice no longer exist, Lenders' commitments under this agreement to make, or to convert to, LIBOR Rate Borrowings, as the case may be, shall be suspended.

3.16 Additional Costs. Each Lender severally and not jointly agrees to notify Administrative Agent, the other Lenders, and Borrowers within 180 days after it has actual knowledge that any circumstances exist that would give rise to any payment obligation by Borrowers under clauses (a) through (c) below. Although no Lender shall have any liability to Administrative Agent, any other Lender, or any Company for its failure to give that notice, no Borrower is obligated to pay any amounts under those clauses that arise, accrue or are imposed more than 180 days before that notice to the extent that notice is applicable to those amounts. To demand payment under this section, any such Lender must generally be making similar demand for similar additional costs under credit agreements to which it is party that contain similar provisions to this section.

(a) **Reserves.** With respect to any LIBOR Rate Borrowing (i) if any change in any present Governmental Requirement, any change in the interpretation or application of any present Governmental Requirement, or any future Governmental Requirement imposes, modifies or deems applicable (or if compliance by any Lender with any requirement of any Governmental Authority results in) any requirement that any reserves (including, without limitation, any marginal, emergency, supplemental, or special reserves) be maintained (other than any reserve included in the Reserve Requirement) and if (ii) those reserves reduce any sums receivable by that Lender under this agreement or increase the costs incurred by Lender in advancing or maintaining any portion of any LIBOR Rate Borrowing, then (iii) that Lender (through Administrative Agent) shall deliver to Borrowers a certificate setting forth in reasonable detail the calculation of the amount necessary to compensate it for its reduction or increase (which certificate is conclusive and binding absent manifest error), and (iv) Borrowers shall pay that amount to that Lender within five Business Days after demand. The provisions of and undertakings and indemnifications in this clause (a) survive the satisfaction and payment of the Obligation and termination of this agreement.

(b) Capital Adequacy. With respect to any Borrowing, if any change in any present Governmental Requirement, any change in the interpretation or application of any present Governmental Requirement (including, without limitation, any requirement as a result of or in connection with (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, and (ii) the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III), or any future Governmental Requirement regarding capital adequacy or pursuant to or in connection with (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, or (y) the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, or if compliance by Administrative Agent or any Lender with any request, directive or requirement imposed in the future by any Governmental Authority regarding capital adequacy, or if any change in its written policies or in the risk category of this transaction, in any of the foregoing events or circumstances, reduces the rate of return on its capital as a consequence of its obligations under this agreement to a level below that which it otherwise could have achieved (taking into consideration its policies with respect to capital adequacy) by an amount deemed by it to be material (and it may, in determining the amount, utilize reasonable assumptions and allocations of costs and expenses and use any reasonable averaging or attribution method), then (unless the effect is already reflected in the rate of interest then applicable under this agreement) Administrative Agent or that Lender (through Administrative Agent) shall notify Borrowers and deliver to Borrowers a certificate setting forth in reasonable detail the calculation of the amount necessary to compensate it (which certificate is conclusive and binding absent manifest error), and Borrowers shall pay that amount to Administrative Agent or that Lender within five Business Days after demand. The provisions of and undertakings and indemnification in this clause (b) shall survive the satisfaction and payment of the Obligation and termination of this agreement.

(c) Taxes. Any Taxes payable by Administrative Agent or any Lender or ruled by a Governmental Authority to be payable by Administrative Agent or any Lender in respect of this agreement or any other Credit Document shall, if permitted by applicable Governmental Requirements, be paid by Borrowers, together with interest and penalties, if any, except for Taxes payable on or measured by the overall net income of Administrative Agent or that Lender (or any other Person with whom Administrative Agent or that Lender files a consolidated, combined, unitary, or similar Tax return) and except for interest and penalties incurred as a result of the gross negligence or willful misconduct of Administrative Agent or that Lender. Administrative Agent or that Lender (through Administrative Agent) shall notify Borrowers and deliver to Borrowers a certificate setting forth in reasonable detail the calculation of the amount of Taxes payable, which certificate is conclusive and binding (absent manifest error), and Borrowers shall pay that amount to Administrative Agent for its account or the account of that Lender, as the case may be, within ten Business Days after demand. If Administrative Agent or that Lender subsequently receives a refund of the Taxes paid to it by Borrowers, then the recipient shall promptly pay the refund to Borrowers.

3.17 Change in Governmental Requirements. If any Governmental Requirement makes it unlawful for any Lender to make or maintain LIBOR Rate Borrowings, then that Lender shall promptly notify Borrowers and Administrative Agent, and (a) as to undisbursed funds, that requested Borrowing shall be made as a CBFR Borrowing and (b) as to any outstanding Borrowing (i) if maintaining the Borrowing until the last day of the applicable Interest Period is unlawful, the Borrowing shall be converted to a CBFR Borrowing as of the date of notice, in which event Borrowers will be required to pay any related Consequential Loss or (ii) if not prohibited by applicable Governmental Requirements, the Borrowing shall be converted to a CBFR Borrowing as of the last day of the applicable Interest Period or (iii) if any conversion will not resolve the unlawfulness, Borrowers shall promptly prepay the Borrowing, without penalty but with related Consequential Loss.

3.18 Consequential Loss. Each Borrower shall indemnify, on a joint and several basis, each Lender against, and pay to it upon demand, any Consequential Loss of that Lender. When any Lender demands that Borrowers pay any Consequential Loss, that Lender shall deliver to Borrowers and Administrative Agent a certificate setting forth in reasonable detail the basis for imposing Consequential Loss and the calculation of the amount, which calculation is conclusive and binding absent manifest error. The provisions of and undertakings and indemnification in this Section survive the satisfaction and payment of the Obligation and termination of this agreement.

3.19 Foreign Lenders, Participants, and Purchasers. Each Lender, Participant (by accepting a participation interest under this agreement), and Purchaser (by executing an Assignment) that is not organized under the Governmental Requirements of the United States of America or one of its states (a) represents to Administrative Agent and Borrowers that (i) no Taxes are required to be withheld by Administrative Agent or any Borrower with respect to any payments to be made to it in respect of the Obligation and (ii) it has furnished to Administrative Agent and Borrowers two duly completed copies of either U.S. Internal Revenue Service Form 4224, Form 1001, Form W-8, or any other form acceptable to Administrative Agent and Borrowers that entitles them to a complete exemption from U.S. federal withholding Tax on all interest or fee payments under the Credit Documents, and (b) covenants to (i) provide Administrative Agent and Borrowers a new Form 4224, Form 1001, Form W-8, or other form acceptable to Administrative Agent and Borrowers upon the expiration or obsolescence according to applicable Governmental Requirements of any previously delivered form, duly executed and completed by it, entitling it to a complete exemption from U.S. federal withholding Tax on all interest and fee payments under the Credit Documents, and (ii) comply from time to time with all applicable Governmental Requirements with regard to the withholding Tax exemption. If any of the foregoing is not true at any time or the applicable forms are not provided, then Borrowers and Administrative Agent (without duplication) may deduct and withhold from interest and fee payments under the Credit Documents any Tax at the maximum rate under the Code or other applicable Governmental Requirement, and amounts so deducted and withheld shall be treated as paid to that Lender, Participant, or Purchaser, as the case may be, for all purposes under the Credit Documents.

SECTION 4. FEES.

4.1 Treatment of Fees. Except as otherwise provided by applicable Governmental Requirements, the fees described in this Section 4 (a) do not constitute compensation for the use, detention, or forbearance of money, (b) are in addition to, and not in lieu of, interest and expenses otherwise described in this agreement, (c) shall be payable in accordance with Section 3, (d) shall be non refundable, (e) shall, to the fullest extent permitted by applicable Governmental Requirements, bear interest, if not paid when due, at the Default Rate, and (f) shall be calculated on the basis of actual number of days (including the first day but excluding the last day) elapsed, but computed as if each calendar year consisted of 360 days, unless such computation would result in interest being computed in excess of the Maximum Rate in which event such computation shall be made on the basis of a year of 365 or, 366 days, as the case may be.

4.2 Fees of Administrative Agent. The Borrowers shall pay to Administrative Agent, for its own account, fees in such amounts and upon such payment terms as may be separately agreed upon by Administrative Agent and Borrowers in writing.

4.3 On and After the Fourth Amendment Effective Date, Intentionally Left Blank.

4.4 Commitment Fee. Following the Fourth Amendment Effective Date, the Borrowers shall pay to Administrative Agent, for the ratable account of Lenders, a commitment fee, payable in installments in arrears, on each March 31, June 30, September 30, and December 31 and on the Termination Date, commencing the Fourth Amendment Effective Date. Each installment shall be in an amount equal to 0.25% multiplied by the amount by which (a) the Total Commitment Amount exceeds (b) the average daily aggregate Total Commitment Usage, in each case during the period from and including the last payment date to and excluding the payment date for such installment, provided that each such installment shall be calculated in accordance with Section 4.1(f). Solely for the purposes of this Section 4.4, "ratable" shall mean, for any period of calculation, with respect to any Lender, that proportion which (x) the average daily unused Committed Sum of such Lender during such period bears to (y) the amount of the average daily unused portion of the Total Commitment Amount.

SECTION 5. CONDITIONS PRECEDENT.

5.1 On and After the Fourth Amendment Effective Date, Intentionally Left Blank.

5.2 All Borrowings. The obligation of Lenders to extend Borrowings under this agreement (including the initial advances and the advance of the Term Loan on the Fourth Amendment Effective Date) is subject to the following conditions precedent:

(a) No Default or Potential Default. As of the date of the making of the Borrowing, there exists no Event of Default or Potential Default;

(b) Compliance with Credit Agreement. Each Company has performed and complied with all agreements and conditions contained in this agreement and each other Credit Document that are required to be performed or complied with by it before or at the date of the Borrowing;

(c) No Material Adverse Event. As of the date of making the Borrowing, no Material Adverse Event has occurred and is continuing;

(d) Representations and Warranties. The representations and warranties contained in Section 6 and the other Credit Documents are true in all respects on the date of, and after giving effect to, the Borrowing, with the same force and effect as though made on and as of that date; and

(e) Borrowing Request. Administrative Agent has timely received from a Borrower a properly completed Borrowing Request, executed by a Responsible Officer of such Borrower.

SECTION 6. REPRESENTATIONS AND WARRANTIES.

Each Borrower represents and warrants to Administrative Agent and Lenders as follows:

6.1 Purpose and Regulation U.

(a) Subject to the other provisions in the Credit Documents, including, without limitation, clause (b) below, the proceeds of all Borrowings under the Revolving Facilities will be used either (i) to finance PMC's Mortgage Loan origination, (ii) to finance PMC's Commercial Loan origination, (iii) to finance First Western's Commercial Loan origination under the 7(a) Loan Program of the U.S. Small Business Administration, (iv) for quarterly or annual Distributions by PMC (subject to Section 8.9(c)) or (v) for general corporate purposes. Subject to the other provisions in the Credit Documents, including, without limitation, clause (b) below, the proceeds of the Term Loan will be used on the Fourth Amendment Effective Date to repay Principal Debt outstanding under the PMC Revolving Facility.

(b) The proceeds of the Revolving Facilities will be used by the Borrowers solely for the purposes specified in Section 6.1(a). The proceeds of the Term Loan will be used by the Borrowers solely for the purposes specified in Section 6.1(a). None of such proceeds will be used for the purpose of purchasing or carrying any "margin stock" as defined in Regulation U, or for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry a margin stock or for any other purpose which might constitute this transaction a "purpose credit" within the meaning of such Regulation U. No Company is engaged in the business of extending credit for the purpose of purchasing or carrying margin stocks. No Company, nor any Person acting on behalf of any Company, has taken or will take any action that might cause the Notes or any of the other Credit Documents, including this agreement, to violate Regulation U or any other regulations of the Board of Governors of the Federal Reserve System or to violate Section 7 of the Securities Exchange Act of 1934, as amended, or any rule or regulation thereunder, in each case as now in effect or as the same may hereinafter be in effect.

(c) No portion of any advance or loan made hereunder shall be used directly or indirectly to purchase ineligible securities, as defined by applicable regulations of the Federal Reserve Board, underwritten by any affiliate of JPMorgan Chase & Co. or any affiliate of any other Lender during the underwriting period and for 30 days thereafter.

6.2 Corporate Existence, Good Standing, Authority and Locations. PMC is a real estate investment trust duly organized, validly existing and in good standing under the laws of the State of Texas, provided that, notwithstanding the foregoing, on and after the effective date that the Administrative Agent has consented in writing to the reincorporation of PMC in Maryland pursuant to terms, conditions and documentation reasonably acceptable to the Administrative Agent (including without limitation, legal opinions) and PMC has filed all instruments and taken all actions to effect such reincorporation, PMC is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland. First Western is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Florida. Western Financial is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida. PMC Investment is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Florida. Except where the failure to qualify would not result in a Material Adverse Event, each Borrower is duly qualified to transact business and is in good standing in each jurisdiction where the nature and extent of its business and properties require due qualification and good standing (and each of such jurisdictions is identified in Schedule 6.3). Each Borrower possesses all requisite authority and power to conduct its business as is now being conducted and as proposed to be conducted (including under the Credit Documents) and to own and operate its assets as now owned and operated and as proposed to be owned and operated (including under the Credit Documents). Each Borrower's chief executive office and other principal offices are described on Schedule 6.3. The present location of each Borrower's books and records concerning accounts and accounts receivable is at its chief executive office.

6.3 Subsidiaries and Names. Schedule 6.3 describes (a) each Company, (b) every name or trade name used by each Company during the four-month period before the date of this agreement (or during the period such Company has been a Subsidiary, if shorter) and (c) every change of each Company's name during the four month period before the date of this agreement. All of the outstanding shares of beneficial interests, capital stock or similar voting interests of each Company are (i) duly authorized, validly issued, fully paid and nonassessable, (ii) owned of record and beneficially as described in Schedule 6.3, free and clear of any Liens, and (iii) not subject to any warrant, option or other acquisition Right of any Person or subject to any voting, ownership or transfer restriction except (1) restrictions imposed by securities laws and general corporate laws, (2) restrictions expressly noted in the certificates evidencing such shares, and (3) restrictions contained in the CIM Merger Agreement or the Registration Rights and Lockup Agreement to be entered into in connection with the CIM Merger.

6.4 Authorization and Contravention. The execution and delivery by each Borrower of each Credit Document to which it is a party and the performance by it of its obligations under those Credit Documents (a) are within its trust or corporate power, (b) have been duly authorized by all necessary trust or corporate action, (c) require no consent of, action by, or filing with, any Governmental Authority (except any action or filing that has been taken or made or consent that has been received, and is completed and in final form and full force and effect, on or before the Closing Date) (except, following the consummation of the CIM Merger, any technical violation of SBA regulations applicable to an SBIC which results from the execution of this agreement

and the other Credit Documents and which would not reasonably be expected to result in a Material Adverse Event), (d) do not violate any provision of its Organizational Documents (except, following the consummation of the CIM Merger, any technical violation of a provision relating to compliance with SBA regulations applicable to an SBIC which results from the execution of this agreement and the other Credit Documents and which would not reasonably be expected to result in a Material Adverse Event), (e) do not violate any provision of any Governmental Requirement (except, following the consummation of the CIM Merger, any technical violation of SBA regulations applicable to an SBIC which results from the execution of this agreement and the other Credit Documents and which would not reasonably be expected to result in a Material Adverse Event) applicable to it or result in any breach of, or default under, any material agreement of the Companies, or (f) result in, or requires the imposition of, any Liens on any property of any Company, other than in favor of Administrative Agent for Lenders.

6.5 Binding Effect. Upon execution by each Borrower of each Credit Document to which it is a party, each such Credit Document will constitute a legal and binding obligation of such Borrower, enforceable against such Borrower in accordance with that Credit Document's terms, except as that enforceability may be limited by Debtor Relief Laws and general principles of equity.

6.6 Financials. The Current Financials were prepared in accordance with GAAP and present fairly, in all material respects, the Companies' consolidated (if applicable) financial condition, results of operations and cash flows as of, and for the portion of the fiscal year ending on, their dates (subject only to normal year-end adjustments for interim statements). Except for transactions directly related to, or specifically contemplated or expressly permitted by, the Credit Documents, no material adverse changes have occurred in the Companies' consolidated (if applicable) financial condition from that shown in the Current Financials.

6.7 Solvency. On each Borrowing Date, including, without limitation, the Fourth Amendment Effective Date after giving effect to the making of the Term Loan, each Borrower is, and after giving effect to the requested Borrowing will be, Solvent.

6.8 Litigation.

(a) Except as shown on Schedule 6.8, no Company is subject to, or aware of the threat of, any Litigation involving any Company, or any of their respective properties, which if adversely determined against any of them, reasonably could be expected to result in a Material Adverse Event, and

(b) No outstanding and unpaid judgments against any Company exist that reasonably could be expected to result in a Material Adverse Event.

6.9 Taxes.

(a) Except where the non-compliance of any of the following reasonably could not be expected to result in a Material Adverse Event, (i) all returns, reports and other information of each Company required to be filed in respect to a present or future liability for any Taxes have been prepared in compliance with all requisite Governmental Requirements, and as so prepared, have been properly filed (or extensions have been granted) and (ii) all Taxes imposed upon each Company that are due and payable have been timely and fully paid except as are being contested as permitted by Section 7.5.

(b) PMC qualifies as a “real estate investment trust” for all purposes under the Code.

6.10 Environmental Matters.

(a) No Company has received notice from any Governmental Authority that it has any actual or potential Environmental Liability, and no Company has knowledge that it has any Environmental Liability, which actual or potential Environmental Liability in either case reasonably could be expected to constitute a Material Adverse Event.

(b) No Company has received notice from any Governmental Authority that any Real Property is affected by, and no Company has knowledge that any Real Property is affected by, any Release of any Hazardous Substance which reasonably could be expected to constitute a Material Adverse Event.

(c) No Company knows of any environmental conditions or circumstances adversely affecting any material portion of the collateral securing any of the Commercial Loans or Mortgage Loans. The Companies have taken all steps required under applicable Governmental Requirements to determine that all of the Projects securing the Mortgage Loans are in compliance with all applicable Governmental Requirements.

6.11 Employee Plans. Except where not a Material Adverse Event (a) no Employee Plan subject to ERISA has incurred an “accumulated funding deficiency” (as defined in Section 302 of ERISA or Section 512 of the Code), (b) neither any Company nor any ERISA Affiliate has incurred liability (except for liabilities for premiums that have been paid or that are not past due) under ERISA to the PBGC in connection with any Employee Plan, (c) neither any Company nor any ERISA Affiliate has withdrawn in whole or in part from participation in a Multiemployer Plan in a manner that has given rise to a withdrawal liability under Title IV of ERISA, (d) neither any Company nor any ERISA Affiliate has engaged in any “prohibited transaction” (as defined in Section 406 of ERISA or Section 4975 of the Code), (e) no “reportable event” (as defined in Section 4043 of ERISA) has occurred excluding events for which the notice requirement is waived under applicable PBGC regulations, (f) neither any Company nor any ERISA Affiliate has any liability, or is subject to any Lien, under ERISA or the Code to or on account of any Employee Plan, (g) each Employee Plan subject to ERISA and the Code complies in all material respects, both in form and operation, with ERISA and the Code and (h) no Multiemployer Plan subject to the Code is in reorganization within the meaning of Section 418 of the Code.

6.12 Properties; Liens. Each Company has good and marketable title to all its property reflected on the Current Financials except for property that is obsolete or that has been disposed of in the ordinary course of business between the date of the Current Financials and the date of this agreement or, after the date of this agreement, as permitted by Section 8.10. No Lien exists on any property of any Company except Permitted Liens. Except for the Credit Documents, no Company is party or subject to any agreement, instrument or order which in any way restricts any Company’s ability to allow Liens to exist upon any of its assets (except the SBA restriction on the pledge of the equity interests of First Western).

6.13 Government Regulations.

(a) No Company is subject to regulation under the Investment Company Act of 1940, as amended, or the Public Utility Holding Company Act of 1935, as amended.

(b) Each of the Companies has complied with all applicable Governmental Requirements of any Governmental Authority having jurisdiction over the conduct of their respective businesses or the ownership of their respective property (except any violation of SBA regulations applicable to an SBIC which results from the execution of this agreement and the other Credit Documents and which would not reasonably be expected to result in a Material Adverse Event).

6.14 Transactions with Affiliates. Except for transactions with Affiliates as permitted by Section 8.5, no Company is a party to a transaction (other than of an inconsequential nature) with any of its Affiliates.

6.15 Debt. No Company has any Debt except Permitted Debt.

6.16 Leases. Except where it could not reasonably be expected to result in a Material Adverse Event, (a) each Company enjoys peaceful and undisturbed possession under all leases necessary or desirable for the operation of its properties and assets and (b) all material leases under which any Company is a lessee are in full force and effect.

6.17 Labor Matters. Except where it could not reasonably be expected to result in a Material Adverse Event (a) no actual or threatened strikes, labor disputes, slow downs, walkouts, work stoppages or other concerted interruptions of operations that involve any employees employed at any time in connection with the business activities or operations at any Real Property exist, (b) hours worked by and payment made to the employees of any Company have not been in violation of the Fair Labor Standards Act or any other applicable Governmental Requirements pertaining to labor matters, (c) all payments due from any Company for employee health and welfare insurance, including, without limitation, workers compensation insurance, have been paid or accrued as a liability on its books and (d) the business activities and operations of each Company are in compliance with OSHA and other applicable health and safety Governmental Requirements.

6.18 Intellectual Property. Except where it could not reasonably be expected to result in a Material Adverse Event, (a) each Company owns or has the right to use all material licenses, patents, patent applications, copyrights, service marks, trademarks, trademark applications, trade names, trade secrets and other intellectual property rights necessary or desirable to continue to conduct its businesses as presently conducted by it and proposed to be conducted by it immediately after the date of this agreement, (b) each Company is conducting its business without infringement or claim of infringement of any license, patent, copyright, service mark, trademark, trade name, trade secret or other intellectual property right of others and (c) no infringement or claim of infringement by others of any material license, patent, copyright, service mark, trademark, trade name, trade secret or other intellectual property of any Company exists.

6.19 Insurance. Each Company maintains the insurance required by Section 7.9.

6.20 Full Disclosure. All information furnished to Administrative Agent or Lenders by or on behalf of any Company in connection with the Credit Documents was, and all information furnished to Administrative Agent or Lenders in the future by or on behalf of any Company will be, in each case, when so furnished, true, complete and accurate in all material respects or where estimates or projections were or will be therein made and so designated, based on good faith, reasonable estimates or projections on the date the information is stated or certified.

SECTION 7. AFFIRMATIVE COVENANTS.

7.1 Certain Items Furnished. Each Borrower shall furnish the following to Administrative Agent (with sufficient copies for each Lender):

(a) Annual Deliveries.

(i) Audited Consolidated Companies Statements. Promptly after preparation but no later than 90 days after the last day of each fiscal year of PMC, audited Financials showing the Consolidated Companies' consolidated financial condition and results of operations as of, and for the year ended on, that last day, accompanied by the opinion, without qualification, of a nationally recognized firm of independent certified public accountants acceptable to Required Lenders, based on an audit using generally accepted auditing standards, that the consolidated portion of those Financials were prepared in accordance with GAAP and present fairly, in all material respects, the Consolidated Companies' consolidated financial condition and results of operations,

(ii) Companies' and Southfork's Consolidating Statements. Promptly after preparation but no later than 90 days after the last day of each fiscal year of PMC, Financials showing each of the Borrowers' and each other Companies' and Southfork's consolidating financial condition and results of operations as of, and for the year ended on, that last day, accompanied by a certificate of a Responsible Officer of PMC that such Financials were prepared in all material respects consistent with the consolidated financial statements prepared in accordance with GAAP and present fairly, in all material respects, that portion of the Consolidated Companies' consolidating financial condition and results of operations, and

(iii) Compliance Certificate. Promptly after preparation but no later than 90 days after the last day of each fiscal year of PMC, with respect to the period covered by such Financials required in subparagraph (a)(i) preceding, a duly completed and executed Compliance Certificate.

