UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One):

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

For the quarterly period ended March 31, 2026

OR

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

For the transition period from to

Commission File Number 1-13610

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION

(Exact name of registrant as specified in its charter)

Maryland	**75-6446078**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
4700 Wilshire Boulevard Los Angeles, California	**90010**
(Address of Principal Executive Offices)	(Zip Code)

(866) 242-1266

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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

Common Stock, $0.001 Par Value	CMCT	The Nasdaq Stock Market LLC
(Title of each class)	(Trading symbol)	(Name of each exchange on which registered)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

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

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

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

As of May 1, 2026, the Registrant had outstanding 2,639,158 shares of common stock, par value $0.001 per share.

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION AND SUBSIDIARIES

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PART I
Financial Information

Item 1.
Financial Statements

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
(In thousands, except share and per share amounts) (Unaudited)

	March 31, 2026	December 31, 2025
ASSETS		
Investments in real estate, net	$ 695,479	$ 698,087
Investments in unconsolidated entities	29,713	31,095
Cash and cash equivalents	15,789	15,439
Restricted cash	21,987	22,246
Accounts receivable, net	4,347	2,598
Deferred rent receivable and charges, net	17,134	18,692
Other intangible assets, net	409	439
Other assets	7,463	4,732
Assets held for sale, net (Note 5)	—	65,859
TOTAL ASSETS	$ 792,321	$ 859,187
LIABILITIES, REDEEMABLE PREFERRED STOCK, AND EQUITY		
LIABILITIES:		
Debt, net	500,078	509,768
Accounts payable and accrued expenses	21,228	26,979
Due to related parties	2,379	22,819
Other liabilities	11,801	11,406
Liabilities associated with assets held for sale, net (Note 5)	—	21,966
Total liabilities	535,486	592,938
COMMITMENTS AND CONTINGENCIES (Note 15)		
EQUITY:		
Series A cumulative redeemable preferred stock, $0.001 par value; 28,890,857 and 30,848,680 shares authorized as of March 31, 2026 and December 31, 2025, respectively; 8,820,338 and 1,711,195 shares issued and outstanding, respectively, as of March 31, 2026 and 8,820,338 and 3,669,018 shares issued and outstanding, respectively, as of December 31, 2025; liquidation preference of $25.00 per share, subject to adjustment	42,812	91,906
Series A1 cumulative redeemable preferred stock, $0.001 par value; 16,774,534 and 24,508,664 shares authorized as of March 31, 2026 and December 31, 2025, respectively; 12,240,878 and 1,015,412 shares issued and outstanding, respectively, as of March 31, 2026 and 12,240,878 and 8,749,542 shares issued and outstanding, respectively, as of December 31, 2025; liquidation preference of $25.00 per share, subject to adjustment	25,885	217,451
Series D cumulative redeemable preferred stock, $0.001 par value; 26,965,708 and 26,987,468 shares authorized as of March 31, 2026 and December 31, 2025, respectively; 56,857 and 22,565 shares issued and outstanding, respectively, as of March 31, 2026 and 56,857 and 44,325 shares issued and outstanding, respectively, as of December 31, 2025; liquidation preference of $25.00 per share, subject to adjustment	553	1,089
Common stock, $0.001 par value; 900,000,000 shares authorized; 2,639,158 shares issued and outstanding as of March 31, 2026 and 26,997 shares issued and outstanding as of December 31, 2025	26	3
Additional paid-in capital	1,285,605	1,019,044
Distributions in excess of earnings	(1,098,826)	(1,064,132)
Total stockholders’ equity	256,055	265,361
Noncontrolling interests	780	888
Total equity	256,835	266,249
TOTAL LIABILITIES, REDEEMABLE PREFERRED STOCK, AND EQUITY	$ 792,321	$ 859,187

The accompanying notes are an integral part of these consolidated financial statements.