(b) Quarterly Deliveries.

(i) Consolidated Companies Statements. Promptly after preparation but no later than 60 days after the last day of each fiscal quarter of PMC, Financials showing the Consolidated Companies' consolidated financial condition and results of operations for that fiscal quarter and for the period from the beginning of the current fiscal year to the last day of that fiscal quarter, accompanied by a Compliance Certificate with respect to the period covered by such Financials;

(ii) Companies' and Southfork's Consolidating Statements. Promptly after preparation but no later than 60 days after the last day of each fiscal quarter of PMC, Financials showing each of the Borrowers' and each other Companies' and Southfork's consolidating financial condition and results of operations as of, and for that fiscal quarter and for the period from the beginning of the current fiscal year to the last day of that fiscal quarter, accompanied by a certificate of a Responsible Officer of PMC that such Financials were prepared in all material respects consistent with the consolidated financial statements prepared in accordance with GAAP and present fairly, in all material respects, that portion of the Consolidated Companies' consolidating financial condition and results of operations; and

(iii) Compliance Certificate. Promptly after preparation but no later than 60 days after the last day of each fiscal quarter of PMC, with respect to the period covered by such Financials required in subparagraphs (b)(i) and (b)(ii) preceding, a duly completed and executed Compliance Certificate.

(c) SEC Filings. Promptly after preparation, but in any event (i) within 60 days after the end of each of the first three fiscal quarters of PMC, an accurate and complete copy of PMC's Form 10 Q as filed with the Securities and Exchange Commission, (ii) within 90 days after the end of each fiscal year of PMC, an accurate and complete copy of PMC's Form 10 K as filed with the Securities and Exchange Commission, and (iii) promptly upon their becoming available, accurate and complete copies of all registration statements, other reports (including those on Form 8 K) and statements and schedules filed by PMC with any securities exchange, the Securities and Exchange Commission or any other similar Governmental Authority.

(d) Annual Managed Loan Reports. Promptly after preparation, but no later than the last day of February of each year, a schedule as of December 31 of the preceding year of all Mortgage Loans, each such report to be in form and scope acceptable to Administrative Agent, including, without limitation, setting forth information identifying (i) all Performing Commercial Loans, and (ii) all Commercial Loans, together with the classification of such Commercial Loans as determined in accordance with the classification methodology disclosed in PMC's periodic reports filed with the Securities Exchange Commission.

(e) Annual Financial Projections. Promptly after preparation but no later than 45 days after the last day of each fiscal year of PMC, annual financial projections for the Companies prepared by PMC, in form and substance reasonably acceptable to Administrative Agent, setting forth management's projections for the next succeeding fiscal year.

(f) Employee Plans. As soon as possible and within 20 days after PMC or any other Consolidated Company knows that a Reportable Event has occurred, or that the PBGC has instituted or will institute proceedings under ERISA to terminate that Employee Plan, deliver a certificate of a Responsible Officer of PMC setting forth details as to that Reportable Event and the action which any Borrower or an ERISA Affiliate, as the case may be, proposes to take with respect to it, together with a copy of any notice of that Reportable Event which may be required to be filed with the PBGC, or any notice delivered by the PBGC evidencing its intent to institute those proceedings or any notice to the PBGC that the Employee Plan is to be terminated, as the case may be. For all purposes of this section, each Borrower is deemed to have all knowledge of all facts attributable to the plan administrator under ERISA.

(g) Other Notices. Promptly after any Borrower knows or receives any notification thereof (whichever shall first occur), notice of (a) the existence and status of any Litigation or Environmental Liability that if determined adversely to any Company, could reasonably be expected to result in a Material Adverse Event, (b) any material Litigation that questions the validity of any Lien which secures or purports or is intended to secure any Mortgage Loan Document relating to any Mortgage Loan, any Lien which secures or purports or is intended to secure any Mortgage Loan or any Project document relating to any Mortgage Loan, (c) any change in any fact or circumstance (other than of an inconsequential nature) represented or warranted by any Company in any Credit Document, (d) any challenge by the Internal Revenue Service with respect to PMC's status as a REIT, (e) an Event of Default, Potential Default or Material Adverse Event, specifying the nature thereof and what action the Companies have taken, are taking and propose to take and (f) any notice of a "default," "event of default" or "potential default" from any other creditor of the Companies, with a copy thereof immediately delivered to Administrative Agent, together with an explanation from PMC, in detail satisfactory to Administrative Agent, regarding the notice and effect of such notice.

(h) First Western Annual Financials. (i) To the extent required to be prepared by any Governmental Authority, promptly after preparation but no later than 90 days after the last day of each fiscal year of First Western, audited Financials showing First Western's consolidated financial condition and results of operations as of, and for the year ended on, that last day, accompanied by the opinion, without qualification, of a nationally recognized firm of independent certified public accountants acceptable to Required Lenders, based on an audit using generally accepted auditing standards, that the consolidated portion of those Financials were prepared in accordance with GAAP and present fairly, in all material respects, First Western's consolidated financial condition and results of operations or (ii) otherwise, promptly after preparation but no later than 90 days after the last day of each fiscal year of First Western, Financials showing First Western's consolidated financial condition and results of operations as of, and for the year ended on, that last day.

(i) Other Information. Promptly when reasonably requested by Administrative Agent or any Lender, such additional reasonable information (not otherwise required to be furnished under this agreement) regarding (a) any Company's business affairs, assets, liabilities, results of operation and financial condition, (b) any Mortgage Loan, or (c) any Mortgage Loan Document, any Project document or any Project which secures a Mortgage Loan, if any, as Administrative Agent or any Lender may reasonably request (all in form and substance satisfactory to Administrative Agent or that Lender).

7.2 Use of Credit. Each Borrower shall use the proceeds of Borrowings only for the purposes represented in this agreement.

7.3 Books and Records. Each Company shall maintain books, records and accounts necessary to prepare Financials in accordance with GAAP.

7.4 Inspections. Upon reasonable request and advance notice (but during the pendency of an Event of Default, no advance notice is required), each Company shall allow Administrative Agent or any Lender (or their respective Representatives) to inspect any of that Company's properties, to review reports, files and other records and to make and take away copies, to conduct tests or investigations and to discuss any of its affairs, conditions and finances with its other creditors, directors, officers, employees, outside accountants or representatives from time to time, during reasonable business hours (but during the pendency of an Event of Default, at any time). Without limiting the foregoing, the Companies shall allow Administrative Agent to perform field examinations to test such systems and controls of the Companies as it deems appropriate. Each Borrower shall promptly reimburse Administrative Agent and Lenders for the reasonable expenses of such inspections and field examinations.

7.5 Taxes. Each Company shall promptly pay when due any and all Taxes, except Taxes that are being contested in good faith by lawful proceedings diligently conducted, against which reserve or other provision required by GAAP has been made and in respect of which levy and execution of any Lien sufficient to be enforced has been and continues to be stayed.

7.6 Payment of Obligation. Each Company shall promptly pay (or renew and extend) all of its obligations as they become due (unless the obligations, other than the Obligation or any part thereof, are being contested in good faith by appropriate proceedings).

7.7 Expenses. Within ten Business Days after demand accompanied by an invoice describing the costs, fees and expenses in reasonable detail, each Borrower shall pay (a) all costs, fees and expenses paid or incurred by or on behalf of Administrative Agent incident to any Credit Document (including, without limitation, the reasonable fees and expenses of Administrative Agent's counsel in connection with the negotiation, preparation, delivery and execution of the Credit Documents and any related amendment, waiver or consent) and (b) all reasonable costs and expenses incurred by Administrative Agent in connection with the enforcement of the obligations of any Company under the Credit Documents or the exercise of any Rights under the Credit Documents (including, without limitation, reasonable allocated costs of in-house counsel, other reasonable attorneys' fees and court costs), all of which are part of the Obligation, bearing interest (if not paid within ten Business Days after demand accompanied by an invoice describing the costs, fees and expenses in reasonable detail) on the portion thereof from time to time unpaid at the Default Rate until paid.

7.8 Maintenance of Existence, Assets and Business. Each Company shall (a) maintain its trust, corporate or partnership (as applicable) existence and good standing in its state of incorporation or formation (as applicable) (except for the reincorporation of PMC as a Maryland corporation) and (b) except where the failure to perform any of the following could not reasonably be expected to result in a Material Adverse Event (i) maintain its authority to transact business and good standing in all other states, (ii) except for the surrender of the SBIC licenses to the SBA by the SBICs, maintain all licenses, permits and franchises necessary or desirable for its business and (iii) keep all of its assets that are useful in and necessary to its business in good working order and condition (ordinary wear and tear excepted) and make all necessary repairs and replacements.

7.9 Insurance. Each Company shall, at its cost and expense, maintain with financially sound, responsible and reputable insurance companies or associations, or as to workers' compensation or similar insurance, with an insurance fund or by self-insurance authorized by the jurisdictions in which it operates, insurance concerning its properties and businesses against casualties and contingencies and of types and in amounts (and with co-insurance and deductibles) as is customary in the case of similar businesses. In addition, each Borrower shall and shall cause each other Company to, (a) deliver copies of the policies and endorsements for the insurance required by this Section 7.9 to Administrative Agent promptly after issuance and renewal of each and (b) cause each policy of insurance to provide that it will not be cancelled or modified (as to term, coverage, scope, property or risks covered, change or addition of loss payee or additional insured or otherwise) without 30 days prior written notice to Administrative Agent.

7.10 Compliance with Governmental Requirements. Each Company shall (a) operate and manage its businesses and otherwise conduct its affairs in compliance with all Governmental Requirements (including without limitation, all Environmental Laws and Environmental Permits) except to the extent noncompliance reasonably could be expected not to constitute a Material Adverse Event, (b) promptly deliver to Administrative Agent a copy of any notice received from any Governmental Authority alleging that any Company is not in compliance with any Governmental Requirements (including any Environmental Laws or Environmental Permits) if the allegation reasonably could constitute a Material Adverse Event and (c) promptly deliver to Administrative Agent a copy of any notice received from any Governmental Authority alleging that any Company has any potential Environmental Liability if the allegation reasonably could constitute a Material Adverse Event.

7.11 Indemnification.

(a) AS USED IN THIS SECTION: (I) "INDEMNITOR" MEANS PMC AND EACH OTHER COMPANY (EXCEPT FIRST WESTERN); (II) "INDEMNITEE" MEANS ADMINISTRATIVE AGENT, EACH LENDER, EACH PRESENT AND FUTURE AFFILIATE OF ADMINISTRATIVE AGENT AND EACH LENDER, EACH PRESENT AND FUTURE REPRESENTATIVE OF ADMINISTRATIVE AGENT AND EACH LENDER OR ANY OF THOSE AFFILIATES AND EACH PRESENT AND FUTURE SUCCESSOR AND ASSIGN

OF ADMINISTRATIVE AGENT AND EACH LENDER OR ANY OF THOSE AFFILIATES OR REPRESENTATIVES; AND (III) **"INDEMNIFIED LIABILITIES"** MEANS ALL PRESENT AND FUTURE, KNOWN AND UNKNOWN, FIXED AND CONTINGENT, ADMINISTRATIVE, INVESTIGATIVE, JUDICIAL AND OTHER CLAIMS, DEMANDS, ACTIONS, CAUSES OF ACTION, INVESTIGATIONS, SUITS, PROCEEDINGS, AMOUNTS PAID IN SETTLEMENT, DAMAGES, JUDGMENTS, PENALTIES, COURT COSTS, LIABILITIES AND OBLIGATIONS, AND ALL PRESENT AND FUTURE COSTS, EXPENSES AND DISBURSEMENTS (INCLUDING ALL REASONABLE ATTORNEYS' FEES AND EXPENSES WHETHER OR NOT SUIT OR OTHER PROCEEDING EXISTS OR ANY INDEMNITEE IS PARTY TO ANY SUIT OR OTHER PROCEEDING) IN ANY WAY RELATED TO ANY OF THE FOREGOING, THAT MAY AT ANY TIME BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST, ANY INDEMNITEE AND IN ANY WAY RELATING TO OR ARISING OUT OF ANY (1) CREDIT DOCUMENT OR TRANSACTION CONTEMPLATED BY ANY CREDIT DOCUMENT, (2) ENVIRONMENTAL LIABILITY IN ANY WAY RELATED TO ANY COMPANY, OR ACT, OMISSION, STATUS, OWNERSHIP, OR OTHER RELATIONSHIP, CONDITION, OR CIRCUMSTANCE CONTEMPLATED BY, CREATED UNDER, OR ARISING PURSUANT TO OR IN CONNECTION WITH ANY CREDIT DOCUMENT, OR (3) INDEMNITEE'S SOLE OR CONCURRENT ORDINARY NEGLIGENCE.

(b) EACH INDEMNITOR AGREES, JOINTLY AND SEVERALLY, TO INDEMNIFY PROTECT AND DEFEND EACH INDEMNITEE FROM AND AGAINST, HOLD EACH INDEMNITEE HARMLESS FROM AND AGAINST, AND ON DEMAND PAY OR REIMBURSE EACH INDEMNITEE FOR, ALL INDEMNIFIED LIABILITIES.

(c) THE FOREGOING PROVISIONS (I) ARE NOT LIMITED IN AMOUNT EVEN IF THAT AMOUNT EXCEEDS THE OBLIGATION, (II) INCLUDE, WITHOUT LIMITATION, REASONABLE FEES AND EXPENSES OF ATTORNEYS AND OTHER COSTS AND EXPENSES OF LITIGATION OR PREPARING FOR LITIGATION AND DAMAGES OR INJURY TO PERSONS, PROPERTY, OR NATURAL RESOURCES ARISING UNDER ANY STATUTORY OR COMMON LAW GOVERNMENTAL REQUIREMENT, PUNITIVE DAMAGES, FINES, AND OTHER PENALTIES, AND (III) ARE NOT AFFECTED BY THE SOURCE OR ORIGIN OF ANY HAZARDOUS SUBSTANCE, AND (IV) ARE NOT AFFECTED BY ANY INDEMNITEE'S INVESTIGATION, ACTUAL OR CONSTRUCTIVE KNOWLEDGE, COURSE OF DEALING, OR WAIVER.

(d) HOWEVER, NO INDEMNITEE IS ENTITLED TO BE INDEMNIFIED UNDER THE CREDIT DOCUMENTS FOR ITS OWN FRAUD, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT.

(e) ALTHOUGH FAILURE TO DO SO DOES NOT REDUCE OR IMPAIR ANY INDEMNITOR'S OBLIGATIONS UNDER THIS SECTION, EACH INDEMNITEE SHALL PROMPTLY NOTIFY BORROWERS OF ANY EVENT ABOUT WHICH THE INDEMNITEE HAS RECEIVED WRITTEN NOTICE AND THAT IS REASONABLY LIKELY TO RESULT IN ANY INDEMNIFIED LIABILITY. EACH INDEMNITOR MAY, AT ITS OWN COST AND EXPENSE, PARTICIPATE IN THE DEFENSE IN ANY PROCEEDING INVOLVING ANY INDEMNIFIED LIABILITY. IF NO EVENT OF DEFAULT OR POTENTIAL DEFAULT EXISTS, INDEMNITORS MAY ASSUME THE DEFENSE IN THAT PROCEEDING ON BEHALF OF THE APPLICABLE INDEMNITEES, INCLUDING THE EMPLOYMENT OF COUNSEL IF FIRST APPROVED (WHICH APPROVAL MAY NOT BE UNREASONABLY WITHHELD) BY THE APPLICABLE INDEMNITEES. IF INDEMNITORS ASSUME ANY DEFENSE, THEY SHALL KEEP THE APPLICABLE INDEMNITEES FULLY ADVISED OF THE STATUS OF, AND SHALL CONSULT WITH, AND RECEIVE THE CONCURRENCE OF, THOSE INDEMNITEES BEFORE TAKING ANY MATERIAL POSITION IN RESPECT OF, THAT PROCEEDING. IF INDEMNITORS CONSENT, IF AN EVENT OF DEFAULT, POTENTIAL DEFAULT OR MATERIAL ADVERSE EVENT EXISTS OR IF ANY INDEMNITEE REASONABLY DETERMINES THAT AN ACTUAL CONFLICT OF INTERESTS EXISTS BETWEEN INDEMNITORS AND THAT INDEMNITEE WITH RESPECT TO THE SUBJECT MATTER OF THE PROCEEDING OR THAT INDEMNITORS ARE NOT DILIGENTLY PURSUING THE DEFENSE, THEN (I) THAT INDEMNITEE MAY, AT INDEMNITORS' JOINT AND SEVERAL EXPENSE, EMPLOY COUNSEL TO REPRESENT THAT INDEMNITEE THAT IS SEPARATE FROM COUNSEL FOR INDEMNITORS OR ANY OTHER PERSON IN THAT PROCEEDING AND (II) INDEMNITORS ARE NO LONGER ENTITLED TO ASSUME THE DEFENSE ON BEHALF OF THAT INDEMNITEE. NO INDEMNITOR MAY AGREE TO THE SETTLEMENT OF ANY INDEMNIFIED LIABILITY, OR ANY MATTERS OR ISSUES MATERIAL TO OR NECESSARY FOR THE RESOLUTION OF ANY SUCH LIABILITY, WITHOUT THE PRIOR WRITTEN CONSENT OF THE APPLICABLE INDEMNITEES UNLESS, AS AGREED TO IN WRITING BY AN INDEMNITEE, THAT SETTLEMENT FULLY RELIEVES THOSE INDEMNITEES OF ANY LIABILITY WHATSOEVER FOR THAT INDEMNIFIED LIABILITY. IF AN INDEMNITEE AGREES TO THE SETTLEMENT OF ANY INDEMNIFIED LIABILITY WITHOUT THE PRIOR WRITTEN CONSENT OF INDEMNITORS (WHICH CONSENT MAY NOT BE UNREASONABLY WITHHELD), THEN INDEMNITORS ARE NO LONGER OBLIGATED FOR THAT INDEMNIFIED LIABILITY IN RESPECT OF THAT INDEMNITEE.

7.12 First Western Indemnification.

(a) AS USED IN THIS SECTION: (I) "INDEMNITOR" MEANS FIRST WESTERN; (II) "INDEMNITEE" MEANS ADMINISTRATIVE AGENT, EACH LENDER, EACH PRESENT AND FUTURE AFFILIATE OF ADMINISTRATIVE

AGENT AND EACH LENDER, EACH PRESENT AND FUTURE REPRESENTATIVE OF ADMINISTRATIVE AGENT AND EACH LENDER OR ANY OF THOSE AFFILIATES AND EACH PRESENT AND FUTURE SUCCESSOR AND ASSIGN OF ADMINISTRATIVE AGENT AND EACH LENDER OR ANY OF THOSE AFFILIATES OR REPRESENTATIVES; AND (III) "INDEMNIFIED LIABILITIES" MEANS ALL PRESENT AND FUTURE, KNOWN AND UNKNOWN, FIXED AND CONTINGENT, ADMINISTRATIVE, INVESTIGATIVE, JUDICIAL AND OTHER CLAIMS, DEMANDS, ACTIONS, CAUSES OF ACTION, INVESTIGATIONS, SUITS, PROCEEDINGS, AMOUNTS PAID IN SETTLEMENT, DAMAGES, JUDGMENTS, PENALTIES, COURT COSTS, LIABILITIES AND OBLIGATIONS, AND ALL PRESENT AND FUTURE COSTS, EXPENSES AND DISBURSEMENTS (INCLUDING ALL REASONABLE ATTORNEYS' FEES AND EXPENSES WHETHER OR NOT SUIT OR OTHER PROCEEDING EXISTS OR ANY INDEMNITEE IS PARTY TO ANY SUIT OR OTHER PROCEEDING) IN ANY WAY RELATED TO ANY OF THE FOREGOING, THAT MAY AT ANY TIME BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST, ANY INDEMNITEE AND IN ANY WAY RELATING TO OR ARISING OUT OF ANY (1) CREDIT DOCUMENT OR TRANSACTION CONTEMPLATED BY ANY CREDIT DOCUMENT, (2) ENVIRONMENTAL LIABILITY IN ANY WAY RELATED TO ANY COMPANY, OR ACT, OMISSION, STATUS, OWNERSHIP, OR OTHER RELATIONSHIP, CONDITION, OR CIRCUMSTANCE CONTEMPLATED BY, CREATED UNDER, OR ARISING PURSUANT TO OR IN CONNECTION WITH ANY CREDIT DOCUMENT, OR (3) INDEMNITEE'S SOLE OR CONCURRENT ORDINARY NEGLIGENCE.

(b) INDEMNITOR AGREES TO INDEMNIFY PROTECT AND DEFEND EACH INDEMNITEE FROM AND AGAINST, HOLD EACH INDEMNITEE HARMLESS FROM AND AGAINST, AND ON DEMAND PAY OR REIMBURSE EACH INDEMNITEE FOR, ALL INDEMNIFIED LIABILITIES.

(c) THE FOREGOING PROVISIONS (I) ARE NOT LIMITED IN AMOUNT EVEN IF THAT AMOUNT EXCEEDS THE OBLIGATION, (II) INCLUDE, WITHOUT LIMITATION, REASONABLE FEES AND EXPENSES OF ATTORNEYS AND OTHER COSTS AND EXPENSES OF LITIGATION OR PREPARING FOR LITIGATION AND DAMAGES OR INJURY TO PERSONS, PROPERTY, OR NATURAL RESOURCES ARISING UNDER ANY STATUTORY OR COMMON LAW GOVERNMENTAL REQUIREMENT, PUNITIVE DAMAGES, FINES, AND OTHER PENALTIES, AND (III) ARE NOT AFFECTED BY THE SOURCE OR ORIGIN OF ANY HAZARDOUS SUBSTANCE, AND (IV) ARE NOT AFFECTED BY ANY INDEMNITEE'S INVESTIGATION, ACTUAL OR CONSTRUCTIVE KNOWLEDGE, COURSE OF DEALING, OR WAIVER.

(d) HOWEVER, NO INDEMNITEE IS ENTITLED TO BE INDEMNIFIED UNDER THE CREDIT DOCUMENTS FOR ITS OWN FRAUD, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT.

(e) ALTHOUGH FAILURE TO DO SO DOES NOT REDUCE OR IMPAIR ANY INDEMNITOR'S OBLIGATIONS UNDER THIS SECTION, EACH INDEMNITEE SHALL PROMPTLY NOTIFY BORROWERS OF ANY EVENT ABOUT WHICH THE INDEMNITEE HAS RECEIVED WRITTEN NOTICE AND THAT IS REASONABLY LIKELY TO RESULT IN ANY INDEMNIFIED LIABILITY. INDEMNITOR MAY, AT ITS OWN COST AND EXPENSE, PARTICIPATE IN THE DEFENSE IN ANY PROCEEDING INVOLVING ANY INDEMNIFIED LIABILITY. IF NO EVENT OF DEFAULT OR POTENTIAL DEFAULT EXISTS, INDEMNITORS MAY ASSUME THE DEFENSE IN THAT PROCEEDING ON BEHALF OF THE APPLICABLE INDEMNITEES, INCLUDING THE EMPLOYMENT OF COUNSEL IF FIRST APPROVED (WHICH APPROVAL MAY NOT BE UNREASONABLY WITHHELD) BY THE APPLICABLE INDEMNITEES. IF INDEMNITORS ASSUME ANY DEFENSE, THEY SHALL KEEP THE APPLICABLE INDEMNITEES FULLY ADVISED OF THE STATUS OF, AND SHALL CONSULT WITH, AND RECEIVE THE CONCURRENCE OF, THOSE INDEMNITEES BEFORE TAKING ANY MATERIAL POSITION IN RESPECT OF, THAT PROCEEDING. IF INDEMNITORS CONSENT, IF AN EVENT OF DEFAULT, POTENTIAL DEFAULT OR MATERIAL ADVERSE EVENT EXISTS OR IF ANY INDEMNITEE REASONABLY DETERMINES THAT AN ACTUAL CONFLICT OF INTERESTS EXISTS BETWEEN INDEMNITORS AND THAT INDEMNITEE WITH RESPECT TO THE SUBJECT MATTER OF THE PROCEEDING OR THAT INDEMNITORS ARE NOT DILIGENTLY PURSUING THE DEFENSE, THEN (I) THAT INDEMNITEE MAY, AT INDEMNITORS' JOINT AND SEVERAL EXPENSE, EMPLOY COUNSEL TO REPRESENT THAT INDEMNITEE THAT IS SEPARATE FROM COUNSEL FOR INDEMNITORS OR ANY OTHER PERSON IN THAT PROCEEDING AND (II) INDEMNITORS ARE NO LONGER ENTITLED TO ASSUME THE DEFENSE ON BEHALF OF THAT INDEMNITEE. NO INDEMNITOR MAY AGREE TO THE SETTLEMENT OF ANY INDEMNIFIED LIABILITY, OR ANY MATTERS OR ISSUES MATERIAL TO OR NECESSARY FOR THE RESOLUTION OF ANY SUCH LIABILITY, WITHOUT THE PRIOR WRITTEN CONSENT OF THE APPLICABLE INDEMNITEES UNLESS, AS AGREED TO IN WRITING BY AN INDEMNITEE, THAT SETTLEMENT FULLY RELIEVES THOSE INDEMNITEES OF ANY LIABILITY WHATSOEVER FOR THAT INDEMNIFIED LIABILITY. IF AN INDEMNITEE AGREES TO THE SETTLEMENT OF ANY INDEMNIFIED LIABILITY WITHOUT THE PRIOR WRITTEN CONSENT OF INDEMNITORS (WHICH CONSENT MAY NOT BE UNREASONABLY WITHHELD), THEN INDEMNITORS ARE NO LONGER OBLIGATED FOR THAT INDEMNIFIED LIABILITY IN RESPECT OF THAT INDEMNITEE.

7.13 Mortgage Loan Approval, Collection and Servicing Standards. Each Borrower shall follow the loan approval, collection and servicing policies and standards in effect as of the Closing Date, except (i) the SBICs shall not be required to comply with such policies and standards of the SBA, and (ii) for immaterial changes in such policies and standards or changes in such policies and standards disclosed to and approved in writing by Administrative Agent and Lenders.

7.14 Negative Pledge. Each Borrower hereby covenants and agrees (and agrees to cause each other Company) not to directly or indirectly create, incur, grant, suffer, or permit to be created or incurred any Lien on any of the respective assets of such Companies, other than Permitted Liens. Furthermore, in the event that, notwithstanding the foregoing, any such Liens (other than Permitted Liens) are granted, incurred, or created, then, in addition to the other Rights granted to Administrative Agent and Lenders hereunder or under applicable Governmental Requirements, (a) the Companies hereby grant to Administrative Agent and Lenders an equal and ratable Lien in and to the property so encumbered, (b) any Person receiving the benefit of any such additional Liens shall be deemed to receive any such grant or conveyance of Liens for the ratable and pari passu benefit of Lenders and Administrative Agent and shall be deemed the bailee and agent for such Lenders for the sole purpose of holding any such collateral and Liens and perfecting Liens in favor of Administrative Agent and Lenders with respect thereto, and (c) upon the request of Administrative Agent, each Company shall execute, and shall request the other Person to execute, all such documents and take all actions requested by Required Lenders to more fully evidence and create such ratable, pari passu Liens in favor of Lenders and Administrative Agent.

7.15 Certain Intercompany Matters. PMC and the Borrowers will not, nor will PMC or any of the other Borrowers permit any of the Companies to, (a) fail to maintain organizational separateness from Southfork and each of the CIM Entities; (b) fail to satisfy customary formalities with respect to organizational separateness from the CIM Entities and Southfork, including, without limitation (i) the maintenance of separate books and records for the Companies separate and apart from the books of the other Consolidated Companies and (ii) the maintenance of separate bank accounts in each of the Companies' names without any of the CIM Entities or Southfork, (c) except pursuant to the Master Services Agreement, fail to act solely in its own name and through its authorized officers and agents and not through Southfork or any CIM Entity or other Consolidated Company, (d) commingle any money or other assets of any Company with any money or other assets of Southfork or any CIM Entity, or (e) take any action, or conduct its affairs in a manner, which could reasonably be expected to result in the separate organizational existence of any of the Companies being ignored under any circumstance. For the avoidance of doubt, it is understood by the parties hereto that the Obligations hereunder are owed only by the Borrowers and the covenants are limited to the Companies, and therefore the intent of the parties hereto is to protect and preserve the Companies from the operations, liabilities and other risks attributable to the CIM Entities and Southfork.

SECTION 8. NEGATIVE COVENANTS.

For so long as any Lender is committed to lend under this agreement and until the Obligation has been fully paid and performed, each Borrower covenants and agrees with Administrative Agent and Lenders as follows:

8.1 Payroll Taxes. No Company may directly or indirectly use any proceeds of any Borrowing (a) for any purpose other than as represented in this agreement, or (b) for the payment of wages of employees unless a timely payment to or deposit with the United States of America of all amounts of Tax required to be deducted and withheld with respect to such wages is also made.

8.2 Debt. No Company may:

(a) Create, incur or suffer to exist (directly or indirectly) any direct, indirect, fixed or contingent liability for any Debt except the following (the "Permitted Debt"):

(i) the Obligation;

(ii) Debt existing on the Fourth Amendment Effective Date, as more particularly described on Schedule 8.2, but excluding debt described in clause (iii) below (the "Existing Debt");

(iii) ***so long as such Debt is repaid in full and terminated no later than 30 days after the Fourth Amendment Effective Date***, Debt existing on the Fourth Amendment Effective Date under SBIC debentures and in respect of preferred stock held by the SBA in each case owed by PMC Investment and Western Financial (which such Debt is in all cases non-recourse to PMC and First Western), in an aggregate amount not to exceed \$35,000,000 at any one time outstanding. PMC shall provide any information requested by Administrative Agent and Lenders with respect to such Debt, including, without limitation, copies of the loan documents evidencing the Debt;

(iv) so long as (A) there exists no Potential Default or Event of Default at the time of its incurrence, and no Event of Default or Potential Default would be created by such incurrence, and (B) the Borrowers have obtained the prior written consent of the Administrative Agent, indebtedness and other obligations arising under Rate Management Transactions contemplated by this agreement; and

(v) so long as there exists no Potential Default or Event of Default at the time of its incurrence, and no Event of Default or Potential Default would be created by such incurrence (including, without limitation, with respect to Section 9.3), Debt owed among the Borrowers.

(b) Prepay, purchase, repurchase, defease or redeem, or cause to be prepaid, purchased, repurchased, defeased or redeemed, any principal of, or any premium (if any) or interest on, any of its Debt, or fund or cause to be funded any sinking or similar fund for any such Debt, except for (i) the Obligation, and (ii) so long as the proceeds of the Term Loan are used to prepay such Debt, indebtedness under the debentures and the preferred stock held by the SBA owed by PMC Investment and Western Financial permitted to exist by Section 8.2(a)(iii).

8.3 Liens. No Company may (a) create, incur or suffer or permit to be created or incurred or to exist any Lien upon any of its properties except a Permitted Lien or (b) enter into or permit to exist any arrangement or agreement that directly or indirectly prohibits any Company from creating or incurring any Lien on any of its assets or properties except (i) the Credit Documents, (ii) any lease that places a Lien prohibition on only the property subject to that lease, (iii) arrangements and agreements that apply only to property subject to Permitted Liens, and (iv) Liens existing on the Fourth Amendment Effective date on the equity interests of First Western in connection with Governmental Requirements of the SBA. The following are "Permitted Liens":

(a) Liens existing on the Closing Date, as more particularly described on Schedule 8.3 (the "Existing Liens");

(b) Any interest or title of a lessor in property being leased under an operating lease that does not constitute Debt;

(c) Liens arising under Rate Management Transactions permitted by this agreement;

(d) Banker's Liens and Rights of setoff or recoupment;

(e) Pledges or deposits made to secure any Company's payment of workers' compensation, unemployment insurance or other forms of governmental insurance or benefits or to participate in any fund in connection with workers' compensation, unemployment insurance, pensions or other social security programs;

(f) Zoning and similar restrictions on the use of, and easements, restrictions, covenants, title defects and similar encumbrances on, Real Property that do not impair the use of such Real Property (other than of an inconsequential nature) and that are not violated by existing or proposed structures or land use; and

(g) If no Lien has been filed in any jurisdiction or agreed to (i) claims and Liens for Taxes not yet due and payable, (ii) statutory mechanic's Liens and materialman's Liens for services or materials and similar statutory Liens incident to construction and maintenance of Real Property, in each case for which payment is not yet due and payable, (iii) statutory landlord's Liens for rental not yet due and payable and (iv) statutory Liens of warehousemen and carriers and similar statutory Liens securing obligations that are not yet due and payable.

8.4 Employee Plans. No Company may permit any of the events or circumstances described in Section 6.11 to exist or occur except where the failure to perform the foregoing could not reasonably be expected to result in a Material Adverse Event.

8.5 Transactions with Affiliates. No Company may enter into any transaction with any of its Affiliates except, (a) transactions necessary to consummate the CIM Merger in each case in accordance with the terms of the CIM Merger Agreement (including, without limitation, the execution, delivery and performance of the Master Services Agreement and the Registration Rights and Lockup Agreement), and (b) transactions (other than Investments) in the ordinary course of business and upon fair and reasonable terms not materially less favorable than it could obtain or could become entitled to in an arm's length transaction with a Person that was not its Affiliate.

8.6 Compliance with Governmental Requirements and Documents. No Company shall (a) violate the provisions of any Governmental Requirements (including, without limitation, OSHA and Environmental Laws) applicable to it or of any material agreement to which it is a party or by which any of its property is subject or bound if that violation alone, or when aggregated with all other violations, reasonably could be expected to result in a Material Adverse Event, (b) violate any provision of its Organizational Documents (except, following the consummation of the CIM Merger, any technical violation of a provision relating to compliance with SBA regulations applicable to an SBIC which results from the execution of this agreement and the other Credit Documents and which would not reasonably be expected to result in a Material Adverse Event) or (c) repeal, replace or amend any provision of its Organizational Documents if that action reasonably could be expected to result in a Material Adverse Event.

8.7 Investments. No Company may make any Investments except the following (the “Permitted Investments”):

(a) (i) Readily marketable, direct, full faith and credit obligations of the United States of America or obligations guaranteed by the full faith and credit of the United States of America and (ii) readily marketable obligations of an agency or instrumentality of, or corporation owned, controlled or sponsored by, the United States of America that are generally considered in the securities industry to be implicit obligations of the United States of America, in each case, due within one year after the acquisition of it (collectively, “Government Securities”);

(b) Readily marketable direct obligations of any state of the United States of America given on the date of such investment a credit rating of at least Aa by Moody’s Investors Service, Inc. or AA by Standard & Poor’s Corporation, in each case due within one year from the making of the investment;

(c) Certificates of deposit issued by, bank deposits in, eurodollar deposits through, bankers’ acceptances of, and repurchase agreements covering Government Securities executed by, (i) any Lender or (ii) any bank incorporated under the Governmental Requirements of the United States of America or any of its states and given on the date of the investment a short term certificate of deposit credit rating of at least P-2 by Moody’s Investors Service, Inc., or A-2 by Standard & Poor’s Corporation, in each case due within one year after the date of the making of the investment;

(d) Certificates of deposit issued by, bank deposits in, eurodollar deposits through, bankers’ acceptances of, and repurchase agreements covering Government Securities executed by, any branch or office located in the United States of America of a bank incorporated under the Governmental Requirements of any jurisdiction outside the United States of America having on the date of the investment a short term certificate of deposit credit rating of at least P-2 by Moody’s Investors Service, Inc., or A-2 by Standard & Poor’s Corporation, in each case due within one year after the date of the making of the investment;

(e) Commercial paper maturing in 270 days or less from the date of issuance and rated P-1 or better by Moody's Investors Service, Inc., or A-1 or better by Standard & Poors Corporation;

(f) Money market instruments and mutual funds rated AAA by Standard & Poors Corporation or given one of the two highest credit rankings for such investments by any other nationally-recognized rating service;

(g) Commercial Loans made by the Companies in the ordinary course of business that do not violate any other provision of this agreement;

(h) Investments in any Company;

(i) Investments resulting from the consummation of the CIM Merger; and

(j) Intercompany loans made between or among the Companies that do not violate any other provision of this agreement.

8.8 Real Property. No Company may purchase any real property or any hotel/motel project (it being understood that the Companies may acquire REO Property).

8.9 Distributions; Other Payments. No Company shall enter into or permit to exist any arrangement or agreement which directly or indirectly prohibits any such Company from declaring, making or paying, directly or indirectly, any Distribution. No Company shall, directly or indirectly, declare, make or pay any Distributions except for:

(a) Distributions by any Company to (i) PMC, (ii) another Company that is a parent of a Company, and (iii) Southfork, provided that Distributions by any Company to Southfork must be distributed by dividend in full promptly by Southfork to PMC or such Distribution is not permitted under this Section;

(b) One special dividend (including the accrued portion of PMC's regular quarterly dividend) to be paid pursuant to, and in accordance with the terms of, the CIM Merger Agreement within 30 days after the Fourth Amendment Effective Date, but only to the extent that PMC has received Distributions from the Consolidated CIM Entities in an amount not less than such special dividend (excluding the accrued portion of such special dividend) to be used specifically for the payment of such special dividend, and so long as PMC uses the Distribution from the Consolidated CIM Entities to make such Distribution; and

(c) if no Event of Default or Potential Default exists or would exist after giving effect to the Distribution, and so long as any such Distributions are made in the ordinary course of business consistent with sound business practices, quarterly or annual Distributions by PMC, provided that, for any calendar quarter, the aggregate Distributions paid by PMC during such quarter less the amount of cash dividends received by PMC from the CIM Entities during such quarter shall not exceed \$1,250,000 (less, only for the calendar quarter during which the special dividend permitted by Section 8.9(b) is paid, the accrued portion of such special dividend).

8.10 Disposition of Assets. No Company may sell, assign, lease, transfer or otherwise dispose of any of its assets (including, without limitation, equity interests in any other Company) other than pursuant to a Permitted Asset Sale or as a result of the CIM Merger on the terms set forth in the CIM Merger Agreement.

8.11 Mergers, Consolidations and Dissolutions. No Company may merge or consolidate with any other Person, or acquire, in one or a series of related transactions, all or substantially all of the equity or assets of any Person; provided that, notwithstanding the foregoing, within 30 days after the Fourth Amendment Effective Date, the CIM Merger may be consummated in accordance with the CIM Merger Agreement. In addition, no Company may dissolve or convert to any other form of entity (except for the reincorporation of PMC as a Maryland corporation).

8.12 Assignment. No Company may assign or transfer any of its Rights, duties or obligations under any of the Credit Documents.

8.13 Fiscal Year and Accounting Methods. No Company may change either its fiscal year for accounting purposes or any material aspect of its method of accounting.

8.14 New Businesses. No Company, including, without limitation, any new Subsidiary, may engage in any business except the businesses in which it is presently engaged and any other reasonably related business, except that nothing in this Section shall prohibit PMC from owning (directly or indirectly) the equity interests in the Consolidated CIM Entities.

8.15 Government Regulations. No Company may conduct its business in a way that it becomes regulated under the Investment Company Act of 1940, as amended, or the Public Utility Holding Company Act of 2005, as amended.

8.16 Financial Contracts. No Company will enter into or remain liable upon any Financial Contract, except Rate Management Transactions permitted by Section 8.2(a)(iv) of this agreement.

8.17 Strict Compliance. Subject to Section 7.15, no Company may indirectly do anything that it may not directly do under any covenant in any Credit Document.

8.18 Activities of Southfork. Southfork shall not (i) perform any services or activities, or make any cash payments for the performance of any services or activities or conduct any business or operate in any manner other than a holding company for equity interests permitted by clause (iv) below, (ii) engage in any trade or business other than as described in clause (iv) below, (iii) own any assets (except the equity interests described in clause (iv) below), (iv) directly or indirectly, beneficially or otherwise, hold or own any capital stock or other securities of any Person, except Southfork may hold any equity interests of the Consolidated Companies (other than PMC) or any of their Subsidiaries, (v) issue, incur or permit to exist any Debt or other liability, or guarantee the payment and/or performance of any Debt or any liability of any other Person, (vi) issue, make or permit to exist any Investment (except the ownership of the equity interests described in clause (iv) preceding, or (vi) issue any equity, except to PMC.

SECTION 9. FINANCIAL COVENANTS.

For so long as any Lender is committed to lend under this agreement, and until the Obligation has been fully paid and performed, the Borrowers covenant and agree with Administrative Agent and Lenders as follows:

9.1 Minimum Asset Coverage Ratio. The Asset Coverage Ratio for the four Borrowers only (not including any of the other Companies or any Subsidiaries of the Borrowers) shall not at any time (but calculated for compliance reporting purposes as of the last day of each fiscal quarter of the Borrowers) be less than 3.00 to 1.00.

9.2 Non-Hotel/Motel Loans. The aggregate principal balance of Mortgage Loans of the Companies which are secured by Projects which are not hotels or motels shall not exceed an amount equal to the difference between (a) 15% of the aggregate principal balance of all of its Mortgage Loans minus (b) the aggregate loan loss reserve established by Companies with respect to the Mortgage Loans.

SECTION 10. EVENT OF DEFAULT.

The term "Event of Default" means the occurrence of any one or more of the following:

10.1 Payment of Obligation. Any Borrower's failure or refusal to pay (a) principal of any Note, or any part thereof, on or before the date when due (including any required mandatory prepayment when due) or (b) any other part of the Obligation on or before 5 days after the date due.

10.2 Covenants. Any Company fails or refuses to punctually and properly perform, observe and comply with any covenant or agreement in any Credit Document applicable to it, and that failure or refusal continues for 15 days after that Company has, or with the exercise of reasonable diligence should have had, notice of that failure or refusal; provided, however, that with respect to the failure or refusal to perform any such covenant or agreement, no Borrower shall be entitled to an opportunity to cure any such failure or refusal if such failure or refusal is either not capable of being cured by such Borrower or if the same covenant has already been breached more than two times during the twelve months preceding such breach.

10.3 Debtor Relief. Any one or more of the Consolidated Companies (a) is not Solvent, (b) fails to pay its debts generally as they become due, (c) voluntarily seeks, consents to or acquiesces in the benefit of any Debtor Relief Law, other than as a creditor or claimant, or (d) becomes a party to or is made the subject of any proceeding provided for by any Debtor Relief Law, other than as a creditor or claimant, that could suspend or otherwise adversely affect the Rights of Administrative Agent or any Lender under the Credit Documents (unless, in the event such proceeding is involuntary, the petition instituting same is dismissed within 60 days after its filing).

10.4 Judgments and Attachments. Any Company fails, within 10 days after entry, to pay, bond, or otherwise discharge any one or more judgments or orders for the payment of money (not paid or fully covered by insurance) in excess of \$1,000,000 (individually or collectively) or the equivalent thereof in another currency or currencies, or any warrant of attachment, sequestration, or similar proceeding against any Company's assets having a value (individually or collectively) of \$1,000,000 or the equivalent thereof in another currency or currencies, which is not either (a) stayed on appeals; (b) being diligently contested in good faith by appropriate proceedings with adequate reserves having been set aside on the books of such Company in accordance with GAAP, or (c) dismissed by a court of competent jurisdiction.

10.5 Government Action. Unless otherwise covered by any event described in Section 10.4, (a) the entry or issuance of an order by any Governmental Authority (including the United States Justice Department) seeking to cause any Company to divest a significant portion of its assets under any antitrust, restraint of trade, unfair competition, industry regulation or similar Governmental Requirements, or (b) the commencement of any action or proceeding by any Governmental Authority (i) for the purpose of condemning, seizing or otherwise appropriating, or taking custody or control of all or any substantial portion of, any Company's assets or (ii) which asserts any material violation by, or material liability against, any Company based on any Environmental Law.

10.6 Misrepresentation. Any representation or warranty made by any Company in any Credit Document, or any financial data or other information now or hereafter furnished to Administrative Agent or Lenders by or on behalf of any Borrower, at any time proves to have been false, incorrect or misleading in any material respect when made.

10.7 Ownership of Other Companies. Any Company (other than PMC) (a) fails to constitute the direct or indirect Wholly-owned Subsidiary of PMC, or (b) is owned in whole or in part by one or more CIM Entities.

10.8 Change of Control. Any Change of Control.

10.9 Change in Management. (a) (i) at any time prior to the consummation of the CIM Merger, any one or more of Jan Salit or Barry Berlin are no longer employed by PMC in the same or similar capacities as they are as of the Fourth Amendment Effective Date or (ii) at any time after the consummation of the CIM Merger, any one or more of Jan Salit or Barry Berlin are no longer employed by PMC in the same or similar capacities as they were immediately following the consummation of the CIM Merger or (b) except as contemplated by the CIM Merger Agreement, any other material change in the management of the Companies.

10.10 Other Debt. In respect of any Debt of any Company (other than the Obligation) the principal amount of which exceeds \$2,500,000, (a) any Company fails to make any payment when due and such failure continues for ten days, (b) any default or other event or condition occurs or exists beyond the applicable grace or cure period, the effect of which is to permit any holder of that Debt to cause (whether or not it elects to cause) any of such Debt to become due before its stated maturity or regularly scheduled payment dates, or (c) any of that Debt is declared to be due and payable or required to be prepaid by any Company before its stated maturity.

10.11 Rate Management Transactions. Nonpayment by any Company of any Rate Management Obligation when due or the breach by any Company of any term, provision or condition contained in any Rate Management Transaction.

10.12 Validity and Enforceability of Credit Documents. Any Credit Document ceases to be in full force and effect or is declared to be null and void, or the validity or enforceability of any Credit Document is contested by any Company or any other Person, or any Company or any other Person asserts the absence of, or denies that it has, any liability or obligations under any Credit Document to which it is a party except in accordance with that document's express provisions, shall fail to constitute a valid, perfected first priority lien in favor of Administrative Agent for Lenders, except in accordance with the express provisions of any applicable Credit Document.