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION AND SUBSIDIARIES
Consolidated Statements of Operations
(In thousands, except per share amounts) (Unaudited)

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
REVENUES:		
Rental and other property income	$ 16,298	$ 17,220
Hotel income	11,877	12,134
Interest and other income	1,242	2,941
Total Revenues	29,417	32,295
EXPENSES:		
Rental and other property operating	17,147	17,125
Asset management and other fees to related parties	584	360
Expense reimbursements to related parties—corporate	875	626
Expense reimbursements to related parties—lending segment	—	659
Interest	9,124	9,758
General and administrative	2,032	2,181
Transaction-related costs	7	26
Depreciation and amortization	7,721	6,560
Loss on early extinguishment of debt (Note 7)	705	—
Total Expenses	38,195	37,295
Loss from unconsolidated entities	(1,376)	(1,151)
Gain on sale of First Western (Note 5)	1,737	—
LOSS BEFORE PROVISION FOR INCOME TAXES	(8,417)	(6,151)
Provision for income taxes	—	121
NET LOSS	(8,417)	(6,272)
Net loss attributable to noncontrolling interests	108	158
NET LOSS ATTRIBUTABLE TO THE COMPANY	(8,309)	(6,114)
Redeemable preferred stock dividends declared or accumulated (Note 11)	(4,180)	(5,484)
Redeemable preferred stock redemptions (Note 11)	(22,206)	(300)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (34,695)	$ (11,898)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS PER SHARE:		
Basic	$ (70.52)	$ (1,983.00)
Diluted	$ (70.52)	$ (1,983.00)
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING:		
Basic	492	6
Diluted	492	6

The accompanying notes are an integral part of these consolidated financial statements.

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION AND SUBSIDIARIES
Consolidated Statements of Equity
(In thousands, except share and per share amounts) (Unaudited)

	Three Months Ended March 31, 2026								
	Common Stock		Preferred Stock						
	Shares	Par Value	Shares	Par Value	Additional Paid - in Capital	Distributions in Excess of Earnings	Total Stockholders' Equity	Non-controlling Interests	Total Equity
Balances as of December 31, 2025	26,997	$ 3	12,462,885	$ 310,446	$ 1,019,044	$ (1,064,132)	$ 265,361	$ 888	$ 266,249
Stock based compensation expense	—	—	—	—	55	—	55	—	55
Par value adjustment	—	(237)	—	—	237	—	—	—	—
Redemption of Series A1 Preferred Stock paid in Common Stock	2,084,881	203	(7,734,130)	(191,566)	212,504	(18,542)	2,599	—	2,599
Dividends to holders of A1 Preferred Stock ($0.39938 per share)	—	—	—	—	—	(3,010)	(3,010)	—	(3,010)
Redemption of Series D Preferred Stock paid in Common Stock	5,941	1	(21,760)	(536)	560	(19)	6	—	6
Dividends to holders of Series D Preferred Stock ($0.35313 per share)	—	—	—	—	—	(14)	(14)	—	(14)
Redemption of Series A Preferred Stock paid in Common Stock	521,339	56	(1,957,823)	(49,094)	53,205	(3,645)	522	—	522
Dividends to holders of Series A Preferred Stock ($0.34375 per share)	—	—	—	—	—	(1,155)	(1,155)	—	(1,155)
Net loss	—	—	—	—	—	(8,309)	(8,309)	(108)	(8,417)
Balances as of March 31, 2026	2,639,158	$ 26	2,749,172	$ 69,250	$ 1,285,605	$ (1,098,826)	$ 256,055	$ 780	$ 256,835

	Three Months Ended March 31, 2025								
	Common Stock		Preferred Stock						
	Shares	Par Value	Shares	Par Value	Additional Paid - in Capital	Distributions in Excess of Earnings	Total Stockholders' Equity	Non-controlling Interests	Total Equity
Balances as of December 31, 2024	4,662	$ 119	12,546,499	$ 311,903	$ 994,973	$ (1,002,479)	$ 304,516	$ 1,748	$ 306,264
Stock based compensation expense	—	—	—	—	55	—	55	—	55
Par value adjustment	—	(107)	—	—	107	—	—	—	—
Redemption of Series A1 Preferred Stock paid in Common Stock	963	5	(194,216)	(4,813)	4,982	(131)	43	—	43
Dividends to holders of Series A1 Preferred Stock ($0.4425 per share)	—	—	—	—	—	(4,068)	(4,068)	—	(4,068)
Dividends to holders of Series D Preferred Stock ($0.35313 per share)	—	—	—	—	—	(17)	(17)	—	(17)
Redemption of Series A Preferred Stock paid in Common Stock	1,921	3	(104,471)	(2,606)	2,796	(170)	23	—	23
Dividends to holders of Series A Preferred Stock ($0.34375 per share)	—	—	—	—	—	(1,393)	(1,393)	—	(1,393)
Net loss	—	—	—	—	—	(6,114)	(6,114)	(158)	(6,272)
Balances as of March 31, 2025	7,546	$ 20	12,247,812	$ 304,484	$ 1,002,913	$ (1,014,372)	$ 293,045	$ 1,590	$ 294,635

The accompanying notes are an integral part of these consolidated financial statements.