10.13 Material Agreement Default or Cancellation. The default under, or breach or cancellation of, any agreement or other contractual arrangement to which any Company is a party or beneficiary or by which any of its property is bound or subject, which reasonably could be expected to result in any (a) significant impairment of (i) the ability of any Borrower or any other Company to perform any of its payment or other material obligations under any Credit Document or (ii) the ability of Administrative Agent or Lenders to enforce any of those obligations or any of their respective Rights under the Credit Documents, (b) significant and adverse effect on the business, management or financial condition of the PMC or any other Borrower, or of the Companies as a whole, as represented to Lenders in the Financials then most recently received by them or (c) event or circumstance that could result in an Event of Default or Potential Default pursuant to Sections 10.1 through 10.15 (inclusive).

10.14 Environmental Matters. Any of the following shall occur and Required Lenders determine, in good faith, that (a) such occurrence could materially and adversely affect the business or operations of PMC, any other Borrower or any other Company or any of their ability to pay its debts as they come due or to pay or perform any of the Obligation, and (b) the aggregate liability of PMC, the other Borrowers and the other Companies resulting from such occurrences could exceed \$1,000,000: (i) the failure of any Loan Obligor or other owner of any Project which secures a Mortgage Loan or Commercial Loan to obtain and maintain any environmental permit, certificate, license approval, registration, or authorization required under any Environmental Law; (ii) any Loan Obligor or other owner of a Project which secures a Mortgage Loan or Commercial Loan is or may be potentially responsible or liable with respect to any investigation or clean up of any threatened or actual release of any Hazardous Substance with respect to such Project; (iii) a Release of any Hazardous Substance has occurred at, on or under any Project which secures any Mortgage Loan or Commercial Loan; (iv) any oral or written notification of a Release of Hazardous Substance has been filed by or on behalf of PMC, any other Borrower or any other Company or any Loan Obligor or in relation to any Project which secures any Mortgage Loan or Commercial Loan; (v) any Project which secures any Mortgage Loan or Commercial Loan is or will be listed or is proposed for listing on the National Priority List promulgated pursuant to CERCLA, any related Governmental Requirement or on any federal or state list of sites requiring investigation or clean up; (vi) any Environmental Lien shall exist on any Project which secures any Mortgage Loan or Commercial Loan; or (vii) any governmental action shall have been taken or be in process or pending which could subject any Project which secures any Mortgage Loan or Commercial Loan to any Environmental Lien.

10.15 Employee Benefit Plans. (a) A Reportable Event or Reportable Events, or a failure to make a required installment or other payment (within the meaning of Section 412(n)(1) of the Code), shall have occurred with respect to any Employee Plan or Plans that is expected to result in liability of any Borrower to the PBGC or to an Employee Plan in an aggregate amount exceeding \$1,000,000 and, within 30 days after the reporting of any such Reportable Event to Administrative Agent or after the receipt by Administrative Agent of a statement required pursuant to Section 7.1(f), Administrative Agent shall have notified such Borrower in writing that (i) Required Lenders have made a reasonable determination that, on the basis of such Reportable Event or Reportable Events or the failure to make a required payment, there are grounds under Title IV of ERISA for the termination of such Employee Plan or Plans by the PBGC, or the appointment by the appropriate United States district court of a trustee to administer such Employee Plan or Plans or the imposition of a Lien pursuant to section 412(n) of the Code in favor of an Employee Plan and (ii) as a result thereof, an Event of Default exists hereunder; or (b) any Borrower or any ERISA Affiliate has provided to any affected party a 60 day notice of intent to terminate an Employee Plan pursuant to a distress termination in accordance with section 4041(c) of ERISA if the liability expected to be incurred as a result of such termination will exceed \$1,000,000; or (c) a trustee shall be appointed by a United States district court to administer any such Employee Plan; or (d) the PBGC shall institute proceedings (including giving notice of intent thereof) to terminate any such Employee Plan; or (e) (i) any Borrower or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that is has incurred withdrawal liability (within the meaning of section 4201 of ERISA to such Multiemployer Plan), (ii) such Borrower or such ERISA Affiliate does not have reasonable grounds for contesting such withdrawal liability or is not contesting such withdrawal liability in a timely and appropriate manner and (iii) the amount of such withdrawal liability specified in such notice, when aggregated with all other amounts required to be paid to Multiemployer Plans in connection with withdrawal liabilities (determined as of the date or dates of such notification), exceeds \$1,000,000; or (f) any Borrower or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA, if solely as a result of such reorganization or termination the aggregate annual contributions of any Borrower and its ERISA Affiliates to all Multiemployer Plans that are then in reorganization or have been or are being terminated have been or will be increased over the amounts required to be contributed to such Multiemployer Plans for their most recently completed plan years by an amount exceeding \$1,000,000.

10.16 Southfork. There shall exist any breach or failure to comply with the terms of Section 8.18.

10.17 Cross Default to CIM Entities. There shall exist an Event of Default (as defined therein) under the terms of (a) that certain Credit Agreement, dated as of August 28, 2013, among CIM Urban Partners, L.P., each lender from time to time party thereto, and Bank of America, N.A., as administrative agent (as amended), or (b) that certain Credit Agreement, dated as of February 6, 2012, among CIM Urban Partners, L.P., each lender from time to time party thereto, and Bank of America, N.A., as administrative agent (as amended).

10.18 CIM Merger. The CIM Merger shall not have been effectuated by March 31, 2014.

SECTION 11. RIGHTS AND REMEDIES.

11.1 Remedies Upon Event of Default.

(a) Debtor Relief. If an Event of Default exists under Section 10.3, the commitment to extend credit under this agreement automatically terminates and the entire unpaid principal balance of the Obligation, together with all interest accrued thereon, and all other amounts then accrued and unpaid, automatically become and shall be due and payable without any action of any kind whatsoever.

(b) Other Events of Default. If any Event of Default exists, Administrative Agent may (with the consent of, and must, upon the request of Required Lenders), do any one or more of the following: (i) If the maturity of the Obligation has not already been accelerated under Section 11.1(a), declare the entire unpaid principal balance of all or any part of the Obligation, together with all interest accrued thereon, and all other amounts then accrued and unpaid, immediately due and payable, whereupon it is due and payable; (ii) terminate the commitments of Lenders to extend credit under this agreement; (iii) reduce any claim to judgment; (iv) require the Companies to open and maintain a secured lockbox account for the receipt of the Companies' accounts receivables; notes receivable and other receivables; and (v) exercise any and all other legal or equitable Rights afforded by the Credit Documents, by applicable Governmental Requirements or otherwise at law or in equity.

(c) Offset. If an Event of Default exists, to the extent not prohibited by applicable Governmental Requirements, each Lender may exercise the Rights of offset and banker's lien against each and every account and other property, or any interest therein, which any Company may now or hereafter have with, or which is now or hereafter in the possession of, that Lender to the extent of the full amount of the Obligation owed to that Lender.

11.2 Company Waivers. To the extent not prohibited by applicable Governmental Requirements, each Borrower and each other Company waives, in respect to any action taken by Administrative Agent or Lenders at any time and from time to time pursuant to Section 11.1, presentment, demand for payment, protest, acceleration, notice of protest and nonpayment, **notice of intention to accelerate**, **notice of acceleration**, and all other notices and acts, and agrees that its liability with respect to all or any part of the Obligation is not affected by any renewal or extension in the time of payment of all or any part of the Obligation, by any indulgence, increase or other modification to, or by any release or change in any security for the payment of, all or any part of the Obligation.

11.3 Performance by Administrative Agent. If any Company's covenant, duty or agreement is not performed in accordance with the terms of the Credit Documents, Administrative Agent may at its option (but subject to the approval of Required Lenders), perform or attempt to perform that covenant, duty or agreement on behalf of that Company, and any amount expended by or on behalf of Administrative Agent in its performance or attempted performance is payable by the Companies, jointly and severally, to Administrative Agent on demand, becomes part of the Obligation, and bears interest on the portion thereof from time to

time unpaid at the Default Rate from the date of Administrative Agent's expenditure until paid. However, Administrative Agent does not assume and shall never have, except by its express written consent, any liability or responsibility for the performance of any Company's covenants, duties or agreements. Notwithstanding the forgoing, unless an Event of Default then exists, Administrative Agent shall not take any such action without requesting that a Borrower take such action on its own behalf.

11.4 Not in Control. Nothing in any Credit Document gives or may be deemed to give to Administrative Agent or any Lender the Right to exercise control over any Company's Real Property, other assets, affairs or management or to preclude or interfere with any Company's compliance with any Governmental Requirement or require any act or omission by any Company that may be harmful to Persons or property. Any "Material Adverse Event" or other materiality or substantiality qualifier of any representation, warranty, covenant, agreement or other provision of any Credit Document is included for credit documentation purposes only and does not imply and should not be deemed to mean that Administrative Agent or any Lender acquiesces in any non compliance by any Company with any applicable Governmental Requirement, document, or otherwise or does not expect the Companies to promptly, diligently and continuously carry out all appropriate removal, remediation, compliance, closure or other activities required or appropriate in accordance with all Environmental Laws. Administrative Agent's and Lenders' power is limited to the Rights provided in, or referred to by, the Credit Documents. All of those Rights exist solely to assure payment and performance of the Obligation in accordance with the terms of the Credit Documents, and may be exercised in a manner determined to be appropriate by Administrative Agent or Lenders in their sole business judgment.

11.5 Course of Dealing. The acceptance by Administrative Agent or Lenders of any partial payment on the Obligation is not a waiver of any Event of Default then existing. No waiver by Administrative Agent, Required Lenders or Lenders of any Event of Default is a waiver of any other then existing or subsequent Event of Default. No delay or omission by Administrative Agent, Required Lenders or Lenders in exercising any Right under the Credit Documents impairs that Right or is a waiver thereof or any acquiescence therein, nor will any single or partial exercise of any Right preclude other or further exercise thereof or the exercise of any other Right under the Credit Documents or otherwise.

11.6 Cumulative Rights. All Rights available to Administrative Agent, Required Lenders and Lenders under the Credit Documents are cumulative of and in addition to all other Rights granted to Administrative Agent, Required Lenders and Lenders at law or in equity, whether or not the Obligation is due and payable and whether or not Administrative Agent, Required Lenders or Lenders have instituted any suit for collection, foreclosure, or other action in connection with the Credit Documents.

11.7 Application of Proceeds. Any and all proceeds ever received by Administrative Agent or Lenders from the exercise of any Rights pertaining to the Obligation shall be applied to the Obligation according to Section 3.

11.8 Certain Proceedings. Each Borrower shall promptly execute and deliver, or cause the execution and delivery of, all applications, certificates, instruments, registration statements, and all other documents and papers Administrative Agent or Required Lenders reasonably request in connection with the obtaining of any consent, approval, registration (other than securities law registrations), qualification, permit, license or authorization of any Governmental Authority or other Person necessary or appropriate for the effective exercise of any Rights under the Credit Documents. Because each Borrower agrees that Administrative Agent's and Required Lenders' remedies under applicable Governmental Requirements for failure of such Borrower to comply with the provisions of this section would be inadequate and that failure would not be adequately compensable in damages, each Borrower agrees that the covenants of this section may be specifically enforced.

11.9 Expenditures by Administrative Agent or Lenders. Any sums spent by Administrative Agent or any Lender in the exercise of any Right under any Credit Document is payable by the Companies to Administrative Agent within 10 days of written demand, becomes part of the Obligation, and bears interest on the portion thereof from time to time unpaid at the Default Rate from the date spent until the date repaid.

SECTION 12. ADMINISTRATIVE AGENT AND LENDERS.

12.1 Administrative Agent.

(a) Appointment. Each Lender appoints Administrative Agent (including, without limitation, each successor Administrative Agent in accordance with this Section 12) as its nominee and agent to act in its name and on its behalf (and Administrative Agent and each such successor accepts that appointment): (i) To act as its nominee and on its behalf in and under all Credit Documents; (ii) to arrange the means whereby its funds are to be made available to any Borrower under the Credit Documents; (iii) to take any action that it properly requests under the Credit Documents (subject to the concurrence of other Lenders as may be required under the Credit Documents); (iv) to receive all documents and items to be furnished to it under the Credit Documents; (v) to promptly distribute to it all material information, requests, documents, and items received from any Borrower under the Credit Documents; (vi) to promptly distribute to it its ratable part of each payment or prepayment (whether voluntary, as proceeds of collateral upon or after foreclosure, as proceeds of insurance thereon, or otherwise) in accordance with the terms of the Credit Documents; and (vii) to deliver to the appropriate Persons requests, demands, approvals, and consents received from it. However, Administrative Agent may not be required to take any action that exposes it to personal liability or that is contrary to any Credit Document or applicable Governmental Requirements.

(b) Successor. Administrative Agent may assign all of its Rights and obligations as Administrative Agent under the Credit Documents to any of its Affiliates, which Affiliate shall then be the successor Administrative Agent under the Credit Documents. Administrative Agent may also voluntarily resign and shall resign upon the request of Required Lenders for cause (i.e., Administrative Agent is continuing to fail to perform its responsibilities as Administrative Agent under the Credit Documents). If the initial or any successor Administrative Agent ever ceases to be a party to this agreement or if the initial or any successor Administrative Agent ever resigns (whether voluntarily or at the request of Required Lenders), then Required Lenders shall (which, if no Event

of Default or Potential Default exists, is subject to Borrowers' approval that may not be unreasonably withheld) appoint the successor Administrative Agent from among Lenders (other than the resigning Administrative Agent). If Required Lenders fail to appoint a successor Administrative Agent within 30 days after the resigning Administrative Agent has given notice of resignation or Required Lenders have removed the resigning Administrative Agent, then the resigning Administrative Agent may, on behalf of Lenders, appoint a successor Administrative Agent, which must be a commercial bank having a combined capital and surplus of at least \$1,000,000,000 (as shown on its most recently published statement of condition). Upon its acceptance of appointment as successor Administrative Agent, the successor Administrative Agent succeeds to and becomes vested with all of the Rights of the prior Administrative Agent, and the prior Administrative Agent is discharged from its duties and obligations of Administrative Agent under the Credit Documents, and each Lender shall execute the documents that any Lender, the resigning or removed Administrative Agent, or the successor Administrative Agent reasonably request to reflect the change. After any Administrative Agent's resignation or removal as Administrative Agent under the Credit Documents, the provisions of this section inure to its benefit as to any actions taken or not taken by it while it was Administrative Agent under the Credit Documents.

(c) Rights as Lender. Administrative Agent, in its capacity as a Lender, has the same Rights under the Credit Documents as any other Lender and may exercise those Rights as if it were not acting as Administrative Agent. The term "Lender", unless the context otherwise indicates, includes Administrative Agent. Administrative Agent's resignation or removal does not impair or otherwise affect any Rights that it has or may have in its capacity as an individual Lender. Each Lender and each Borrower agree that Administrative Agent is not a fiduciary for Lenders or for Borrowers but is simply acting in the capacity described in this agreement to alleviate administrative burdens for Borrowers and Lenders, that Administrative Agent has no duties or responsibilities to Lenders or Borrowers except those expressly set forth in the Credit Documents, and that Administrative Agent in its capacity as a Lender has the same Rights as any other Lender.

(d) Other Activities. Administrative Agent or any Lender may now or in the future be engaged in one or more loan, letter of credit, leasing, or other financing transactions with any Borrower, act as trustee or depository for any Borrower, or otherwise be engaged in other transactions with any Borrower (collectively, the "other activities") not the subject of the Credit Documents. Without limiting the Rights of Lenders specifically set forth in the Credit Documents, neither Administrative Agent nor any Lender is responsible to account to the other Lenders for those other activities, and no Lender shall have any interest in any other Lender's activities, any present or future guaranties by or for the account of any Borrower that are not contemplated by or included in the Credit Documents, any present or future offset exercised by Administrative Agent or any Lender in respect of those other activities, any present or future property taken as security for any of those other activities, or any property now or hereafter in Administrative Agent's or any other Lender's possession or control that may be or become security for the obligations of any Borrower arising under the Credit Documents by reason of the general description of indebtedness secured or of property contained in any other agreements, documents, or instruments related to any of those other activities (but, if any payments in respect of those guaranties or that property or the proceeds thereof is applied by Administrative Agent or any Lender to reduce the Obligation, then each Lender is entitled to share ratably in the application as provided in the Credit Documents).

12.2 Expenses. Each Lender shall pay its Pro Rata Part of any reasonable expenses (including, without limitation, court costs, reasonable attorneys' fees and other costs of collection) incurred by Administrative Agent (while acting in such capacity) in connection with any of the Credit Documents if Administrative Agent is not reimbursed from other sources within 30 days after incurrence. Each Lender is entitled to receive its Pro Rata Part of any reimbursement that it makes to Administrative Agent if Administrative Agent is subsequently reimbursed from other sources.

12.3 Proportionate Absorption of Losses. Except as otherwise provided in the Credit Documents, nothing in the Credit Documents gives any Lender any advantage over any other Lender insofar as the Obligation is concerned or relieves any Lender from ratably absorbing any losses sustained with respect to the Obligation (except to the extent unilateral actions or inactions by any Lender result in any Borrower or any other obligor on the Obligation having any credit, allowance, setoff, defense, or counterclaim solely with respect to all or any part of that Lender's Pro Rata Part of the Obligation).

12.4 Delegation of Duties; Reliance. Lenders may perform any of their duties or exercise any of their Rights under the Credit Documents by or through Administrative Agent, and Lenders and Administrative Agent may perform any of their duties or exercise any of their Rights under the Credit Documents by or through their respective Representatives. Administrative Agent, Lenders, and their respective Representatives (a) are entitled to rely upon (and shall be protected in relying upon) any written or oral statement believed by it or them to be genuine and correct and to have been signed or made by the proper Person and, with respect to legal matters, upon opinion of counsel selected by Administrative Agent or that Lender (but nothing in this clause (a) permits Administrative Agent to rely on (i) oral statements if a writing is required by this agreement or (ii) any other writing if a specific writing is required by this agreement), (b) are entitled to deem and treat each Lender as the owner and holder of its portion of the Obligation for all purposes until, written notice of the assignment or transfer is given to and received by Administrative Agent (and any request, authorization, consent, or approval of any Lender is conclusive and binding on each subsequent holder, assignee, or transferee of or Participant in that Lender's portion of the Obligation until that notice is given and received), (c) are not deemed to have notice of the occurrence of an Event of Default unless a responsible officer of Administrative Agent, who handles matters associated with the Credit Documents and transactions thereunder, has actual knowledge or Administrative Agent has been notified by a Lender or a Borrower, and (d) are entitled to consult with legal counsel (including counsel for Borrower), independent accountants, and other experts selected by Administrative Agent and are not liable for any action taken or not taken in good faith by it in accordance with the advice of counsel, accountants, or experts.

12.5 Limitation of Administrative Agent's Liability.

(a) Exculpation. Neither Administrative Agent nor any of its Affiliates or Representatives will be liable for any action taken or omitted to be taken by it or them under the Credit Documents in good faith and believed by it or them to be within the discretion or power conferred upon it or them by the Credit Documents or be responsible for the consequences of any error of judgment (except for fraud, gross negligence, or willful misconduct), and neither Administrative Agent nor any of its Affiliates or Representatives has a fiduciary relationship with any Lender by virtue of the Credit Documents (but nothing in this agreement negates the obligation of Administrative Agent to account for funds received by it for the account of any Lender).

(b) Indemnity. Unless indemnified to its satisfaction against loss, cost, liability, and expense, Administrative Agent may not be compelled to do any act under the Credit Documents or to take any action toward the execution or enforcement of the powers thereby created or to prosecute or defend any suit in respect of the Credit Documents. If Administrative Agent requests instructions from Lenders, or Required Lenders, as the case may be, with respect to any act or action in connection with any Credit Document, Administrative Agent is entitled to refrain (without incurring any liability to any Person by so refraining) from that act or action unless and until it has received instructions. In no event, however, may Administrative Agent or any of its Representatives be required to take any action that it or they determine could incur for it or them criminal or onerous civil liability. Without limiting the generality of the foregoing, no Lender has any right of action against Administrative Agent as a result of Administrative Agent's acting or refraining from acting under this agreement in accordance with instructions of Required Lenders.

(c) Reliance. Administrative Agent is not responsible to any Lender or any Participant for, and each Lender represents and warrants that it has not relied upon Administrative Agent in respect of, (i) the creditworthiness of any Company and the risks involved to that Lender, (ii) the effectiveness, enforceability, genuineness, validity, or the due execution of any Credit Document (except by Administrative Agent), (iii) any representation, warranty, document, certificate, report, or statement made therein (except by Administrative Agent) or furnished thereunder or in connection therewith, (iv) the adequacy of any collateral now or hereafter securing the Obligation or the existence, priority, or perfection of any Lien now or hereafter granted or purported to be granted on the collateral under any Credit Document, or (v) observation of or compliance with any of the terms, covenants, or conditions of any Credit Document on the part of any Company. **EACH LENDER AGREES TO INDEMNIFY ADMINISTRATIVE AGENT AND ITS REPRESENTATIVES AND HOLD THEM HARMLESS FROM AND AGAINST (BUT LIMITED TO SUCH LENDER'S SPECIFIED PERCENTAGE OF) ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, REASONABLE EXPENSES, AND REASONABLE DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER THAT MAY BE IMPOSED ON, ASSERTED AGAINST, OR INCURRED BY THEM IN ANY WAY RELATING TO OR ARISING OUT OF THE CREDIT DOCUMENTS OR ANY ACTION**

TAKEN OR OMITTED BY THEM UNDER THE CREDIT DOCUMENTS IF ADMINISTRATIVE AGENT AND ITS REPRESENTATIVES ARE NOT REIMBURSED FOR SUCH AMOUNTS BY ANY COMPANY. ALTHOUGH ADMINISTRATIVE AGENT AND ITS REPRESENTATIVES HAVE THE RIGHT TO BE INDEMNIFIED UNDER THIS AGREEMENT FOR ITS OR THEIR OWN ORDINARY NEGLIGENCE, ADMINISTRATIVE AGENT AND ITS REPRESENTATIVES DO NOT HAVE THE RIGHT TO BE INDEMNIFIED UNDER THIS AGREEMENT FOR ITS OR THEIR OWN FRAUD, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT.

12.6 Event of Default. While an Event of Default exists, Lenders agree to promptly confer in order that Required Lenders or Lenders, as the case may be, may agree upon a course of action for the enforcement of the Rights of Lenders. Administrative Agent is entitled to act or refrain from taking any action (without incurring any liability to any Person for so acting or refraining) unless and until it has received instructions from Required Lenders. In actions with respect to any Company's property, Administrative Agent is acting for the ratable benefit of each Lender.

12.7 Limitation of Liability. No Lender or any Participant will incur any liability to any other Lender or Participant except for acts or omissions in bad faith, and neither Administrative Agent nor any Lender or Participant will incur any liability to any other Person for any act or omission of any other Lender or any Participant.

12.8 Relationship of Lenders. The Credit Documents do not create a partnership or joint venture among Administrative Agent and Lenders or among Lenders.

12.9 Benefits of Agreement. None of the provisions of this section inure to the benefit of any Company or any other Person except Administrative Agent and Lenders. Therefore, no Company or any other Person is entitled to rely upon, or entitled to raise as a defense, in any manner whatsoever, the failure of Administrative Agent or any Lender to comply with these provisions.

SECTION 13. BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS.

13.1 Successors and Assigns. The terms and provisions of the Credit Documents shall be binding upon and inure to the benefit of Borrowers and the Lenders and their respective successors and assigns, except that (i) no Borrower shall have the right to assign its rights or obligations under the Credit Documents and (ii) any assignment by any Lender must be made in compliance with Section 13.3. The parties to this agreement acknowledge that clause (ii) of this Section 13.1 relates only to absolute assignments and does not prohibit assignments creating security interests, including, without limitation, any pledge or assignment by any Lender of all or any portion of its rights under this agreement and any Note to a Federal Reserve Bank; provided, however, that no such pledge or assignment creating a security interest shall release the transferor Lender from its obligations hereunder unless and until the parties thereto have complied with the provisions of Section 13.3. The Administrative Agent may treat the Person which made any loan or which holds any Note as the owner thereof for all purposes hereof unless and until such Person complies with Section 13.3; provided, however, that the

Administrative Agent may in its discretion (but shall not be required to) follow instructions from the Person which made any loan or which holds any Note to direct payments relating to such loan or Note to another Person. Any assignee of the rights to any loan or any Note agrees by acceptance of such assignment to be bound by all the terms and provisions of the Credit Documents. Any request, authority or consent of any Person, who at the time of making such request or giving such authority or consent is the owner of the rights to any loan (whether or not a Note has been issued in evidence thereof), shall be conclusive and binding on any subsequent holder or assignee of the rights to such loan.

13.2 Participations.

(a) Permitted Participants; Effect. Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more banks or other entities ("Participants") participating interests in any loan owing to such Lender, any Note held by such Lender, any commitment of such Lender or any other interest of such Lender under the Credit Documents. In the event of any such sale by a Lender of participating interests to a Participant, such Lender's obligations under the Credit Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, such Lender shall remain the owner of its loans and the holder of any Note issued to it in evidence thereof for all purposes under the Credit Documents, all amounts payable by each Borrower under this agreement shall be determined as if such Lender had not sold such participating interests, and Borrowers and Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under the Credit Documents.

(b) Voting Rights. Each Lender shall retain the sole right to approve, without the consent of any Participant, any amendment, modification or waiver of any provision of the Credit Documents other than any amendment, modification or waiver with respect to any loan or any commitment in which such Participant has an interest which forgives principal, interest or fees or reduces the interest rate or fees payable with respect to any such loan or such commitment, extends the Stated Termination Date or the Term Loan Termination Date, postpones any date fixed for any regularly scheduled payment of principal of, or interest or fees on, any such loan or any such commitment, releases any guarantor of any such loan or releases all or substantially all of the collateral, if any, securing any such loan.

(c) Benefit of Setoff. Each Borrower agrees that each Participant shall be deemed to have the right of setoff provided in Section 11.1 in respect of its participating interest in amounts owing under the Credit Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under the Credit Documents, provided that each Lender shall retain the right of setoff provided in Section 11.1 with respect to the amount of participating interests sold to each Participant. The Lenders agree to share with each Participant, and each Participant, by exercising the right of setoff provided in Section 11.1, agrees to share with each Lender, any amount received pursuant to the exercise of its right of setoff, such amounts to be shared in accordance with Section 11.1 as if each Participant were a Lender.

13.3 Assignments.

(a) Permitted Assignments. Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time assign to one or more banks or other entities (“Purchasers”) all or any part of its rights and obligations under the Credit Documents. Such assignment shall be substantially in the form of Exhibit E or in such other form as may be agreed to by the parties thereto. The consent of Borrowers and Administrative Agent shall be required prior to an assignment becoming effective with respect to a Purchaser which is not a Lender or an Affiliate thereof; provided, however, that if an Event of Default has occurred and is continuing, the consent of Borrowers shall not be required. Such consent shall not be unreasonably withheld or delayed. Each such assignment with respect to a Purchaser which is not a Lender or an Affiliate thereof shall (unless each of Borrowers and Administrative Agent otherwise consents) be in an amount not less than the lesser of (i) \$5,000,000 or (ii) the remaining amount of the assigning Lender’s Committed Sum (calculated as at the date of such assignment) or outstanding loans (if the Total Commitment Amount has been terminated).

(b) Effect; Effective Date. Upon (i) delivery to Administrative Agent of an assignment, together with any consents required by Section 13.3(a), and (ii) payment of a \$4,000 fee from the Purchaser or the assigning Lender to Administrative Agent for processing such assignment (unless such fee is waived by Administrative Agent), such assignment shall become effective on the effective date specified in such assignment. The assignment shall contain a representation by the Purchaser to the effect that none of the consideration used to make the purchase of the commitments and loans under the applicable assignment agreement constitutes “plan assets” as defined under ERISA and that the rights and interests of the Purchaser in and under the Credit Documents will not be “plan assets” under ERISA. On and after the effective date of such assignment, such Purchaser shall for all purposes be a Lender party to this agreement and any other Credit Document executed by or on behalf of the Lenders and shall have all the rights and obligations of a Lender under the Credit Documents, to the same extent as if it were an original party hereto, and no further consent or action by Borrowers, the Lenders or Administrative Agent shall be required to release the transferor Lender with respect to the percentage of the commitments and loans assigned to such Purchaser. Upon the consummation of any assignment to a Purchaser pursuant to this Section 13.3(b), the transferor Lender, Administrative Agent and Borrowers shall, if the transferor Lender or the Purchaser desires that its loans be evidenced by Notes, make appropriate arrangements so that new Notes or, as appropriate, replacement Notes are issued to such transferor Lender and new Notes or, as appropriate, replacement Notes, are issued to such Purchaser, in each case in principal amounts reflecting their respective commitments, as adjusted pursuant to such assignment.

13.4 Dissemination of Information. Each Borrower authorizes each Lender to disclose to any Participant or Purchaser or any other Person acquiring an interest in the Credit Documents by operation of law (each a “Transferee”) and any prospective Transferee any and all information in such Lender’s possession concerning the creditworthiness of Borrowers and their respective Subsidiaries, so long as such Transferee or prospective Transferee agrees in writing to keep such information confidential.

13.5 Tax Treatment. If any interest in any Credit Document is transferred to any Transferee which is organized under the laws of any jurisdiction other than the United States or any State thereof, the transferor Lender shall cause such Transferee, concurrently with the effectiveness of such transfer, to comply with the provisions of Section 3.19.

SECTION 14. MISCELLANEOUS.

14.1 Nonbusiness Days. Any payment or action that is due under any Credit Document on a non-Business Day may be delayed until the next succeeding Business Day (but interest shall continue to accrue on any applicable payment until payment is in fact made) unless the payment concerns a LIBOR Rate Borrowing, in which case if the next-succeeding Business Day is in the next calendar month, then such payment shall be made on the next-preceding Business Day.

14.2 Communications. Unless otherwise specifically provided, whenever any Credit Document requires or permits any consent, approval, notice, request or demand from one party to another, communication must be in writing (which may be by telex or fax) to be effective and shall be deemed to have been given (i) if by telex, when transmitted to the appropriate telex number and the appropriate answer back is received, (ii) if by fax, when transmitted to the appropriate fax number and machine confirmation of receipt is received (and all communications sent by fax must be confirmed promptly thereafter by telephone; but any requirement in this parenthetical shall not affect the date when the fax shall be deemed to have been delivered), (iii) if by mail, on the third Business Day after it is enclosed in an envelope and properly addressed, stamped, sealed and deposited in the appropriate official postal service, (iv) if by e-mail, when transmitted to the appropriate e-mail address of the receiving party (and all communications sent by e-mail must be followed by a facsimile of that e-mail sent to the receiving party), or (v) if by any other means, when actually delivered. Until changed by notice pursuant to this agreement, the addresses (and fax numbers) for Borrowers and Administrative Agent are stated beside their respective signatures to this agreement. The address (and fax number) for each Lender who becomes party to this agreement shall be stated beside its name on Schedule 2 or in the Assignment and Assumption pursuant to which it became a party.

14.3 Form and Number of Documents. The form, substance and number of counterparts of each writing to be furnished under this agreement must be satisfactory to Administrative Agent and its counsel.

14.4 Exceptions to Covenants. No Company may take or fail to take any action that is permitted as an exception to any of the covenants contained in any Credit Document if that action or omission would result in the breach of any other covenant contained in any Credit Document.

14.5 Survival. All covenants, agreements, undertakings, representations, and warranties made in any of the Credit Documents survive all closings under the Credit Documents and, except as otherwise indicated, are not affected by any investigation made by any party.

14.6 Governing Governmental Requirements. Unless otherwise stated in any Credit Document, the Governmental Requirements of the State of Texas and of the United States of America govern the Rights and duties of the parties to the Credit Documents and the validity, construction, enforcement, and interpretation of the Credit Documents.

14.7 Invalid Provisions. Any provision in any Credit Document held to be illegal, invalid or unenforceable is fully severable; the appropriate Credit Document shall be construed and enforced as if that provision had never been included; and the remaining provisions shall remain in full force and effect and shall not be affected by the severed provision. Administrative Agent, Lenders and each Company party to the affected Credit Document agree to negotiate, in good faith, the terms of a replacement provision as similar to the severed provision as may be possible and be legal, valid and enforceable.

14.8 Conflicts Between Credit Documents. The provisions of this agreement control if in conflict (*i.e.*, the provisions contradict each other as opposed to a Credit Document containing additional provisions not in conflict) with the provisions of any other Credit Document.

14.9 Discharge Only Upon Payment in Full; Reinstatement in Certain Circumstances. Each Company's obligations under the Credit Documents shall remain in full force and effect until termination of the commitments and payment in full of the Principal Debt and of all interest, fees, and other amounts of the Obligation then due and owing, except that Sections 3.16, 3.18, Section 11, and Section 13, and any other provisions under the Credit Documents expressly intended to survive by the terms hereof or by the terms of the applicable Credit Documents, shall survive such termination. If at any time any payment of the principal of or interest on any Note or any other amount payable by any Borrower under any Credit Document is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy, or reorganization of any Borrower or otherwise, the obligations of each Company under the Credit Documents with respect to such payment shall be reinstated as though such payment had been due but not made at such time.

14.10 Amendments, Consents, Conflicts, and Waivers.

(a) Required Lenders. Unless otherwise specifically provided (i) the provisions of this agreement may be amended, modified, or waived, only by an instrument in writing executed by Borrowers, Administrative Agent, and Required Lenders and supplemented only by documents delivered or to be delivered in accordance with the express terms of this agreement, and (ii) the other Credit Documents may only be the subject of an amendment, modification, or waiver that has been approved by Required Lenders and Borrowers.

(b) All Lenders. Any amendment to or consent or waiver under this agreement or any Credit Document that purports to accomplish any of the following must be by an instrument in writing executed by Borrowers and Administrative Agent and executed (or approved, as the case may be) by each Lender: (i) Extends the due date or decreases the amount of any scheduled payment or amortization of the Obligation beyond the date specified in the Credit Documents; (ii) decreases any rate or amount of interest, fees, or other sums payable to Administrative Agent or Lenders under this agreement

(except such reductions as are contemplated by this agreement); (iii) changes the definition of “Committed Amount,” “Total Commitment Amount,” “Specified Percentage,” “Required Lenders,” or “Pro Rata Part;” (iv) increases any one or more Lenders’ commitments; or (v) changes this clause (b) or any other matter specifically requiring the consent of all Lenders under this agreement.

(c) Conflicts. Any conflict or ambiguity between the terms and provisions of this agreement and terms and provisions in any other Credit Document is controlled by the terms and provisions of this agreement.

(d) Waivers. No course of dealing or any failure or delay by Administrative Agent, any Lender, or any of their respective Representatives with respect to exercising any Right of Administrative Agent or any Lender under this agreement operates as a waiver thereof. A waiver must be in writing and signed by Administrative Agent and Lenders (or Required Lenders, if permitted under this agreement) to be effective, and a waiver will be effective only in the specific instance and for the specific purpose for which it is given.

14.11 Multiple Counterparts. Any Credit Document may be executed in a number of identical counterparts, and by each party thereto on separate counterparts (including, at Administrative Agent’s discretion, counterparts or signature pages executed and transmitted by fax) with the same effect as if all signatories had signed the same document. All counterparts must be construed together to constitute one and the same instrument.

14.12 Joint and Several Basis. The obligations of the Specified Borrowers under the PMC Revolving Facility, the Term Loan, this agreement and under all of the other Credit Documents, including, without limitation, the Obligations, shall be joint and several in all respects.

14.13 VENUE, SERVICE OF PROCESS, AND JURY TRIAL.

(a) **VENUE AND SERVICE OF PROCESS. EACH BORROWER, FOR ITSELF AND ITS SUCCESSORS AND ASSIGNS, IRREVOCABLY (I) SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS IN TEXAS, (II) WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE GOVERNMENTAL REQUIREMENTS, ANY OBJECTION THAT IT MAY NOW OR IN THE FUTURE HAVE TO THE LAYING OF VENUE OF ANY LITIGATION ARISING OUT OF OR IN CONNECTION WITH ANY CREDIT DOCUMENT AND THE OBLIGATION BROUGHT IN THE DISTRICT COURTS OF DALLAS COUNTY, TEXAS, OR IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION, (III) WAIVES ANY CLAIMS THAT ANY LITIGATION BROUGHT IN ANY OF THE FOREGOING COURTS HAS BEEN BROUGHT IN AN INCONVENIENT FORUM, (IV) CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THOSE COURTS IN ANY LITIGATION BY THE MAILING OF COPIES OF THAT PROCESS BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, POSTAGE PREPAID, BY HAND DELIVERY, OR BY**

DELIVERY BY A NATIONALLY RECOGNIZED COURIER SERVICE, AND SERVICE SHALL BE DEEMED COMPLETE UPON DELIVERY OF THE LEGAL PROCESS AT ITS ADDRESS FOR PURPOSES OF THIS AGREEMENT, AND (V) AGREES THAT ANY LEGAL PROCEEDING AGAINST ANY PARTY TO ANY CREDIT DOCUMENT ARISING OUT OF OR IN CONNECTION WITH THE CREDIT DOCUMENTS OR THE OBLIGATION MAY BE BROUGHT IN ONE OF THE FOREGOING COURTS.

(b) JURY WAIVER. EACH OF BORROWERS, ADMINISTRATIVE AGENT AND LENDERS HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG SUCH PARTIES ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT. THIS PROVISION IS A MATERIAL INDUCEMENT TO LENDERS TO PROVIDE THE FINANCING DESCRIBED HEREIN OR IN THE OTHER CREDIT DOCUMENTS.

(c) General. The scope of each of the foregoing waivers is intended to be all encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including, without limitation, contract claims, tort claims, breach of duty claims, and all other common law and statutory claims. EACH BORROWER ACKNOWLEDGES THAT THESE WAIVERS ARE A MATERIAL INDUCEMENT TO ADMINISTRATIVE AGENT'S AND EACH LENDER'S AGREEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH OF ADMINISTRATIVE AGENT AND EACH LENDER HAVE ALREADY RELIED ON THESE WAIVERS IN ENTERING INTO THIS AGREEMENT, AND THAT ADMINISTRATIVE AGENT AND EACH LENDER WILL CONTINUE TO RELY ON EACH OF THESE WAIVERS IN RELATED FUTURE DEALINGS. EACH BORROWER FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THESE WAIVERS WITH ITS LEGAL COUNSEL, AND THAT IT KNOWINGLY AND VOLUNTARILY AGREES TO EACH WAIVER FOLLOWING CONSULTATION WITH LEGAL COUNSEL. The waivers in this section are irrevocable, meaning that they may not be modified either orally or in writing, and these waivers apply to any future renewals, extensions, amendments, modifications, or replacements in respect of the applicable Credit Document. In connection with any Litigation, this agreement may be filed as a written consent to a trial by the court.

14.14 ENTIRETY. THE CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN BORROWERS, THE OTHER COMPANIES, LENDERS, AND ADMINISTRATIVE AGENT AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

14.15 Amendment and Restatement. This agreement amends and restates in its entirety the Existing Credit Agreement. The execution of this agreement and the other Credit Documents executed in connection herewith does not extinguish the indebtedness outstanding in connection with the Existing Credit Agreement nor does it constitute a novation with respect to such indebtedness. EACH BORROWER REPRESENTS AND WARRANTS THAT AS OF THE DATE HEREOF AND AS OF THE FOURTH AMENDMENT EFFECTIVE DATE THERE ARE NO CLAIMS OR OFFSETS AGAINST OR DEFENSES OR COUNTERCLAIMS TO ITS OR ANY OTHER PERSON'S OBLIGATIONS UNDER THE EXISTING CREDIT AGREEMENT AND THE OTHER CREDIT DOCUMENTS.

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DULY EXECUTED AND DELIVERED by each of the signatories hereto as of the date first stated in this agreement.

PMC COMMERCIAL TRUST,
as a Borrower

By: _____
Barry N. Berlin
Executive Vice President
and Chief Financial Officer

Address for Notice:

PMC Commercial Trust
17950 Preston Road, Suite 600
Dallas, Texas 75252
Attn: Chief Financial Officer
Fax No.: 972/349-3265
FIRST WESTERN SBLC, INC.,
as a Borrower

By: _____
Barry N. Berlin
Executive Vice President
and Chief Financial Officer

Address for Notice:

First Western SBLC, Inc.
17950 Preston Road, Suite 600
Dallas, Texas 75252
Attn: Chief Financial Officer
Fax No.: 972/349-3265

WESTERN FINANCIAL CAPITAL
CORPORATION, as a Borrower

By: _____
Barry N. Berlin
Executive Vice President
and Chief Financial Officer

Address for Notice:

Western Financial Capital Corporation
17950 Preston Road, Suite 600
Dallas, Texas 75252
Attn: Chief Financial Officer
Fax No.: 972/349-3265

PMC INVESTMENT CORPORATION,
as a Borrower

By: _____
Barry N. Berlin
Executive Vice President
and Chief Financial Officer

Address for Notice:

PMC Investment Corporation
17950 Preston Road, Suite 600
Dallas, Texas 75252
Attn: Chief Financial Officer
Fax No.: 972/349-3265

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION
as Administrative Agent, JPMorgan Chase,
and a Lender

By: _____

Address for Notice:

JPMorgan Chase Bank, National Association
2200 Ross Avenue, 8th Floor
Dallas, Texas 75201
Attn: Brooke Tankersley
Fax No.: 214 965 3024

SCHEDULE 2

LENDERS AND COMMITMENTS

<u>Name and Address of Lender</u>	<u>Committed Sum for Revolving Facilities</u>	<u>Specified Percentage</u>	<u>Term Loan Amount</u>
JPMorgan Chase Bank, National Association 2200 Ross Avenue, 8th Floor Dallas, Texas	\$ 25,000,000	100%	\$30,000,000
Totals	<u>\$ 25,000,000</u>	<u>100%</u>	<u>\$30,000,000</u>

FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT – SCHEDULE 2

SCHEDULE 6.3

INFORMATION REGARDING COMPANIES

FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT – SCHEDULE 6.3

SCHEDULE 6.8

LITIGATION

FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT – SCHEDULE 6.8

SCHEDULE 8.2

EXISTING DEBT

FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT – SCHEDULE 8.2

EXHIBIT A

REVOLVING NOTES

FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT – EXHIBIT A

PMC REVOLVING NOTE

\$40,000,000

March 10, 2014

FOR VALUE RECEIVED, the undersigned, PMC COMMERCIAL TRUST, a real estate investment trust organized under the laws of the State of Texas (“PMC”), WESTERN FINANCIAL CAPITAL CORPORATION, a Florida corporation (“Western Financial”), and PMC INVESTMENT CORPORATION, a Florida corporation (“PMC Investment”) (collectively PMC, Western Financial and PMC Investment, the “Specified Borrowers” and individually, a “Specified Borrower”), jointly and severally, irrevocably and unconditionally promise to pay to the order of JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, a national banking association with its office in Dallas, Texas (“Lender”, and together with each subsequent holder hereof, “Payee”), at the principal banking office of Administrative Agent (hereinafter referenced) at 2200 Ross Avenue, Dallas, Texas 75201, (i) the principal amount of FORTY MILLION AND NO/100 DOLLARS (\$40,000,000) (or such lesser amount as shall equal the Principal Debt under the PMC Revolving Facility), on the dates and in the principal amounts provided for in the Credit Agreement, and (ii) interest on the unpaid principal amount of each Borrowing from time to time remaining outstanding and unpaid from the date of each such Borrowing until it shall be paid in full, at the rates per annum and on the dates provided for in the Credit Agreement.

All capitalized terms used herein and not otherwise defined herein shall have the same meaning and effect as used and defined in that certain Amended and Restated Credit Agreement dated as of December 28, 2010 (as amended and otherwise modified, and in effect, the “Credit Agreement”), by and among Borrowers, certain Lenders, and JPMorgan Chase Bank, National Association, as Administrative Agent for those Lenders. Reference is hereby made to the Credit Agreement for all intents and purposes.

This Note is a “Revolving Note” executed by Specified Borrowers and is referred to in, governed by, and subject to, and is entitled to the benefits of, the terms and provisions of the Credit Agreement as therein stated and referenced and is executed in substitution and replacement (but not extinguishment) of that certain Second Amended and Restated Revolving Note dated June 8, 2011, executed by PMC and payable to the order of Lender in the original principal amount of \$40,000,000. Reference is hereby made to the Credit Agreement for a statement of the agreements, rights, remedies, benefits and obligations of Payee and the covenants, agreements, rights, duties and obligations of Specified Borrowers in relation hereto, including provisions for acceleration of the maturity hereof, interest rate and amount limitations and voluntary and mandatory prepayments hereon; but this reference to the Credit Agreement, or any provision thereof, shall not affect or impair the irrevocable, absolute and unconditional obligation of Specified Borrowers to pay principal of, and interest on, this Note when due. Unless the maturity of this Note shall have sooner occurred, the outstanding principal balance of this Note and all accrued and unpaid interest thereon shall be finally and fully payable on the Termination Date.

The date, amount, Type, and interest rate of each Borrowing made by Lender to Specified Borrowers, and each payment made on account of the principal thereof, and accrued interest thereon, shall be recorded by Payee on its books and records, and prior to any transfer of this Note, endorsed by Payee on a schedule attached hereto or any continuation thereof; and all recordations and endorsements made by Payee shall, absent manifest error, be conclusive of all such matters and binding on all Persons. Payee's failure to make or error in making any such recordations or endorsements shall not diminish, reduce or relieve Specified Borrowers' obligation to pay (i) all Borrowings made by Lender and then outstanding and (ii) all accrued and earned interest on the amounts thereof from time to time outstanding and unpaid, pursuant to this Note.

Upon the occurrence of an Event of Default, this Note may be declared to be, or shall become, forthwith due, and immediately payable in the manner, upon the conditions (if any) and with the effect, provided for and referred to in the Credit Agreement.

If this Note is placed in the hands of an attorney for collection (whether or not any proceeding is filed in connection therewith), or collected through suit, the Bankruptcy Court or any other judicial proceeding, Specified Borrowers irrevocably and unconditionally agree to pay all costs, expenses and fees incurred by Payee, including reasonable attorneys' fees and expenses, and any assessed court and related costs, in addition to all other amounts owing hereunder.

Specified Borrowers and all sureties, endorsers, guarantors and other Persons ever liable for the payment of any sums payable on this Note, jointly and severally, waive notice, demand, notice of presentment, presentment, presentment for payment, demand for payment, non-payment, notice of dishonor, dishonor, *notice of intent to accelerate maturity*, *notice of acceleration of maturity*, notice of intent to demand, protest, notice of protest, grace and all formalities and other notices of any and every kind, and filing of suit or diligence in collecting this Note or enforcing (in whole or part) any security or guaranty now or hereafter for the payment of this Note, and consent and agree to any partial or full substitution, exchange or release of any such security or guaranty or the partial or full release of any Person primarily or secondarily liable hereon, and consent and agree that it will not be necessary for any holder hereof, in order to enforce payment by it of this Note to first institute suit or exhaust its remedies against Specified Borrowers or any other Persons liable herefor, or to enforce its rights against any such security herefor or guarantor or any other Person with respect hereto, and consent to any or all extensions, increases or renewals or postponements, modifications or rearrangements of time or payment of this Note or any other indulgence with respect hereto, without notice thereof to, or consent thereto from, any of them.