CREATIVE MEDIA & COMMUNITY TRUST CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(In thousands) (Unaudited)

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (8,417)	$ (6,272)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization, net	7,716	6,634
Straight-line rental income	386	631
(Gain) loss on interest rate caps	(17)	78
Loss on early extinguishment of debt	705	—
Gain on sale of First Western	(1,737)	—
Amortization of deferred debt origination costs	614	735
Amortization of premiums and discounts on debt	28	26
Unrealized premium adjustment	—	165
Amortization of deferred costs and accretion of fees on loans receivable, net	—	(160)
Write-offs of uncollectible receivables	88	168
Deferred income taxes	—	(24)
Stock-based compensation	55	55
Loss from unconsolidated entities	1,376	1,151
Loans funded, held for sale to secondary market	—	(3,117)
Proceeds from sale of guaranteed loans	—	4,588
Principal collected on loans subject to secured borrowings	—	12
Commitment fees remitted and other operating activity	—	(104)
Changes in operating assets and liabilities:		
Accounts receivable	(837)	372
Other assets	(2,771)	(4,184)
Accounts payable and accrued expenses	(2,145)	(1,636)
Deferred leasing costs	(257)	(949)
Other liabilities	(338)	(1,091)
Due to related parties	(20,440)	4,130
Net cash (used in) provided by operating activities	(25,991)	1,208
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(3,993)	(6,316)
Receipt of deferred key money	787	—
Investment in unconsolidated entity	—	(815)
Return of investment from unconsolidated entity	14	—
Proceeds from sale of assets held for sale, net	44,630	—
Loans funded	—	(1,200)
Principal collected on loans	—	3,174
Net cash provided by (used in) investing activities	41,438	(5,157)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of revolving credit facilities, mortgages payable, term notes and principal on SBA 7(a) loan-backed notes	(10,599)	(2,594)
Proceeds from revolving credit facilities, term notes and mortgages	333	9,013
Payment of principal on secured borrowings	—	(12)
Payment of deferred costs	(66)	(228)
Net proceeds from issuance of Preferred Stock	(14)	(8)
Payment of preferred stock dividends	(5,010)	(5,965)
Net cash (used in) provided by financing activities	(15,356)	206
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	91	(3,743)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of period	37,685	52,868
End of period	$ 37,776	$ 49,125
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH TO THE CONSOLIDATED BALANCE SHEETS:		
Cash and cash equivalents	$ 15,789	$ 19,772
Restricted cash	21,987	29,353
Total cash and cash equivalents and restricted cash	$ 37,776	$ 49,125
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	$ 7,852	$ 7,686
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Accrued capital expenditures, tenant improvements and real estate developments	$ 5,113	$ 4,543
Other amounts due from Unconsolidated Joint Venture partners included in other assets	$ 396	$ 396
Escrow receivable in connection with sale of First Western	$ 1,000	$ —
Accrued deferred debt origination costs	$ —	$ 100
Accrual of dividends payable to preferred stockholders	$ 1,002	$ 5,423
Accrued Redeemable Preferred Stock fees	$ 241	$ 183

The accompanying notes are an integral part of these consolidated financial statements.

1. ORGANIZATION AND OPERATIONS

Creative Media & Community Trust Corporation (the "Company") is a Maryland corporation and real estate investment trust ("REIT"). The Company primarily acquires, develops, owns and operates both premier multifamily properties situated in vibrant communities throughout the United States and Class A and creative office real assets in markets with similar business and employment characteristics to its multifamily investments. The Company also owns one hotel in northern California. The Company seeks to apply the expertise of CIM Group Management, LLC ("CIM Group" or "CIM") and its affiliates to the acquisition, development and operation of premier multifamily properties and creative office assets that cater to rapidly growing industries such as technology, media and entertainment in vibrant and emerging communities throughout the United States.

The Company's common stock, $0.001 par value per share ("Common Stock"), is currently traded on the Nasdaq Capital Market ("Nasdaq") under the ticker symbol "CMCT." Nasdaq is a continuous trading market that operates in substantially the same manner as the Nasdaq Global Market. All companies whose securities are listed on Nasdaq must meet certain financial requirements and adhere to Nasdaq's corporate governance standards. On August 15, 2025, the Company voluntarily delisted its Common Stock from the Tel Aviv Stock Exchange, where it had previously been listed under the ticker symbol "CMCT." See Part II Item 5 of this Quarterly Report on Form 10-Q.