Each Specified Borrower and Payee hereby agrees that Chapter 346 of the Texas Finance Code, as amended, shall not apply to this Note or the loan transaction evidenced by, and referred to in, the Credit Agreement in any manner, including without limitation, to any account or arrangement evidenced or created by, or provided for in, this Note or the Credit Agreement.

This Note (including its validity, enforceability and interpretation) shall be governed by, and construed in accordance with, the laws of the State of Texas (without regard to conflict of law principles) and, to the extent controlling, federal laws of the United States of America. This Note has been executed, delivered and accepted and is payable at, Dallas, Dallas County, Texas.

THIS NOTE AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AS TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

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PMC COMMERCIAL TRUST

By: _____
Barry N. Berlin
Executive Vice President
and Chief Financial Officer

WESTERN FINANCIAL CAPITAL
CORPORATION

By: _____
Barry N. Berlin
Executive Vice President
and Chief Financial Officer

PMC INVESTMENT CORPORATION

By: _____
Barry N. Berlin
Executive Vice President
and Chief Financial Officer

FIRST WESTERN REVOLVING NOTE

\$20,000,000

March 10, 2014

FOR VALUE RECEIVED, the undersigned, FIRST WESTERN SBLC, INC., a Florida corporation ("First Western"), irrevocably and unconditionally promises to pay to the order of JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, a national banking association with its office in Dallas, Texas ("Lender", and together with each subsequent holder hereof, "Payee"), at the principal banking office of Administrative Agent (hereinafter referenced) at 2200 Ross Avenue, Dallas, Texas 75201, (i) the principal amount of TWENTY MILLION AND NO/100 DOLLARS (\$20,000,000) (or such lesser amount as shall equal the Principal Debt under the First Western Revolving Facility), on the dates and in the principal amounts provided for in the Credit Agreement, and (ii) interest on the unpaid principal amount of each Borrowing from time to time remaining outstanding and unpaid from the date of each such Borrowing until it shall be paid in full, at the rates per annum and on the dates provided for in the Credit Agreement.

All capitalized terms used herein and not otherwise defined herein shall have the same meaning and effect as used and defined in that certain Amended and Restated Credit Agreement dated as of December 28, 2010 (as amended and otherwise modified, and in effect, the "Credit Agreement"), by and among Borrowers, certain Lenders, and JPMorgan Chase Bank, National Association, as Administrative Agent for those Lenders. Reference is hereby made to the Credit Agreement for all intents and purposes.

This Note is a "Revolving Note" executed by First Western and is referred to in, governed by, and subject to, and is entitled to the benefits of, the terms and provisions of the Credit Agreement as therein stated and referenced and is executed in substitution and replacement (but not extinguishment) of that certain Second Amended and Restated Revolving Note dated as of January 1, 2012, executed by First Western and payable to the order of Lender in the original principal amount of \$20,000,000. Reference is hereby made to the Credit Agreement for a statement of the agreements, rights, remedies, benefits and obligations of Payee and the covenants, agreements, rights, duties and obligations of First Western in relation hereto, including provisions for acceleration of the maturity hereof, interest rate and amount limitations and voluntary and mandatory prepayments hereon; but this reference to the Credit Agreement, or any provision thereof, shall not affect or impair the irrevocable, absolute and unconditional obligation of First Western to pay principal of, and interest on, this Note when due. Unless the maturity of this Note shall have sooner occurred, the outstanding principal balance of this Note and all accrued and unpaid interest thereon shall be finally and fully payable on the Termination Date.

The date, amount, Type, and interest rate of each Borrowing made by Lender to First Western, and each payment made on account of the principal thereof, and accrued interest thereon, shall be recorded by Payee on its books and records, and prior to any transfer of this Note, endorsed by Payee on a schedule attached hereto or any continuation thereof; and all recordations and endorsements made by Payee shall, absent manifest error, be conclusive of all such matters and binding on all Persons. Payee's failure to make or error in making any such recordations or endorsements shall not diminish, reduce or relieve First Western's obligation to pay (i) all Borrowings made by Lender and then outstanding and (ii) all accrued and earned interest on the amounts thereof from time to time outstanding and unpaid, pursuant to this Note.

Upon the occurrence of an Event of Default, this Note may be declared to be, or shall become, forthwith due, and immediately payable in the manner, upon the conditions (if any) and with the effect, provided for and referred to in the Credit Agreement.

If this Note is placed in the hands of an attorney for collection (whether or not any proceeding is filed in connection therewith), or collected through suit, the Bankruptcy Court or any other judicial proceeding, First Western irrevocably and unconditionally agrees to pay all costs, expenses and fees incurred by Payee, including reasonable attorneys' fees and expenses, and any assessed court and related costs, in addition to all other amounts owing hereunder.

First Western and all sureties, endorsers, guarantors and other Persons ever liable for the payment of any sums payable on this Note, jointly and severally, waive notice, demand, notice of presentment, presentment, presentment for payment, demand for payment, non-payment, notice of dishonor, dishonor, *notice of intent to accelerate maturity*, *notice of acceleration of maturity*, notice of intent to demand, protest, notice of protest, grace and all formalities and other notices of any and every kind, and filing of suit or diligence in collecting this Note or enforcing (in whole or part) any security or guaranty now or hereafter for the payment of this Note, and consent and agree to any partial or full substitution, exchange or release of any such security or guaranty or the partial or full release of any Person primarily or secondarily liable hereon, and consent and agree that it will not be necessary for any holder hereof, in order to enforce payment by it of this Note to first institute suit or exhaust its remedies against First Western or any other Persons liable herefor, or to enforce its rights against any such security herefor or guarantor or any other Person with respect hereto, and consent to any or all extensions, increases or renewals or postponements, modifications or rearrangements of time or payment of this Note or any other indulgence with respect hereto, without notice thereof to, or consent thereto from, any of them.

Each of First Western and Payee hereby agrees that Chapter 346 of the Texas Finance Code, as amended, shall not apply to this Note or the loan transaction evidenced by, and referred to in, the Credit Agreement in any manner, including without limitation, to any account or arrangement evidenced or created by, or provided for in, this Note or the Credit Agreement.

This Note (including its validity, enforceability and interpretation) shall be governed by, and construed in accordance with, the laws of the State of Texas (without regard to conflict of law principles) and, to the extent controlling, federal laws of the United States of America. This Note has been executed, delivered and accepted and is payable at, Dallas, Dallas County, Texas.

THIS NOTE AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AS TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[Remainder of Page Intentionally Left Blank]

FIRST WESTERN SBLC, INC.

By: _____

Barry N. Berlin
Executive Vice President
and Chief Financial Officer

FIRST WESTERN REVOLVING NOTE – *Signature Page*

EXHIBIT A-2

TERM NOTE

FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT – EXHIBIT A-2

TERM NOTE

\$30,000,000

March 10, 2014

FOR VALUE RECEIVED, the undersigned, PMC COMMERCIAL TRUST, a real estate investment trust organized under the laws of the State of Texas (“PMC”), WESTERN FINANCIAL CAPITAL CORPORATION, a Florida corporation (“Western Financial”), and PMC INVESTMENT CORPORATION, a Florida corporation (“PMC Investment”) (collectively PMC, Western Financial and PMC Investment, the “Specified Borrowers” and individually, a “Specified Borrower”), jointly and severally, irrevocably and unconditionally promise to pay to the order of JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, a national banking association with its office in Dallas, Texas (“Lender”, and together with each subsequent holder hereof, “Payee”), at the principal banking office of Administrative Agent (hereinafter referenced) at 2200 Ross Avenue, Dallas, Texas 75201, (i) the principal amount of THIRTY MILLION AND NO/100 DOLLARS (\$30,000,000) (or such lesser amount as shall equal the Principal Debt under the Term Loan), on the dates and in the principal amounts provided for in the Credit Agreement, and (ii) interest on the unpaid principal amount of any Borrowing from time to time remaining outstanding and unpaid from the date of such Borrowing until it shall be paid in full, at the rates per annum and on the dates provided for in the Credit Agreement.

All capitalized terms used herein and not otherwise defined herein shall have the same meaning and effect as used and defined in that certain Amended and Restated Credit Agreement dated as of December 28, 2010 (as amended and otherwise modified, and in effect, the “Credit Agreement”), by and among Borrowers, certain Lenders, and JPMorgan Chase Bank, National Association, as Administrative Agent for those Lenders. Reference is hereby made to the Credit Agreement for all intents and purposes.

This Note is a “Term Note” executed by Specified Borrowers and is referred to in, governed by, and subject to, and is entitled to the benefits of, the terms and provisions of the Credit Agreement as therein stated and referenced. Reference is hereby made to the Credit Agreement for a statement of the agreements, rights, remedies, benefits and obligations of Payee and the covenants, agreements, rights, duties and obligations of Specified Borrowers in relation hereto, including provisions for acceleration of the maturity hereof, interest rate and amount limitations and voluntary and mandatory prepayments hereon; but this reference to the Credit Agreement, or any provision thereof, shall not affect or impair the irrevocable, absolute and unconditional obligation of Specified Borrowers to pay principal of, and interest on, this Note when due. Unless the maturity of this Note shall have sooner occurred, the outstanding principal balance of this Note and all accrued and unpaid interest thereon shall be finally and fully payable on the Term Loan Termination Date.

The date, amount, Type, and interest rate of any Borrowing made by Lender to Specified Borrowers, and each payment made on account of the principal thereof, and accrued interest thereon, shall be recorded by Payee on its books and records, and prior to any transfer of this

Note, endorsed by Payee on a schedule attached hereto or any continuation thereof; and all recordations and endorsements made by Payee shall, absent manifest error, be conclusive of all such matters and binding on all Persons. Payee's failure to make or error in making any such recordations or endorsements shall not diminish, reduce or relieve Specified Borrowers' obligation to pay (i) any Borrowing made by Lender and then outstanding and (ii) all accrued and earned interest on the amount thereof from time to time outstanding and unpaid, pursuant to this Note.

Upon the occurrence of an Event of Default, this Note may be declared to be, or shall become, forthwith due, and immediately payable in the manner, upon the conditions (if any) and with the effect, provided for and referred to in the Credit Agreement.

If this Note is placed in the hands of an attorney for collection (whether or not any proceeding is filed in connection therewith), or collected through suit, the Bankruptcy Court or any other judicial proceeding, Specified Borrowers irrevocably and unconditionally agree to pay all costs, expenses and fees incurred by Payee, including reasonable attorneys' fees and expenses, and any assessed court and related costs, in addition to all other amounts owing hereunder.

Specified Borrowers and all sureties, endorsers, guarantors and other Persons ever liable for the payment of any sums payable on this Note, jointly and severally, waive notice, demand, notice of presentment, presentment, presentment for payment, demand for payment, non-payment, notice of dishonor, dishonor, *notice of intent to accelerate maturity*, *notice of acceleration of maturity*, notice of intent to demand, protest, notice of protest, grace and all formalities and other notices of any and every kind, and filing of suit or diligence in collecting this Note or enforcing (in whole or part) any security or guaranty now or hereafter for the payment of this Note, and consent and agree to any partial or full substitution, exchange or release of any such security or guaranty or the partial or full release of any Person primarily or secondarily liable hereon, and consent and agree that it will not be necessary for any holder hereof, in order to enforce payment by it of this Note to first institute suit or exhaust its remedies against Specified Borrowers or any other Persons liable herefor, or to enforce it rights against any such security herefor or guarantor or any other Person with respect hereto, and consent to any or all extensions, increases or renewals or postponements, modifications or rearrangements of time or payment of this Note or any other indulgence with respect hereto, without notice thereof to, or consent thereto from, any of them.

Each Specified Borrower and Payee hereby agrees that Chapter 346 of the Texas Finance Code, as amended, shall not apply to this Note or the loan transaction evidenced by, and referred to in, the Credit Agreement in any manner, including without limitation, to any account or arrangement evidenced or created by, or provided for in, this Note or the Credit Agreement.

This Note (including its validity, enforceability and interpretation) shall be governed by, and construed in accordance with, the laws of the State of Texas (without regard to conflict of law principles) and, to the extent controlling, federal laws of the United States of America. This Note has been executed, delivered and accepted and is payable at, Dallas, Dallas County, Texas.

THIS NOTE AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AS TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[Remainder of Page Intentionally Left Blank]

PMC COMMERCIAL TRUST

By: _____
Barry N. Berlin
Executive Vice President
and Chief Financial Officer

WESTERN FINANCIAL CAPITAL CORPORATION

By: _____
Barry N. Berlin
Executive Vice President
and Chief Financial Officer

PMC INVESTMENT CORPORATION

By: _____
Barry N. Berlin
Executive Vice President
and Chief Financial Officer

EXHIBIT B

BORROWING REQUEST

FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT – EXHIBIT B

EXHIBIT B

BORROWING REQUEST

Administrative Agent: JPMorgan Chase Bank, National Association

Date: _____, 20__

Borrower: [Specified Borrowers][First Western SBLC, Inc.]

This request is delivered under the Amended and Restated Credit Agreement dated as of December 28, 2010, among PMC Commercial Trust, First Western SBLC, Inc., Western Financial Capital Corporation, PMC Investment Corporation (collectively, "Borrowers"), certain Lenders and Administrative Agent (as the same has been or may be amended, restated or modified from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement have the same meanings when used, unless otherwise defined, in this request.

The undersigned, on behalf of [Specified Borrowers][First Western SBLC, Inc.], requests a \$_____ Borrowing under the [Revolving Facility] [Term Loan] (the "Requested Borrowing") to be funded on _____, 20__¹ (the "Requested Borrowing Date"), as a:

<u>Category</u>	<u>Amount</u>	<u>interest rate category</u>
Borrowing	\$ _____	<input type="checkbox"/> LIBOR Rate (<input type="checkbox"/> one month, <input type="checkbox"/> three month, <input type="checkbox"/> six month)
		<input type="checkbox"/> CB Floating Rate

The undersigned, on behalf of [Specified Borrowers][First Western SBLC, Inc.], certifies that as of the Requested Borrowing Date, after giving effect to the Requested Borrowing, (a) the representations and warranties of Borrowers in the Credit Documents-are true and correct in all material respects *except* to the extent that (i) a representation or warranty speaks to a specific date or (ii) the facts on which a representation or warranty is based have changed by transactions or conditions contemplated or permitted by the Credit Documents, (b) no Event of Default, Potential Default or Material Adverse Event exists, and (d) Borrowers have otherwise complied with all conditions of the Credit Documents to permit the Requested Borrowing to be extended.

¹ Must be no later than (a) the second Business Day after request if the Requested Borrowing is a LIBOR Rate Borrowing or (b) the Business Day of request otherwise.

**[PMC COMMERCIAL TRUST]
[FIRST WESTERN SBLC, INC.]
[WESTERN FINANCIAL CAPITAL CORPORATION]
[PMC INVESTMENT CORPORATION]**

By: _____
Name: _____
Title: _____

EXHIBIT C

CONVERSION NOTICE

FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT – EXHIBIT C

EXHIBIT C
CONVERSION NOTICE

Administrative Agent: JPMorgan Chase Bank, National Association

Date: _____, 20__

Borrower: **[Specified Borrowers][First Western SBLC, Inc.]**

This notice is delivered under the Amended and Restated Credit Agreement dated as of December 28, 2010, among PMC Commercial Trust, First Western SBLC, Inc., Western Financial Capital Corporation, PMC Investment Corporation (collectively, "Borrowers"), certain Lenders and Administrative Agent (as the same has been or may be amended, restated or modified from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement have the same meanings when used, unless otherwise defined, in this notice.

[Specified Borrowers][First Western SBLC, Inc.] presently **[have][has]** a _____ Borrowing (the "Existing Borrowing") under the **[PMC Revolving Facility][First Western Revolving Facility][Term Loan]** in the amount of _____ which, if a LIBOR Rate Borrowing, has an Interest Period of _____ ending on _____. On _____ (the "Conversion Date"), **[Specified Borrowers][First Western SBLC, Inc.]** shall partially pay, continue in full or part as the same Type of Borrowing, or convert in full or part to another Type of Borrowing and — if applicable — with the Interest Period(s) designated below [check applicable boxes]:

- Amount to be paid, if any, \$_____.
- Balance to be in the following Types of Borrowings with — if applicable — the following Interest Period(s):

The undersigned, on behalf of **[Specified Borrowers][First Western SBLC, Inc.]**, certifies that on the Conversion Date — after giving effect to the above action(s) — (a) all of the representations and warranties of the Borrowers in the Credit Documents will be true and correct in all material respects (unless they speak to a specific date or are based on facts which have changed by transactions contemplated or expressly permitted by the Credit Documents) and (b) no Material Adverse Event, Event of Default, or Potential Default will exist.

**[PMC COMMERCIAL TRUST]
[FIRST WESTERN SBLC, INC.]
[WESTERN FINANCIAL CAPITAL CORPORATION]
[PMC INVESTMENT CORPORATION]**

By: _____
Name: _____
Title: _____

2 Must be a Responsible Officer.

EXHIBIT D

COMPLIANCE CERTIFICATE

FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT – EXHIBIT D

EXHIBIT D
COMPLIANCE CERTIFICATE

Administrative Agent: JPMorgan Chase Bank National Association

Date: _____, 20__

Subject Period: _____ ended _____, 20__

This certificate is delivered under the Amended and Restated Credit Agreement (as renewed, extended, and amended, the "Credit Agreement") dated as of December 28, 2010, among Borrowers, certain Lenders, certain other parties, and Administrative Agent. Terms defined in the Credit Agreement have the same meanings when used — unless otherwise defined — in this certificate.

The undersigned, on behalf of Borrowers, certifies to Administrative Agent and Lenders that on the date of this certificate:

1. Such undersigned officer is a Responsible Officer of the Borrowers as designated below.

2. The financial statements that are attached to this certificate were prepared in accordance with GAAP and present fairly such Borrower's consolidated or consolidating (if applicable) financial condition and results of operations as of _____ and for the fiscal year or portion of the fiscal year ending on _____ (the last day of the Subject Period set forth above).

3. Such undersigned officer supervised a review of the Companies' activities during the Subject Period in respect of the following matters and has determined the following: (a) the representations and warranties in the Credit Agreement are true and correct in all material respects, except (i) to the extent that a representation or warranty speaks to a specific date or the facts on which it is based have changed by transactions or conditions contemplated or permitted by the Credit Documents and (ii) for the changes, if any, described on the attached Schedule; (b) each Company has complied with all of its obligations under the Credit Documents, other than for the deviations, if any, described on the attached Schedule; (c) no Event of Default or Potential Default exists or is imminent, other than those, if any, described on the attached Schedule; and (d) the Companies' compliance with the financial covenants in Section 9 of the Credit Agreement is accurately calculated on the attached Schedule.

By: _____
Name: _____
Title: _____

SCHEDULE TO COMPLIANCE CERTIFICATE

(for the period ending _____)

A. Describe deviations from performance or compliance with covenants, if any, pursuant to clause (3)(a) or (3)(b) of the attached certificate. If none, so state.

B. Describe Material Adverse Events, Events of Default or Potential Defaults, if any, pursuant to clause (3)(c) of the attached certificate. If none, so state.

C. Reflect compliance with Section 9 of the Credit Agreement at the end of the Subject Period pursuant to clause (3)(d) of the attached certificate.

Table 1

Covenant	At End of Subject Period
Section 9.1 Minimum Asset Coverage Ratio	
(a) Unencumbered cash and cash equivalents of the Borrowers	
(b) Aggregate outstanding principal balance of all unencumbered Commercial Loans owned by the Borrowers	
(c) Government guaranteed portion of First Western loans that have been sold pursuant to secondary market loan sales	
(d) Retained Loan Discount	
(e) Loans identified as Doubtful or Substandard in accordance with the loan classification methodology currently used by the Borrowers	
(f) Sum of (a) plus [(b) less (c) less (d) less (e)]	
(g) Aggregate amount of Debt of the Borrowers	
(h) Aggregate principal amount outstanding under the Junior Subordinated Notes	
(i) Difference of (g) minus (h)	
(j) Minimum Asset Coverage Ratio	
(k) Product of (f) divided by (i) (must not be less than line (j))	

Table 2

Covenant	At End of Subject Period	
Section 9.2 Non-Hotel/Motel Loans		
(a) The aggregate principal balance of all Mortgage Loans	\$	
(b) 15% of Line (a)	\$	
(c) The aggregate loan loss reserve established by Companies with respect to Mortgage Loans	\$	
(d) Line (b) minus Line (c)		\$
(e) The aggregate principal balance of Mortgage Loans secured by Projects which are not hotels or motels (must not exceed Line (d))		\$

FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT – EXHIBIT D

EXHIBIT E

ASSIGNMENT AND ASSUMPTION

FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT – EXHIBIT E

EXHIBIT E

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "Assignor") and [*Insert name of Assignee*] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

- 1. Assignor: _____
- 2. Assignee: _____
- 3. Borrowers: PMC Commercial Trust, First Western SBLC, Inc., Western Financial Capital Corporation, and PMC Investment Corporation
- 4. Administrative Agent: JPMorgan Chase Bank, National Association, as the administrative agent under the Credit Agreement
- 5. Credit Agreement: Amended and Restated Credit Agreement dated as of December 28, 2010, among Borrowers, the Lenders party thereto, and JPMorgan Chase Bank, National Association, as Administrative Agent

6. Assigned Interest:

<u>Facility Assigned¹</u>	<u>Aggregate Amount of Commitment/Loans for all Lenders</u>	<u>Amount of Commitment/Loans Assigned</u>	<u>Percentage Assigned of Commitment/Loans²</u>
	\$	\$	%
	\$	\$	%
	\$	\$	%

Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER.]

The Assignee agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more Credit Contacts to whom all syndicate-level information (which may contain material non-public information about the Borrowers, the Companies and their Subsidiaries or their respective securities) will be made available and who may receive such information in accordance with the Assignee’s compliance procedures and applicable laws, including Federal and state securities laws.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
 Name: _____
 Title: _____

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
 Name: _____
 Title: _____

¹ Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment.

² Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

Consented to and³ Accepted:

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,
as Administrative Agent,

By: _____

Name: _____

Title: _____

³ To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

[Consented to:]⁴

PMC COMMERCIAL TRUST

By: _____
Name: _____
Title: _____

FIRST WESTERN SBLC, INC.

By: _____
Name: _____
Title: _____

WESTERN FINANCIAL CAPITAL CORPORATION

By: _____
Name: _____
Title: _____

PMC INVESTMENT CORPORATION

By: _____
Name: _____
Title: _____

⁴ To be added only if the consent of the Borrowers is required by the terms of the Credit Agreement.

ANNEX 1

**STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION**

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Credit Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Documents or any collateral thereunder, (iii) the financial condition of the Borrowers, any of their Subsidiaries or Affiliates or any other Person obligated in respect of any Credit Document or (iv) the performance or observance by any Borrower, any of their Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Credit Document.

1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 7.1 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of Texas.