On March 26, 2026, the Company effected a 1-for-10 reverse stock split on its Common Stock, and on April 20, 2026, the Company effected a 1-for-10 reverse stock split on its Common Stock (collectively, the "Reverse Stock Splits"). Unless otherwise specified, all Common Stock and per share of Common Stock amounts set forth in this Quarterly Report on Form 10-Q have been adjusted to give retroactive effect to the Reverse Stock Splits.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For more information regarding the Company's significant accounting policies and estimates, please refer to "Basis of Presentation and Summary of Significant Accounting Policies" contained in Note 2 to the Company's consolidated financial statements for the year ended December 31, 2025, included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 10, 2026.

Interim Financial Information—The accompanying interim consolidated financial statements of the Company have been prepared by the Company's management in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Certain information and note disclosures required for annual financial statements have been condensed or excluded pursuant to SEC rules and regulations. Accordingly, the interim consolidated financial statements do not include all of the information and notes required by GAAP for complete financial statements. The accompanying financial information reflects all adjustments which are, in the opinion of the Company's management, of a normal recurring nature and necessary for a fair presentation of the Company's financial position, results of operations and cash flows for the interim periods. Operating results for the three months ended March 31, 2026 are not necessarily indicative of the results that may be expected for the year ending December 31, 2026. The accompanying interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

Principles of Consolidation—The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. In determining whether the Company has controlling interests in an entity and the requirement to consolidate the accounts in that entity, the Company analyzes its investments in real estate in accordance with standards set forth in GAAP to determine whether they are variable interest entities ("VIEs"), and if so, whether the Company is the primary beneficiary. The Company's judgment with respect to its level of influence or control over an entity and whether the Company is the primary beneficiary of a VIE involves consideration of various factors, including the form of the Company's ownership interest, the Company's voting interest, the size of the Company's investment (including loans), and the Company's ability to participate in major policy-making decisions. The Company's ability to correctly assess its influence or control over an entity affects the presentation of these investments in real estate on the Company's consolidated financial statements. In addition, as of March 31, 2026, the Company has determined that its Unconsolidated Joint Ventures (as defined below) are considered VIEs. Applying the consolidation requirements for VIEs, the Company determined that it is not the primary beneficiary based on its lack of power to direct activities and its obligations to absorb losses and right to receive benefits. Therefore, the Unconsolidated Joint Ventures do not qualify for consolidation. The Company accounts for its investments in Unconsolidated Joint Ventures as equity method investments.

Reclassifications—Certain amounts in the Company's prior period consolidated financial statements have been reclassified to conform to the current period presentation. The Company has broken out $631,000 of straight-line rental income from the change in other assets in the consolidated statement of cash flows for the three months ended March 31, 2025. This reclassification had no effect on the previously reported total cash flows from operating activities.

Investments in Real Estate—Investments in real estate are stated at depreciated cost. Depreciation and amortization are recorded on a straight-line basis over the estimated useful lives as follows:

Buildings and improvements	15 - 40 years
Furniture, fixtures, and equipment	3 - 5 years
Tenant improvements	Lesser of useful life or lease term

The purchase consideration of the real estate acquired, which includes the transaction costs incurred in connection with such acquisitions, is recorded at fair value to the acquired tangible assets, consisting primarily of land, land improvements, building and improvements, tenant improvements, furniture, fixtures, and equipment, and identified intangible assets and liabilities, consisting of the value of acquired above-market and below-market leases, in-place leases and ground leases, if any, based in each case on their respective relative fair values. Loan premiums, in the case of above-market rate loans, or loan discounts, in the case of below-market rate loans, are recorded based on the fair value of any loans assumed in connection with acquiring the real estate.

Capitalized Project Costs

The Company capitalizes project costs, including pre-construction costs, interest expense, property taxes, insurance, and other costs directly related and essential to the development, redevelopment, or construction of a project, while activities are ongoing to prepare an asset for its intended use. Such costs incurred after a project is substantially complete and ready for its intended use are expensed as incurred. Improvements and replacements are capitalized when they extend the useful life, increase capacity, or improve the efficiency of the asset. Ordinary repairs and maintenance are expensed as incurred.

Recoverability of Investments in Real Estate—The Company continually monitors events and changes in circumstances that could indicate that the carrying amounts of its real estate assets may not be recoverable. Investments in real estate are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If, and when, such events or changes in circumstances are present, the recoverability of assets to be held and used requires significant judgment and estimates and is measured by a comparison of the carrying amount to the future undiscounted cash flows expected to be generated by the assets and their eventual disposition. If the undiscounted cash flows are less than the carrying amount of the assets, an impairment is recognized to the extent the carrying amount of the assets exceeds the estimated fair value of the assets. The process for evaluating real estate impairment requires management to make significant assumptions related to certain inputs, including rental rates, lease-up period, occupancy, estimated holding periods, capital expenditures, growth rates, market discount rates and terminal capitalization rates. These inputs require a subjective evaluation based on the specific property and market. Changes in the assumptions could have a significant impact on either the fair value, the amount of impairment charge, if any, or both. Any asset held for sale is reported at the lower of the asset's carrying amount or fair value, less costs to sell. When an asset is identified by the Company as held for sale, the Company will cease recording depreciation and amortization of the asset. No impairment of long-lived assets was recognized during the three months ended March 31, 2026 and 2025 (Note 3).

Investments in Unconsolidated Entities—The Company accounts for its investments in the unconsolidated joint ventures (the "Unconsolidated Joint Ventures") under the equity method, as the Company has the ability to exercise significant influence over the investments. The Unconsolidated Joint Ventures record their assets and liabilities at fair value. As such, the Company records its share of the Unconsolidated Joint Ventures' unrealized gains or losses as well as its share of the revenues and expenses on a quarterly basis as an adjustment to the carrying value of the investment on the Company's consolidated balance sheet and such share is recognized within the Company's income from unconsolidated entities on the consolidated statements of operations.

Derivative Financial Instruments—As part of risk management and operational strategies, from time to time, we may enter into derivative contracts with various counterparties. All derivatives are recognized on the balance sheet at their estimated fair value. On the date that we enter into a derivative contract, we designate the derivative as a fair value hedge, a cash flow hedge, a foreign currency fair value or cash flow hedge, a hedge of a net investment in a foreign operation, or a trading or non-hedging instrument.

Accounting for changes in the fair value of a derivative instrument depends on the intended use and designation of the derivative instrument. The Company has interest rate caps that are used to manage exposure to interest rate movements, but do not meet the requirements to be designated as hedging instruments. The change in fair value of the derivative instruments that are not designated as hedges is recorded directly to earnings as interest expense on the accompanying consolidated statements of operations. See Note 8 for further disclosures about our derivative financial instruments and hedging activities.

Revenue Recognition—At the inception of a revenue-producing contract, the Company determines if a contract qualifies as a lease and if not, then as a customer contract. Based on this determination, the appropriate treatment in accordance with GAAP is applied to the contract, including its revenue recognition.

Revenue from leasing activities

The Company operates as a lessor of both office and multifamily real estate assets. When the Company enters into a contract or amends an existing contract, the Company evaluates if the contracts meet the definition of a lease using the following criteria:

- One party (lessor) must hold an identified asset;
- The counterparty (lessee) must have the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of the contract; and
- The counterparty (lessee) must have the right to direct the use of the identified asset throughout the period of the contract.

The Company determined that the Company's contracts with its tenants explicitly identify the premises and that any substitution rights to relocate tenants to other premises within the same building stated in the contract are not substantive. Additionally, so long as payments are made timely under such contracts, the Company's tenants have the right to obtain substantially all the economic benefits from the use of the identified asset and can direct how and for what purpose the premises are used to conduct their operations. Therefore, the contracts with the Company's tenants constitute leases.

All leases are classified as operating leases and minimum rents are recognized on a straight-line basis over the terms of the leases when collectability is probable and the tenant has taken possession or controls the physical use of the leased asset. The excess of rents recognized over amounts contractually due pursuant to the underlying leases is recorded as deferred rent. If the lease provides for tenant improvements, the Company determines whether the tenant improvements, for accounting purposes, are owned by the tenant or the Company. When the Company is the owner of the tenant improvements, the tenant is not considered to have taken physical possession or have control of the physical use of the leased asset until the tenant improvements are substantially completed. When the tenant is considered the owner of the improvements, any tenant improvement allowance that is funded is treated as an incentive. Lease incentives paid to tenants are included in other assets and amortized as a reduction to rental revenue on a straight-line basis over the term of the related lease. As of March 31, 2026 and December 31, 2025, lease incentives of $1.4 million and $1.3 million, respectively, are presented net of accumulated amortization of $1.1 million and $1.1 million, respectively.