PMC REVOLVING NOTE

\$40,000,000

March 10, 2014

FOR VALUE RECEIVED, the undersigned, PMC COMMERCIAL TRUST, a real estate investment trust organized under the laws of the State of Texas ("PMC"), WESTERN FINANCIAL CAPITAL CORPORATION, a Florida corporation ("Western Financial"), and PMC INVESTMENT CORPORATION, a Florida corporation ("PMC Investment") (collectively PMC, Western Financial and PMC Investment, the "Specified Borrowers" and individually, a "Specified Borrower"), jointly and severally, irrevocably and unconditionally promise to pay to the order of JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, a national banking association with its office in Dallas, Texas ("Lender", and together with each subsequent holder hereof, "Payee"), at the principal banking office of Administrative Agent (hereinafter referenced) at 2200 Ross Avenue, Dallas, Texas 75201, (i) the principal amount of FORTY MILLION AND NO/100 DOLLARS (\$40,000,000) (or such lesser amount as shall equal the Principal Debt under the PMC Revolving Facility), on the dates and in the principal amounts provided for in the Credit Agreement, and (ii) interest on the unpaid principal amount of each Borrowing from time to time remaining outstanding and unpaid from the date of each such Borrowing until it shall be paid in full, at the rates per annum and on the dates provided for in the Credit Agreement.

All capitalized terms used herein and not otherwise defined herein shall have the same meaning and effect as used and defined in that certain Amended and Restated Credit Agreement dated as of December 28, 2010 (as amended and otherwise modified, and in effect, the "Credit Agreement"), by and among Borrowers, certain Lenders, and JPMorgan Chase Bank, National Association, as Administrative Agent for those Lenders. Reference is hereby made to the Credit Agreement for all intents and purposes.

This Note is a "Revolving Note" executed by Specified Borrowers and is referred to in, governed by, and subject to, and is entitled to the benefits of, the terms and provisions of the Credit Agreement as therein stated and referenced and is executed in substitution and replacement (but not extinguishment) of that certain Second Amended and Restated Revolving Note dated June 8, 2011, executed by PMC and payable to the order of Lender in the original principal amount of \$40,000,000. Reference is hereby made to the Credit Agreement for a statement of the agreements, rights, remedies, benefits and obligations of Payee and the covenants, agreements, rights, duties and obligations of Specified Borrowers in relation hereto, including provisions for acceleration of the maturity hereof, interest rate and amount limitations and voluntary and mandatory prepayments hereon; but this reference to the Credit Agreement, or any provision thereof, shall not affect or impair the irrevocable, absolute and unconditional obligation of Specified Borrowers to pay principal of, and interest on, this Note when due. Unless the maturity of this Note shall have sooner occurred, the outstanding principal balance of this Note and all accrued and unpaid interest thereon shall be finally and fully payable on the Termination Date.

The date, amount, Type, and interest rate of each Borrowing made by Lender to Specified Borrowers, and each payment made on account of the principal thereof, and accrued interest thereon, shall be recorded by Payee on its books and records, and prior to any transfer of this Note, endorsed by Payee on a schedule attached hereto or any continuation thereof; and all recordations and endorsements made by Payee shall, absent manifest error, be conclusive of all such matters and binding on all Persons. Payee's failure to make or error in making any such recordations or endorsements shall not diminish, reduce or relieve Specified Borrowers' obligation to pay (i) all Borrowings made by Lender and then outstanding and (ii) all accrued and earned interest on the amounts thereof from time to time outstanding and unpaid, pursuant to this Note.

Upon the occurrence of an Event of Default, this Note may be declared to be, or shall become, forthwith due, and immediately payable in the manner, upon the conditions (if any) and with the effect, provided for and referred to in the Credit Agreement.

If this Note is placed in the hands of an attorney for collection (whether or not any proceeding is filed in connection therewith), or collected through suit, the Bankruptcy Court or any other judicial proceeding, Specified Borrowers irrevocably and unconditionally agree to pay all costs, expenses and fees incurred by Payee, including reasonable attorneys' fees and expenses, and any assessed court and related costs, in addition to all other amounts owing hereunder.

Specified Borrowers and all sureties, endorsers, guarantors and other Persons ever liable for the payment of any sums payable on this Note, jointly and severally, waive notice, demand, notice of presentment, presentment, presentment for payment, demand for payment, non-payment, notice of dishonor, dishonor, *notice of intent to accelerate maturity*, *notice of acceleration of maturity*, notice of intent to demand, protest, notice of protest, grace and all formalities and other notices of any and every kind, and filing of suit or diligence in collecting this Note or enforcing (in whole or part) any security or guaranty now or hereafter for the payment of this Note, and consent and agree to any partial or full substitution, exchange or release of any such security or guaranty or the partial or full release of any Person primarily or secondarily liable hereon, and consent and agree that it will not be necessary for any holder hereof, in order to enforce payment by it of this Note to first institute suit or exhaust its remedies against Specified Borrowers or any other Persons liable herefor, or to enforce its rights against any such security herefor or guarantor or any other Person with respect hereto, and consent to any or all extensions, increases or renewals or postponements, modifications or rearrangements of time or payment of this Note or any other indulgence with respect hereto, without notice thereof to, or consent thereto from, any of them.

Each Specified Borrower and Payee hereby agrees that Chapter 346 of the Texas Finance Code, as amended, shall not apply to this Note or the loan transaction evidenced by, and referred to in, the Credit Agreement in any manner, including without limitation, to any account or arrangement evidenced or created by, or provided for in, this Note or the Credit Agreement.

This Note (including its validity, enforceability and interpretation) shall be governed by, and construed in accordance with, the laws of the State of Texas (without regard to conflict of law principles) and, to the extent controlling, federal laws of the United States of America. This Note has been executed, delivered and accepted and is payable at, Dallas, Dallas County, Texas.

THIS NOTE AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AS TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

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PMC COMMERCIAL TRUST

By: /s/ Barry N. Berlin

Barry N. Berlin
Executive Vice President
and Chief Financial Officer

WESTERN FINANCIAL CAPITAL CORPORATION

By: /s/ Barry N. Berlin

Barry N. Berlin
Executive Vice President
and Chief Financial Officer

PMC INVESTMENT CORPORATION

By: /s/ Barry N. Berlin

Barry N. Berlin
Executive Vice President
and Chief Financial Officer

FIRST WESTERN REVOLVING NOTE

\$20,000,000

March 10, 2014

FOR VALUE RECEIVED, the undersigned, FIRST WESTERN SBLC, INC., a Florida corporation ("First Western"), irrevocably and unconditionally promises to pay to the order of JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, a national banking association with its office in Dallas, Texas ("Lender", and together with each subsequent holder hereof, "Payee"), at the principal banking office of Administrative Agent (hereinafter referenced) at 2200 Ross Avenue, Dallas, Texas 75201, (i) the principal amount of TWENTY MILLION AND NO/100 DOLLARS (\$20,000,000) (or such lesser amount as shall equal the Principal Debt under the First Western Revolving Facility), on the dates and in the principal amounts provided for in the Credit Agreement, and (ii) interest on the unpaid principal amount of each Borrowing from time to time remaining outstanding and unpaid from the date of each such Borrowing until it shall be paid in full, at the rates per annum and on the dates provided for in the Credit Agreement.

All capitalized terms used herein and not otherwise defined herein shall have the same meaning and effect as used and defined in that certain Amended and Restated Credit Agreement dated as of December 28, 2010 (as amended and otherwise modified, and in effect, the "Credit Agreement"), by and among Borrowers, certain Lenders, and JPMorgan Chase Bank, National Association, as Administrative Agent for those Lenders. Reference is hereby made to the Credit Agreement for all intents and purposes.

This Note is a "Revolving Note" executed by First Western and is referred to in, governed by, and subject to, and is entitled to the benefits of, the terms and provisions of the Credit Agreement as therein stated and referenced and is executed in substitution and replacement (but not extinguishment) of that certain Second Amended and Restated Revolving Note dated as of January 1, 2012, executed by First Western and payable to the order of Lender in the original principal amount of \$20,000,000. Reference is hereby made to the Credit Agreement for a statement of the agreements, rights, remedies, benefits and obligations of Payee and the covenants, agreements, rights, duties and obligations of First Western in relation hereto, including provisions for acceleration of the maturity hereof, interest rate and amount limitations and voluntary and mandatory prepayments hereon; but this reference to the Credit Agreement, or any provision thereof, shall not affect or impair the irrevocable, absolute and unconditional obligation of First Western to pay principal of, and interest on, this Note when due. Unless the maturity of this Note shall have sooner occurred, the outstanding principal balance of this Note and all accrued and unpaid interest thereon shall be finally and fully payable on the Termination Date.

The date, amount, Type, and interest rate of each Borrowing made by Lender to First Western, and each payment made on account of the principal thereof, and accrued interest thereon, shall be recorded by Payee on its books and records, and prior to any transfer of this Note, endorsed by Payee on a schedule attached hereto or any continuation thereof; and all recordations and endorsements made by Payee shall, absent manifest error, be conclusive of all such matters and binding on all Persons. Payee's failure to make or error in making any such recordations or endorsements shall not diminish, reduce or relieve First Western's obligation to pay (i) all Borrowings made by Lender and then outstanding and (ii) all accrued and earned interest on the amounts thereof from time to time outstanding and unpaid, pursuant to this Note.

Upon the occurrence of an Event of Default, this Note may be declared to be, or shall become, forthwith due, and immediately payable in the manner, upon the conditions (if any) and with the effect, provided for and referred to in the Credit Agreement.

If this Note is placed in the hands of an attorney for collection (whether or not any proceeding is filed in connection therewith), or collected through suit, the Bankruptcy Court or any other judicial proceeding, First Western irrevocably and unconditionally agrees to pay all costs, expenses and fees incurred by Payee, including reasonable attorneys' fees and expenses, and any assessed court and related costs, in addition to all other amounts owing hereunder.

First Western and all sureties, endorsers, guarantors and other Persons ever liable for the payment of any sums payable on this Note, jointly and severally, waive notice, demand, notice of presentment, presentment, presentment for payment, demand for payment, non-payment, notice of dishonor, dishonor, *notice of intent to accelerate maturity*, *notice of acceleration of maturity*, notice of intent to demand, protest, notice of protest, grace and all formalities and other notices of any and every kind, and filing of suit or diligence in collecting this Note or enforcing (in whole or part) any security or guaranty now or hereafter for the payment of this Note, and consent and agree to any partial or full substitution, exchange or release of any such security or guaranty or the partial or full release of any Person primarily or secondarily liable hereon, and consent and agree that it will not be necessary for any holder hereof, in order to enforce payment by it of this Note to first institute suit or exhaust its remedies against First Western or any other Persons liable herefor, or to enforce its rights against any such security herefor or guarantor or any other Person with respect hereto, and consent to any or all extensions, increases or renewals or postponements, modifications or rearrangements of time or payment of this Note or any other indulgence with respect hereto, without notice thereof to, or consent thereto from, any of them.

Each of First Western and Payee hereby agrees that Chapter 346 of the Texas Finance Code, as amended, shall not apply to this Note or the loan transaction evidenced by, and referred to in, the Credit Agreement in any manner, including without limitation, to any account or arrangement evidenced or created by, or provided for in, this Note or the Credit Agreement.

This Note (including its validity, enforceability and interpretation) shall be governed by, and construed in accordance with, the laws of the State of Texas (without regard to conflict of law principles) and, to the extent controlling, federal laws of the United States of America. This Note has been executed, delivered and accepted and is payable at, Dallas, Dallas County, Texas.

THIS NOTE AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AS TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

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FIRST WESTERN SBLC, INC.

By: /s/ Barry N. Berlin

Barry N. Berlin
Executive Vice President
and Chief Financial Officer

FIRST WESTERN REVOLVING NOTE – *Signature Page*

TERM NOTE

\$30,000,000

March 10, 2014

FOR VALUE RECEIVED, the undersigned, PMC COMMERCIAL TRUST, a real estate investment trust organized under the laws of the State of Texas ("PMC"), WESTERN FINANCIAL CAPITAL CORPORATION, a Florida corporation ("Western Financial"), and PMC INVESTMENT CORPORATION, a Florida corporation ("PMC Investment") (collectively PMC, Western Financial and PMC Investment, the "Specified Borrowers" and individually, a "Specified Borrower"), jointly and severally, irrevocably and unconditionally promise to pay to the order of JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, a national banking association with its office in Dallas, Texas ("Lender", and together with each subsequent holder hereof, "Payee"), at the principal banking office of Administrative Agent (hereinafter referenced) at 2200 Ross Avenue, Dallas, Texas 75201, (i) the principal amount of THIRTY MILLION AND NO/100 DOLLARS (\$30,000,000) (or such lesser amount as shall equal the Principal Debt under the Term Loan), on the dates and in the principal amounts provided for in the Credit Agreement, and (ii) interest on the unpaid principal amount of any Borrowing from time to time remaining outstanding and unpaid from the date of such Borrowing until it shall be paid in full, at the rates per annum and on the dates provided for in the Credit Agreement.

All capitalized terms used herein and not otherwise defined herein shall have the same meaning and effect as used and defined in that certain Amended and Restated Credit Agreement dated as of December 28, 2010 (as amended and otherwise modified, and in effect, the "Credit Agreement"), by and among Borrowers, certain Lenders, and JPMorgan Chase Bank, National Association, as Administrative Agent for those Lenders. Reference is hereby made to the Credit Agreement for all intents and purposes.

This Note is a "Term Note" executed by Specified Borrowers and is referred to in, governed by, and subject to, and is entitled to the benefits of, the terms and provisions of the Credit Agreement as therein stated and referenced. Reference is hereby made to the Credit Agreement for a statement of the agreements, rights, remedies, benefits and obligations of Payee and the covenants, agreements, rights, duties and obligations of Specified Borrowers in relation hereto, including provisions for acceleration of the maturity hereof, interest rate and amount limitations and voluntary and mandatory prepayments hereon; but this reference to the Credit Agreement, or any provision thereof, shall not affect or impair the irrevocable, absolute and unconditional obligation of Specified Borrowers to pay principal of, and interest on, this Note when due. Unless the maturity of this Note shall have sooner occurred, the outstanding principal balance of this Note and all accrued and unpaid interest thereon shall be finally and fully payable on the Term Loan Termination Date.

The date, amount, Type, and interest rate of any Borrowing made by Lender to Specified Borrowers, and each payment made on account of the principal thereof, and accrued interest thereon, shall be recorded by Payee on its books and records, and prior to any transfer of this Note, endorsed by Payee on a schedule attached hereto or any continuation thereof; and all recordations and endorsements made by Payee shall, absent manifest error, be conclusive of all such matters and binding on all Persons. Payee's failure to make or error in making any such recordations or endorsements shall not diminish, reduce or relieve Specified Borrowers' obligation to pay (i) any Borrowing made by Lender and then outstanding and (ii) all accrued and earned interest on the amount thereof from time to time outstanding and unpaid, pursuant to this Note.

Upon the occurrence of an Event of Default, this Note may be declared to be, or shall become, forthwith due, and immediately payable in the manner, upon the conditions (if any) and with the effect, provided for and referred to in the Credit Agreement.

If this Note is placed in the hands of an attorney for collection (whether or not any proceeding is filed in connection therewith), or collected through suit, the Bankruptcy Court or any other judicial proceeding, Specified Borrowers irrevocably and unconditionally agree to pay all costs, expenses and fees incurred by Payee, including reasonable attorneys' fees and expenses, and any assessed court and related costs, in addition to all other amounts owing hereunder.

Specified Borrowers and all sureties, endorsers, guarantors and other Persons ever liable for the payment of any sums payable on this Note, jointly and severally, waive notice, demand, notice of presentment, presentment, presentment for payment, demand for payment, non-payment, notice of dishonor, dishonor, *notice of intent to accelerate maturity*, *notice of acceleration of maturity*, notice of intent to demand, protest, notice of protest, grace and all formalities and other notices of any and every kind, and filing of suit or diligence in collecting this Note or enforcing (in whole or part) any security or guaranty now or hereafter for the payment of this Note, and consent and agree to any partial or full substitution, exchange or release of any such security or guaranty or the partial or full release of any Person primarily or secondarily liable hereon, and consent and agree that it will not be necessary for any holder hereof, in order to enforce payment by it of this Note to first institute suit or exhaust its remedies against Specified Borrowers or any other Persons liable herefor, or to enforce its rights against any such security herefor or guarantor or any other Person with respect hereto, and consent to any or all extensions, increases or renewals or postponements, modifications or rearrangements of time or payment of this Note or any other indulgence with respect hereto, without notice thereof to, or consent thereto from, any of them.

Each Specified Borrower and Payee hereby agrees that Chapter 346 of the Texas Finance Code, as amended, shall not apply to this Note or the loan transaction evidenced by, and referred to in, the Credit Agreement in any manner, including without limitation, to any account or arrangement evidenced or created by, or provided for in, this Note or the Credit Agreement.

This Note (including its validity, enforceability and interpretation) shall be governed by, and construed in accordance with, the laws of the State of Texas (without regard to conflict of law principles) and, to the extent controlling, federal laws of the United States of America. This Note has been executed, delivered and accepted and is payable at, Dallas, Dallas County, Texas.

THIS NOTE AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AS TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

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TERM NOTE – Page 3

PMC COMMERCIAL TRUST

By: /s/ Barry N. Berlin

Barry N. Berlin
Executive Vice President
and Chief Financial Officer

WESTERN FINANCIAL CAPITAL CORPORATION

By: /s/ Barry N. Berlin

Barry N. Berlin
Executive Vice President
and Chief Financial Officer

PMC INVESTMENT CORPORATION

By: /s/ Barry N. Berlin

Barry N. Berlin
Executive Vice President
and Chief Financial Officer

AMENDED AND RESTATED GUARANTY

THIS AMENDED AND RESTATED GUARANTY (this "Guaranty") is executed as of March 10, 2014, by PMC COMMERCIAL TRUST, a real estate investment trust organized under the laws of the State of Texas ("PMC"), WESTERN FINANCIAL CAPITAL CORPORATION, a Florida corporation ("Western Financial") and PMC INVESTMENT CORPORATION, a Florida corporation ("PMC Investment") (PMC, Western Financial and PMC Investment, herein collectively referred to as the "Guarantors" and individually, a "Guarantor"), each of whose address for notice purposes is listed after its signature hereto, for the benefit of JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, a national banking association, as administrative agent (in such capacity, the "Administrative Agent") for itself and the benefit of each Lender (as defined herein). Unless otherwise defined herein, all capitalized terms have the meanings given to such terms in the Credit Agreement (herein defined).

RECITALS:

A. Guarantors, First Western SBLC, Inc., a Florida corporation ("First Western"), the other financial institutions party thereto from time to time (the "Lenders") and the Administrative Agent have executed that certain Amended and Restated Credit Agreement dated as of December 28, 2010 (as the same has been or may be amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement").

B. It is expressly understood among First Western, Guarantors, Lenders and the Administrative Agent that the execution and delivery of this Guaranty is a condition precedent to Lenders' continued obligation to make loans or extend credit under the Credit Agreement and is an integral part of the transactions contemplated thereby.

C. Lenders' extension of credit to First Western is a substantial and direct benefit to Guarantors.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, each Guarantor hereby irrevocably and unconditionally and jointly and severally guarantees to the Administrative Agent and the Lenders the prompt payment and performance of the Guaranteed Obligations, this Guaranty being upon the following terms and conditions:

Section 1. DEFINITIONS. As used in this Guaranty, the following terms have the following meanings:

"Affiliates" of any Person means any other Person that, directly or indirectly, controls or is controlled by or is under common control with such Person. For purposes of this definition "control" (including with correlative meanings, the terms "controlled by" and under "common control with"), with respect to any Person, means possession, directly or indirectly of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Debtor Relief Laws” means Title 11 of the United States Code, as now or hereafter in effect, or any other applicable law, domestic or foreign, as now or hereafter in effect, relating to bankruptcy, insolvency, liquidation, receivership, reorganization, arrangement or composition, extension or adjustment of debts, or similar laws affecting the rights of creditors.

“First Western” has the meaning given to such term in the first recital hereof, including and without limitation, First Western’s successors and assigns (regardless of whether such successor or assign is formed by or results from any merger, consolidation, conversion, sale or transfer of assets, reorganization, or otherwise) including First Western as a debtor-in-possession, and any receiver, trustee, liquidator, conservator, custodian, or similar party hereafter appointed for First Western or all or substantially all of its assets pursuant to any liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, or similar Debtor Relief Laws (hereinafter defined) from time to time in effect.

“Guaranteed Indebtedness” means the Obligations of First Western.

“Guaranteed Obligations” means the Guaranteed Indebtedness and the Guaranteed Performance Obligations.

“Guaranteed Performance Obligations” means all of the obligations of First Western under the Credit Documents other than an obligation to pay money.

“Person” means any individual, corporation, partnership, joint venture, limited liability company or partnership (general or limited) association, trust, unincorporated association, joint stock company, government, municipality, political subdivision or agency, or other entity.

Section 2. PAYMENT. Each Guarantor hereby unconditionally and irrevocably and jointly and severally guarantees to Administrative Agent for the benefit of itself and the Lenders the punctual payment when due, whether by lapse of time, by acceleration of maturity, or otherwise, and at all times thereafter, of the Guaranteed Indebtedness. This Guaranty covers the Guaranteed Indebtedness, whether presently outstanding or arising subsequent to the date hereof, including all amounts advanced by Lenders in stages or installments. The guaranty of each Guarantor as set forth in this Section 2 is a continuing guaranty of payment and not a guaranty of collection. Each Guarantor acknowledges and agrees that such Guarantor may be required to pay and perform the Guaranteed Indebtedness in full without assistance or support from First Western or any other party. Each Guarantor agrees that if all or any part of the Guaranteed Indebtedness shall not be punctually paid when due, whether on the scheduled payment date, by lapse of time, by acceleration of maturity or otherwise, such Guarantor shall, immediately upon demand by Administrative Agent, pay the amount due on the Guaranteed Indebtedness to the Administrative Agent and the Lenders, as applicable, at the appropriate address as set forth on the signature page hereto. Such demand(s) may be made at any time coincident with or after the time for payment of all or part of the Guaranteed Indebtedness, and may be made from time to time with respect to the same or different items of Guaranteed Indebtedness. Such demand shall be made, given and received in accordance with the notice provisions hereof.

Section 3. PERFORMANCE. Each Guarantor hereby unconditionally and irrevocably guarantees to Administrative Agent for the benefit of itself and the Lenders the timely performance of the Guaranteed Performance Obligations. If any of the Guaranteed Performance Obligations of First Western are not satisfied or complied with in any respect whatsoever, and without the necessity of any notice from Administrative Agent or any Lender to Guarantors, each Guarantor agrees to indemnify and hold Administrative Agent and the Lenders harmless from any and all loss, cost, liability or expense that Administrative Agent and the Lenders may suffer by any reason of any such non-performance or non-compliance. The obligations and liability of each Guarantor under this Section 3 shall not be limited or restricted by the existence of, or any terms of, the guaranty of payment under Section 2 of this Guaranty.

Section 4. PRIMARY LIABILITY OF GUARANTORS.

(a) This Guaranty is an absolute, irrevocable and unconditional guaranty of payment and performance. Each Guarantor is liable for the payment and performance of the Guaranteed Obligations, as set forth in this Guaranty, as a primary obligor.