Reimbursements from tenants, consisting of amounts due from tenants for common area maintenance, real estate taxes, insurance, and other recoverable costs, are recognized as revenue and are included in rental and other property income in the period the expenses are incurred, with the corresponding expenses included in rental and other property operating expense. Tenant reimbursements are recognized and presented on a gross basis when the Company is primarily responsible for fulfilling the promise to provide the specified good or service and control that specified good or service before it is transferred to the tenant. The Company has elected not to separate lease and non-lease components as the pattern of revenue recognition does not differ for the two components, and the non-lease component is not the primary component in the Company's leases.

In addition to minimum rents, certain leases, including the Company's parking leases with third-party operators, provide for additional rents based upon varying percentages of tenants' sales in excess of annual minimums. Percentage rent is recognized once lessees' specified sales targets have been met.

For the three months ended March 31, 2026 and 2025, the Company recognized rental income as follows (in thousands):

	Three Months Ended March 31,	
	2026	2025
Rental and other property income		
Fixed lease payments [1]	$ 14,020	$ 14,369
Variable lease payments [2]	2,278	2,851
Rental and other property income	$ 16,298	$ 17,220

(1) Fixed lease payments include contractual rents under lease agreements with tenants recognized on a straight-line basis over the lease term, including amortization of acquired above-market leases, below-market leases and lease incentives.

(2) Variable lease payments include expense reimbursements billed to tenants and percentage rent, net of bad debt expense from the Company's operating leases plus cash payments from tenants deemed not probable of collections.

Collectability of Future Lease Payments

The Company continually reviews whether collection of future lease payments, including any straight-line rent, and current and future operating expense reimbursements from tenants is probable. The determination of whether collectability is probable takes into consideration the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area in which the property is located. Upon the determination that the collectability of future lease payments is not probable, the Company will record a reduction to rental and other property income and a decrease in the outstanding receivable. Revenue from leases where collection is deemed to be not probable is recorded on a cash basis until collectability becomes probable. Management's estimate of the collectability of future lease payments is based on the best information available at the time of estimate. The Company does not use a general reserve approach. As of March 31, 2026 and December 31, 2025, the Company had identified certain tenants where collection was no longer considered probable and decreased outstanding receivables by $229,000 and $371,000, respectively.

Revenue from lending activities

Interest income included in interest and other income is comprised of interest earned on loans and the Company's short-term investments and the accretion of loan discounts. Interest income is accrued as earned.

Revenue from hotel activities

The Company recognizes revenue from hotel activities separate from its leasing activities. At contract inception, the Company assesses the goods and services promised in its contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good or service (or bundle of goods or services) that is distinct. To identify the performance obligations, the Company considers all of the goods or services promised in the contract regardless of whether they are explicitly stated or implied by customary business practices. Various performance obligations of hotel revenues can be categorized as follows:

- cancellable and noncancelable room revenues from reservations and
- ancillary services including facility usage and food or beverage.

Cancellable reservations represent a single performance obligation of providing lodging services at the hotel. The Company satisfies its performance obligation and recognizes revenues associated with these reservations over time as services are rendered to the customer. The Company satisfies its performance obligation and recognizes revenues associated with noncancelable reservations at the earlier of (i) the date on which the customer cancels the reservation or (ii) over time as services are rendered to the customer.

Ancillary services include facilities usage and providing food and beverage. The Company satisfies its performance obligation and recognizes revenues associated with these services at a point in time when the good or service is delivered to the customer.

At inception of a contract with a customer for hotel goods and services, the contractual price is equivalent to the transaction price as there are no elements of variable consideration to estimate.

The Company presents hotel revenues net of sales, occupancy, and other taxes.

Below is a reconciliation of the hotel revenue from contracts with customers to the total hotel segment revenue disclosed in Note 17 (in thousands):

	Three Months Ended March 31,	
	2026	2025
Hotel properties		
Hotel income	$ 11,877	$ 12,134
Rental and other property income	487	520
Interest and other income	12	27
Hotel revenues	$ 12,376	$ 12,681

Deferred Rent Receivable and Charges—Deferred rent receivable and charges consist of deferred rent, deferred leasing costs, deferred offering costs (Note 11), deferred financing costs and other deferred costs.

Deferred leasing costs, which represent lease commissions and other direct costs associated with the acquisition of tenants, are capitalized and amortized on a straight-line basis over the terms of the related leases.

Deferred financing costs related to the securing of a revolving line of credit are presented as an asset and amortized ratably over the term of the line of credit arrangement. As such, the Company's prior period total deferred costs, net in the accompanying consolidated balance sheets relate only to the revolving loan portion of the credit facilities.

As of March 31, 2026 and December 31, 2025, deferred rent receivable and charges, net consist of the following (in thousands):

	March 31, 2026	December 31, 2025
Deferred rent receivable	$ 10,464	$ 10,850
Deferred leasing costs, net of accumulated amortization of $5,435 and $5,749, respectively	6,670	7,137
Deferred financing costs, net of accumulated amortization of $112	—	705
Deferred rent receivable and charges, net	$ 17,134	$ 18,692

Redeemable Preferred Stock—Beginning on the date of original issuance of any given shares of Series A1 Preferred Stock, par value $0.001 per share ("Series A1 Preferred Stock"), with an initial stated value of $25.00 per share, subject to adjustment (the "Series A1 Preferred Stock Stated Value"), Series A Preferred Stock, par value $0.001 per share ("Series A Preferred Stock") with an initial stated value of $25.00 per share, subject to adjustment (the "Series A Preferred Stock Stated Value"), or Series D Preferred Stock, par value $0.001 per share ("Series D Preferred Stock"), with an initial stated value of $25.00 per share, subject to adjustment (the "Series D Preferred Stock Stated Value"), the holder of such shares has the right to require the Company to redeem such shares, subject to certain limitations as discussed in Note 11. The Company records the activity related to the Series A1 Preferred Stock (for issuances prior to June 2024), Series A Preferred Stock, Series A Preferred Warrants and Series D Preferred Stock in permanent equity. With respect to shares of Series A1 Preferred Stock issued from June 2024 through September 2024, in the event a holder of Series A1 Preferred Stock requests redemption of such shares and such redemption takes place prior to the first anniversary of the date of original issuance, the Company is required to pay such redemption in cash. As a result, beginning from June 2024 through September 2024, the Company recorded issuances of Series A1 Preferred Stock in temporary equity. With respect to shares of Series A1 Preferred Stock issued from June 2024 through September 2024, on the first anniversary of the date of original issuance of a particular share of Series A1 Preferred Stock the Company reclassified such share of Series A1 Preferred Stock from temporary equity to permanent equity as the feature giving rise to temporary equity classification, the requirement to satisfy redemption requests in cash, lapses on the first anniversary date.

Noncontrolling Interests—Noncontrolling interests represent the interests in various properties owned by third parties.

Restricted Cash—The Company's mortgage loan and hotel management agreements provide for depositing cash into restricted accounts reserved for capital expenditures, free rent, tenant improvement, leasing commission obligations and real estate taxes.

Key Money—Key money received in connection with the hotel management agreement which the Company has entered into with the franchisor of its hotel property in Sacramento, California (the "Sheraton Management Agreement") following the completion of specific capital projects is deferred and amortized over the 30-year term of the Sheraton Management Agreement. Deferred key money is classified as deferred income and recorded in other liabilities in the Company's accompanying consolidated balance sheet and amortized as an offset to management fees paid to the franchisor under the Sheraton Management Agreement. As of March 31, 2026, deferred key money of $5.5 million was presented net of accumulated amortization of $101,000. As of December 31, 2025, deferred key money of $4.7 million was presented net of accumulated amortization of $48,000.

Use of Estimates—The preparation of consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company bases such estimates on historical experience, information available at the time, and assumptions the Company believes to be reasonable under the circumstances at such time. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements—In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40) ("ASU 2024-03"). ASU 2024-03 requires that public business entities disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. ASU 2024-03 is effective on either a prospective basis, with the option for retrospective application, for annual periods beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027, and early adoption is permitted. The Company is currently evaluating whether the adoption of ASU 2024-03 will have a material impact on its consolidated financial statements and disclosures.

3. INVESTMENTS IN REAL ESTATE

Investments in real estate consist of the following (in thousands):

	March 31, 2026	December 31, 2025
Land	$ 172,614	$ 172,614
Land improvements	5,595	5,595
Buildings and improvements	662,081	652,102
Furniture, fixtures, and equipment	19,905	19,702
Tenant improvements	24,141	24,832
Work in progress	12,342	18,631
Investments in real estate	896,678	893,476
Accumulated depreciation	(201,199)	(195,389)
Net investments in real estate	$ 695,479	$ 698,087

For the three months ended March 31, 2026 and 2025, the Company recorded depreciation expense of $7.0 million and $5.9 million, respectively.