(b) In the event of default in payment or performance of the Guaranteed Obligations, or any part thereof, when such Guaranteed Obligations become due, whether by its terms, by acceleration, or otherwise, each Guarantor shall promptly pay the amount due thereon to Administrative Agent without notice or demand, of any kind or nature, in lawful money of the United States of America or perform the obligations to be performed hereunder, and it shall not be necessary for Administrative Agent or any Lender in order to enforce such payment and performance by such Guarantor first, or contemporaneously, to institute suit or exhaust remedies against First Western or others liable on the Guaranteed Obligations, or to enforce any rights, remedies, powers, privileges or benefits of Administrative Agent or any Lender against any collateral or any other security or collateral which shall ever have been given to secure the Guaranteed Obligations.

(c) Suit may be brought or demand may be made against all parties who have signed this Guaranty or any other guaranty in favor of the Administrative Agent or any Lender covering all or any part of the Guaranteed Obligations, or against any one or more of them, separately or together, without impairing the rights of Administrative Agent or any Lender against any party hereto. Any time that either Administrative Agent or any Lender is entitled to exercise its rights or remedies hereunder, Administrative Agent or such Lender may in its discretion elect to demand payment and/or performance. If Administrative Agent or any Lender elects to demand performance, it shall at all times thereafter have the right to demand payment until all of the Guaranteed Obligations have been paid and performed in full. If Administrative Agent or any Lender elects to demand payment, it shall at all times thereafter have the right to demand performance until all of the Guaranteed Obligations have been paid and performed in full.

Section 5. OTHER GUARANTEED DEBT. If any Guarantor becomes liable for any indebtedness owing by First Western to Administrative Agent or any Lender, by endorsement or otherwise, other than under this Guaranty, such liability shall not be in any manner impaired or affected hereby, and the rights and remedies hereunder shall be cumulative of any and all other rights and remedies that the Administrative Agent or such Lender may ever have against such Guarantor. The exercise by Administrative Agent or any Lender of any right or remedy hereunder or under any other instrument, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right or remedy by Administrative Agent or such Lender.

Section 6. SUBROGATION. Until the Guaranteed Obligations have been paid in full, each Guarantor hereby covenants and agrees that it shall not assert, enforce, or otherwise exercise (a) any right of subrogation to any of the rights, remedies or liens of Administrative Agent or any Lender against First Western or its Affiliates or any other guarantor of the Guaranteed Obligations or any collateral or other security, or (b) unless such rights are expressly made subordinate to the Guaranteed Obligations (in form and upon terms acceptable to Administrative Agent and Lenders) and the rights or remedies of Administrative Agent and Lenders under this Guaranty and the Credit Documents, any right of recourse, reimbursement, contribution, indemnification, or similar right against First Western or its Affiliates or any other guarantor of all or any part of the Guaranteed Obligations.

Section 7. SUBORDINATED DEBT. All principal of and interest on all indebtedness, liabilities, and obligations of First Western or its Affiliates to any Guarantor (the "Subordinated Debt") now or hereafter existing, due or to become due to such Guarantor, or held or to be held by such Guarantor, whether created directly or acquired by assignment or otherwise, and whether evidenced by written instrument or not, shall be expressly subordinated to the Guaranteed Obligations. Until such time as the Guaranteed Obligations is paid and performed in full and all commitments to lend under the Credit Documents have terminated, each Guarantor agrees not to receive or accept any payment from First Western with respect to the Subordinated Debt at any time an Event of Default has occurred and is continuing; and, in the event such Guarantor receives any payment on the Subordinated Debt in violation of the foregoing, such Guarantor will hold any such payment in trust for Administrative Agent and Lenders and forthwith turn it over to Administrative Agent in the form received, to be applied to the Guaranteed Obligations.

Section 8. OBLIGATIONS NOT TO BE DIMINISHED. Each Guarantor hereby agrees that its obligations under this Guaranty shall not be released, discharged, diminished, impaired, reduced, or affected for any reason or by the occurrence of any event, including, without limitation, one or more of the following events, whether or not with notice to or the consent of such Guarantor: (a) the taking or accepting of collateral as security for any or all of the Guaranteed Obligations or the release, surrender, exchange, or subordination of any collateral now or hereafter securing any or all of the Guaranteed Obligations; (b) any partial release of the liability of First Western or any other Borrower or the full or partial release of any other guarantor or obligor from liability for any or all of the Guaranteed Obligations; (c) the dissolution, insolvency, or bankruptcy of First Western, any other Borrower or any other guarantor, or any other party at any time liable for the payment of any or all of the Guaranteed Obligations; (d) any renewal, extension, modification, waiver, amendment, or rearrangement of any or all of the Guaranteed Obligations or any instrument, document, or agreement evidencing, securing, or otherwise relating to any or all of the Guaranteed Obligations; (e) any adjustment,

indulgence, forbearance, waiver, or compromise that may be granted or given by Administrative Agent or any Lender to First Western, any other Borrower or any other party ever liable for any or all of the Guaranteed Obligations; (f) any neglect, delay, omission, failure, or refusal of Administrative Agent or any Lender to take or prosecute any action for the collection of any of the Guaranteed Obligations or to foreclose or take or prosecute any action in connection with any instrument, document, or agreement evidencing, securing, or otherwise relating to any or all of the Guaranteed Obligations; (g) the unenforceability or invalidity of any or all of the Guaranteed Obligations or of any instrument, document, or agreement evidencing, securing, or otherwise relating to any or all of the Guaranteed Obligations; (h) any payment by First Western or any other party to Administrative Agent or any Lender is held to constitute a preference under applicable bankruptcy or insolvency law or if for any other reason Administrative Agent or such Lender is required to refund any payment or pay the amount thereof to someone else; (i) the settlement or compromise of any of the Guaranteed Obligations; (j) the non-perfection of any security interest or lien securing any or all of the Guaranteed Obligations; (k) any impairment of any collateral securing any or all of the Guaranteed Obligations; (l) the failure of Administrative Agent or any Lender to sell any collateral securing any or all of the Guaranteed Obligations in a commercially reasonable manner or as otherwise required by law; (m) any change in the corporate existence, structure, or ownership of First Western; or (n) any other circumstance which might otherwise constitute a defense available to, or discharge of, First Western or such Guarantor.

Section 9. WAIVERS. Each Guarantor waives (a) any right to revoke this Guaranty with respect to future indebtedness; (b) any right to require Administrative Agent or any Lender to do any of the following before such Guarantor is obligated to pay the Guaranteed Obligations or before Administrative Agent or any Lender may proceed against such Guarantor: (i) sue or exhaust remedies against First Western and other guarantors or obligors, (ii) sue on an accrued right of action in respect of any of the Guaranteed Obligations or bring any other action, exercise any other right, or exhaust all other remedies, or (iii) enforce rights against First Western's assets or the collateral pledged by First Western to secure the Guaranteed Obligations; (c) any right relating to the timing, manner, or conduct of Administrative Agent's or any Lender's enforcement of rights against First Western's assets or the collateral pledged by First Western to secure the Guaranteed Obligations; (d) if such Guarantor and First Western (or a third-party) have each pledged assets to secure the Guaranteed Obligations, any right to require Administrative Agent or any Lender to proceed first against the other collateral before proceeding against collateral pledged by such Guarantor; (e) except as expressly required hereby, promptness, diligence, notice of any default under the Guaranteed Obligations, notice of acceleration or intent to accelerate, demand for payment, notice of acceptance of this Guaranty, presentment, notice of protest, notice of dishonor, notice of the incurring by First Western of additional indebtedness, notice of any suit or other action by Administrative Agent or any Lender against First Western or any other Person, any notice to any party liable for the obligation which is the subject of the suit or action, and all other notices and demands with respect to the Guaranteed Obligations and this Guaranty; (f) each of the foregoing rights or defenses regardless whether they arise under (i) Section 34.01 et seq. of the Texas Business and Commerce Code, as amended, (ii) Section 17.001 of the Texas Civil Practice and Remedies Code, as amended, (iii) Rule 31 of the Texas Rules of Civil Procedure, as amended, (iv) common law, in equity, under contract, by statute, or otherwise, and (g) any and all rights under Sections 51.003, 51.004 and 51.005 of the Texas Property Code, as amended.

Section 10. INSOLVENCY. Should any Guarantor become insolvent, or fail to pay such Guarantor's debts generally as they become due, or voluntarily seek, consent to, or acquiesce in the benefit or benefits of any Debtor Relief Law, or become a party to (or be made the subject of) any proceeding provided for by any Debtor Relief Law (other than as a creditor or claimant) that could suspend or otherwise adversely affect the rights and remedies of Administrative Agent or any Lender granted hereunder, then, in any such event, the Guaranteed Obligations shall be, as between such Guarantor and Administrative Agent or any Lender, a fully matured, due, and payable obligation of such Guarantor to Administrative Agent or any Lender (without regard to whether First Western is then in default under the Credit Agreement or whether any part of the indebtedness of First Western is then due and owing to Administrative Agent or any Lender), payable in full by such Guarantor to Administrative Agent or any Lender upon demand, which shall be the estimated amount owing in respect of the contingent claim created hereunder.

Section 11. TERMINATION. Each Guarantor's obligations hereunder shall remain in full force and effect until all commitments to lend under the Credit Documents have terminated and the Guaranteed Obligations have been paid in full. If at any time any payment of the principal of or interest or any other amount payable by First Western under the Credit Documents is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy, or reorganization of First Western or otherwise, each Guarantor's obligations hereunder with respect to such payment shall be reinstated as though such payment had been due but not made at such time.

Section 12. REPRESENTATIONS AND WARRANTIES. Each Guarantor represents and warrants as follows:

(a) Such Guarantor has the power and authority and legal right to execute, deliver, and perform its obligations under this Guaranty and this Guaranty constitutes the legal, valid, and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms, except as limited by bankruptcy, insolvency, or other laws of general application relating to the enforcement of creditor's rights.

(b) The execution, delivery, and performance by such Guarantor of this Guaranty do not and will not violate or conflict with any law, rule, or regulation or any order, writ, injunction, or decree of any court, governmental authority or agency, or arbitrator and do not and will not conflict with, result in a breach of, or constitute a default under, or result in the imposition of any lien upon any assets of such Guarantor pursuant to the provisions of any indenture, mortgage, deed of trust, security agreement, franchise, permit, license, or other instrument or agreement to which such Guarantor or its properties are bound.

(c) No authorization, approval, or consent of, and no filing or registration with, any court, governmental authority, or third party is necessary for the execution, delivery, or performance by such Guarantor of this Guaranty or the validity or enforceability thereof.

(d) Such Guarantor has, independently and without reliance upon the Administrative Agent or any Lender and based upon such documents and information as such Guarantor has deemed appropriate, made its own analysis and decision to enter into this Guaranty, and such Guarantor has adequate means to obtain from First Western on a continuing basis information concerning the financial condition and assets of First Western, and such Guarantor is not relying upon the Administrative Agent or any Lender to provide (and Administrative Agent and Lenders shall not have any duty to provide) any such information to such Guarantor either now or in the future.

(e) The value of the consideration received and to be received by such Guarantor is reasonably worth at least as much as the liability and obligation of such Guarantor hereunder, and such liability and obligation may reasonably be expected to benefit such Guarantor directly or indirectly.

Section 13. COVENANTS. So long as this Guaranty remains in full force and effect, each Guarantor shall, unless the Administrative Agent and Required Lenders shall otherwise consent in writing:

(a) Furnish to Administrative Agent and Lenders written notice of the occurrence of any Potential Default or Event of Default promptly upon obtaining knowledge thereof.

(b) Furnish to Administrative Agent and Lenders such additional information concerning such Guarantor, First Western or any other Person under the control of such Guarantor as Administrative Agent or any Lender may request.

(c) Obtain at any time and from time to time all authorizations, licenses, consents or approvals as shall now or hereafter be necessary or desirable under all applicable laws or regulations or otherwise in connection with the execution, delivery and performance of this Guaranty and will promptly furnish copies thereof to Administrative Agent and Lenders.

Section 14. NO FRAUDULENT TRANSFER. It is the intention of each Guarantor and Administrative Agent and Lenders that the amount of the Guaranteed Obligations guaranteed by such Guarantor by this Guaranty shall be in, but not in excess of, the maximum amount permitted by fraudulent conveyance, fraudulent transfer, or similar laws applicable to such Guarantor. Accordingly, notwithstanding anything to the contrary contained in this Guaranty or any other agreement or instrument executed in connection with the payment of any of the Guaranteed Obligations, the amount of the Guaranteed Obligations guaranteed by each Guarantor by this Guaranty shall be limited to that amount which after giving effect thereto would not (a) render such Guarantor insolvent, (b) result in the fair saleable value of the assets of such Guarantor being less than the amount required to pay its debts and other liabilities (including contingent liabilities) as they mature, or (c) leave such Guarantor with unreasonably small capital to carry out its business as now conducted and as proposed to be conducted, including its capital needs, as such concepts described in clauses (a), (b) and (c) of this Section 14, are determined under applicable law, if the obligations of such Guarantor hereunder would otherwise be set aside, terminated, annulled or avoided for such reason by a court of competent

jurisdiction in a proceeding actually pending before such court. For purposes of this Guaranty, the term “applicable law” means as to each Guarantor each statute, law, ordinance, regulation, order, judgment, injunction or decree of the United States or any state or commonwealth, any municipality, any foreign country, or any territory, possession or tribunal applicable to such Guarantor.

Section 15. SUCCESSORS AND ASSIGNS. This Guaranty is for the benefit of the Administrative Agent and Lenders and their successors and assigns, and, in the event of an assignment of the Guaranteed Obligations (or any part thereof) in accordance with the provisions of the Credit Agreement, or any part thereof, the rights and remedies hereunder, to the extent applicable to the indebtedness so assigned, may be transferred with such indebtedness. This Guaranty is binding on each Guarantor and its successors and permitted assigns; provided that, no Guarantor may assign its obligations under this Guaranty without obtaining the prior written consent of Administrative Agent and Lenders, and any assignment purported to be made without the prior written consent of Administrative Agent and Lenders shall be null and void.

Section 16. CREDIT AGREEMENT. The Credit Agreement, and all of the terms thereof, are incorporated herein by reference, the same as if stated verbatim herein, and each Guarantor agrees that Administrative Agent and any Lender may exercise any and all rights granted to it under the Credit Agreement and the other Credit Documents without affecting the validity or enforceability of this Guaranty.

Section 17. AMENDMENTS. No amendment or waiver of any provision herein nor consent to any departure therefrom by any Guarantor shall be effective unless the same shall be in writing and signed by Administrative Agent and Lenders in accordance with the terms of the Credit Agreement and then, such amendment, waiver, or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 18. SETOFF RIGHTS. If an Event of Default exists, to the extent not prohibited by applicable Governmental Requirements, Administrative Agent and each Lender may exercise (for the benefit of all Lenders in accordance with Section 3.13 of the Credit Agreement) the Rights of offset and banker’s lien against each and every account and other property, or any interest therein, that any Guarantor may now or hereafter have with, or which is now or hereafter in the possession of, the Administrative Agent or that Lender to the extent of the full amount of the Guaranteed Obligations owed (directly or participated) to it, provided, however, no such right of offset or banker’s lien may be exercised against any account of any Special Purpose Entity. As security for this Guaranty and the Guaranteed Obligations, each Guarantor hereby grants Administrative Agent, for the benefit of itself and the Lenders, a security interest in all money, instruments, certificates of deposit, and other property of such Guarantor now or hereafter held by Administrative Agent or any Lender, including, without limitation, property held in safekeeping. In addition to Administrative Agent’s and each Lender’s right of setoff and as further security for this Guaranty and the Guaranteed Obligations, each Guarantor hereby grants Administrative Agent, for the benefit of itself and the Lenders, a security interest in all deposits (general or special, time or demand, provisional or final) and all other accounts of such Guarantor now or hereafter on deposit with or held by Administrative Agent or any Lender and all other sums at any time credited by or owing from Administrative Agent or any Lender to such Guarantor. The rights and remedies of Administrative Agent and each Lender hereunder are in addition to other rights and remedies (including, without limitation, other rights of setoff) which Administrative Agent or any Lender may have.

Section 19. TIME OF ESSENCE. Time shall be of the essence in this Guaranty with respect to all of each Guarantor's obligations hereunder.

Section 20. GOVERNING LAW. **UNLESS OTHERWISE SPECIFIED THEREIN, EACH CREDIT DOCUMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS (OTHER THAN THE CONFLICTS OF LAWS PRINCIPLES THEREOF) AND THE UNITED STATES OF AMERICA.**

Section 21. COUNTERPARTS. This Guaranty may be executed in multiple counterparts, each of which, for all purposes, shall be deemed an original (including facsimile copies), and all of which taken together shall constitute but one and the same instrument.

Section 22. WAIVER OF RIGHT TO TRIAL BY JURY. EXCEPT AS PROHIBITED BY APPLICABLE LAW, EACH PARTY HERETO HEREBY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE NOTES, ANY OF THE OTHER CREDIT DOCUMENTS OR ANY TRANSACTIONS EVIDENCED THEREBY.

Section 23. SEVERABILITY. If any provision of any Credit Documents shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby.

Section 24. NO ORAL AGREEMENTS. THIS GUARANTY REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BY THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Guaranty as of the date first set forth above.

GUARANTORS:

Address for Notices:

PMC Commercial Trust
17950 Preston Road, Suite 600
Dallas, Texas 75252
Attn: Chief Financial Officer
Fax No.: (972) 349-2946

PMC COMMERCIAL TRUST

By: /s/ Barry N. Berlin

Barry N. Berlin
Executive Vice President and
Chief Financial Officer

Address for Notices:

Western Financial Capital Corporation
17950 Preston Road, Suite 600
Dallas, Texas 75252
Attn: Chief Financial Officer
Fax No.: (972) 349-2946

WESTERN FINANCIAL CAPITAL CORPORATION

By: /s/ Barry N. Berlin

Barry N. Berlin
Executive Vice President and
Chief Financial Officer

Address for Notices:

PMC Investment Corporation
17950 Preston Road, Suite 600
Dallas, Texas 75252
Attn: Chief Financial Officer
Fax No.: (972) 349-2946

PMC INVESTMENT CORPORATION

By: /s/ Barry N. Berlin

Barry N. Berlin
Executive Vice President and
Chief Financial Officer

Signature Page to Amended and Restated Guaranty

ADMINISTRATIVE AGENT:

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION, as Administrative Agent

By: /s/ Brooke Tankersley _____

Brooke Tankersley
Underwriter II

Address for Notices:

2200 Ross Avenue, 8th Floor
Dallas, Texas 75201
Attn: Brooke Tankersley
Fax No.: 214 965 3024

Signature Page to Amended and Restated Guaranty

March 11, 2014

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Commissioners:

We have read the statements made by PMC Commercial Trust (copy attached), which we understand will be filed with the Securities and Exchange Commission, pursuant to Item 4.01 of Form 8-K, as part of the Form 8-K of PMC Commercial Trust dated March 10, 2014. We agree with the statements concerning our Firm under Item 4.01 in such Form 8-K.

Very truly yours,

/s/ PricewaterhouseCoopers LLP

Dallas, Texas

**PMC COMMERCIAL TRUST ANNOUNCES COMPLETION OF MERGER
WITH CIM URBAN REIT**

***PMC Shares Will Trade On NASDAQ Global Market
Under Ticker Symbol "PMCT"***

DALLAS—March 11, 2014—PMC Commercial Trust ("PMC") announced today that it has completed its merger with CIM Urban REIT and will begin operations as a diversified real estate investment trust (REIT). PMC's common shares will begin trading on the NASDAQ Global Market under ticker symbol "PMCT" starting Wednesday, March 12, 2014.

Pursuant to the merger agreement, an affiliate of CIM Urban REIT received approximately 22.0 million newly-issued common shares of beneficial interest and approximately 65.0 million newly-issued preferred shares of beneficial interest. Each preferred share will be automatically converted into seven common shares. When fully converted, the newly issued shares represent in the aggregate approximately 97.8% of PMC's outstanding common shares. The newly-issued shares are subject to a lock-up agreement executed at the closing of the merger.

"Today marks the first time that individual investors will have access to CIM's institutional real estate and infrastructure investment platform," said Richard S. Ressler, Chairman of the Board of PMC and Co-Founder and Principal of CIM Group, the manager of PMC. "PMC is now a well-capitalized owner of top-tier real estate assets located in some of the best performing real estate markets in North America. With our strong balance sheet and our deep team of investment professionals focused on growing PMC's commercial property holdings and lending platform, we anticipate that our exciting company will be attractive to investors as we focus our efforts on growing our quarterly dividends and the value of our company."

"This merger achieves the goals that PMC's Board of Trust Managers set in order to maximize value for our shareholders by partnering with a best-in-class real estate and infrastructure investor," said Jan F. Salit, President of PMC. "Over the past few months, we forged a stronger relationship with the experienced team at CIM across its nationwide network of offices, and we believe more firmly than ever that this merger will be beneficial to our shareholders, especially over the long term."

In conjunction with the merger, a closing cash dividend of \$5.50 per common share was declared and will be payable to shareholders of record as of March 10, 2014. In addition, the pro-rata portion of PMC's regular quarterly cash dividend accrued through today's date, \$0.095 per share, will also be paid together with the closing cash dividend on March 25, 2014.

For questions or additional information, please visit the Investors section of www.pmctrust.com, which contains its SEC filings, or contact directly by email at investors@pmctrust.com.



ABOUT PMC COMMERCIAL TRUST

PMC Commercial Trust is a diversified real estate investment trust (REIT), which derives value through its stabilized real estate holdings and real estate lending platform. The company's stabilized real estate and real estate-related assets are located in high density, high barrier-to-entry urban markets in the U.S. such as New York City, the Washington, D.C. metro area, Los Angeles, and the San Francisco Bay Area. The manager of PMC, CIM Group, is comprised of a seasoned team of real estate and investment professionals with extensive expertise including in-house research, acquisition, investment, development, finance, leasing, and asset management capabilities. In addition, PMC operates a real estate lending platform, which includes originating and servicing loans under the U.S. Small Business Administration 7(a) Guaranteed Loan Program as well as conventional loans.

FORWARD-LOOKING STATEMENTS

The information set forth herein contains "forward-looking statements." You can identify these statements by the fact that they do not relate strictly to historical or current facts or discuss the business and affairs of PMC on a prospective basis. Further, statements that include words such as "may," "will," "project," "might," "expect," "believe," "anticipate," "intend," "could," "would," "estimate," "continue" "pursue," or "should" or the negative or other words or expressions of similar meaning, may identify forward-looking statements

PMC bases these forward-looking statements on particular assumptions that it 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. The forward-looking statements are necessarily estimates reflecting the judgment of PMC 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 forward-looking statements are subject to risks, uncertainties and other factors, including those set forth in the definitive proxy statement / prospectus of PMC dated December 30, 2013 under the heading "Risk Factors", the supplement to proxy statement/ prospectus of PMC dated January 31, 2014 under the heading "Update to Risk Factors" and other risks detailed in PMC's filings with the SEC, including but not limited to PMC's Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

As you read and consider the information herein, you are cautioned to not place undue reliance on these forward-looking statements. These statements are not guarantees of performance or results and speak only as of the date hereof. These forward-looking statements involve risks, uncertainties and assumptions. In light of these risks and uncertainties, there can be no assurance that the results and events contemplated by the forward-looking statements contained herein will in fact transpire. New factors emerge from time to time, and it is not possible for PMC to predict all of them. Nor can PMC assess the impact of each such factor or the extent to which any factor, or combination of factors may cause results to differ materially from those contained in any forward-looking statement. PMC undertakes no obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

PMC

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