2026 and 2025 Transactions —There were no acquisitions or dispositions of investments in real estate during the three months ended March 31, 2026 and 2025.

4. INVESTMENT IN UNCONSOLIDATED ENTITIES

The following table details the Company's equity method investments in the Unconsolidated Joint Ventures. See Note 2 - Basis of Presentation and Summary of Significant Accounting Policies (dollars in thousands):

				Ownership Interest	Carrying Value	
Joint Venture	**Asset Type**	**Location**	**Date of Acquisition**	**March 31, 2026**	**March 31, 2026**	**December 31, 2025**
1910 Sunset Boulevard [(1)]	Office / Multifamily	Los Angeles, CA	February 11, 2022	44.2%	$ 12,760	$ 12,941
4750 Wilshire Boulevard [(2)]	Multifamily / Office	Los Angeles, CA	February 17, 2023	20.0%	4,106	5,368
1902 Park Avenue [(3)]	Multifamily	Los Angeles, CA	February 28, 2023	25.5%	5,916	5,866
1015 N Mansfield Avenue [(4)]	Office (Development)	Los Angeles, CA	October 10, 2023	28.8%	6,931	6,920
Total investments in unconsolidated entities					$ 29,713	$ 31,095

(1) 1910 Sunset Boulevard is an office building with 105,064 square feet of office space and 2,760 square feet of retail space. The 1910 Sunset JV (defined below) has completed construction on its 1915 Park Project (defined below) to build 36 multifamily units on the 1915 Park Avenue land parcel adjacent to the office building.

(2) 4750 Wilshire Boulevard is a three-story building with 30,335 square feet of office space located on the first floor. The remainder of the building was substantially converted into 68 for-lease multifamily units in September 2024.

(3) 1902 Park Avenue is a 76-unit four-story multifamily building.

(4) 1015 N Mansfield Avenue is an office building with a 44,141 square foot site area and a parking garage. The site is being evaluated for different development options, including creative office or other commercial space. As of March 31, 2026, this property was in pre-development phase and the formal development plan has not been finalized for the property.

1910 Sunset Boulevard— In February 2022, the Company invested in an Unconsolidated Joint Venture (the "1910 Sunset JV") with a CIM-managed separate account (the "1910 Sunset JV Partner") to purchase an office property located at 1910 Sunset Boulevard in Los Angeles, California (the "1910 Sunset Office Building") along with an adjacent vacant land parcel located at 1915 Park Avenue, for a gross purchase price of approximately $51.0 million, of which the Company initially contributed approximately $22.4 million and the 1910 Sunset JV Partner initially contributed the remaining balance. In September 2022, the 1910 Sunset JV obtained financing through a mortgage loan of $23.9 million secured by the office property (the "1910 Sunset Mortgage Loan"). The Company provided a limited guarantee to the lender under the 1910 Sunset Mortgage Loan.

During the year ended December 31, 2025, the 1910 Sunset JV completed its project to build 36 multifamily units on the 1915 Park Avenue land parcel adjacent to the office building (the "1915 Park Project") and began leasing during the fourth quarter of 2025. The 1910 Sunset JV financed the project through a combination of cash from operations at its office property, additional equity contributions from existing investors, and proceeds from a mortgage loan from a third-party lender (which has a balance of $8.1 million as of March 31, 2026 and total borrowing availability of $9.4 million). As of March 31, 2026, the 1910 Sunset JV had incurred total costs of $12.7 million in connection with the 1915 Park Project.

Beginning on October 1, 2025, in connection with the 1910 Sunset JV's commencement of leasing at the 1915 Park Project, the Company began reporting its share of the income from the operations of the 1915 Park Project in its multifamily segment, while income from the operations of the 1910 Sunset Office Building continue to be reported in its office segment.

4750 Wilshire Boulevard— In February 2023, three co-investors (the "4750 Wilshire JV Partners") acquired an 80% interest in a property owned by a subsidiary of the Company located at 4750 Wilshire Boulevard in Los Angeles, California ("4750 Wilshire") for a gross sales price of $34.4 million (excluding transaction costs). The Company retained a 20% interest in 4750 Wilshire through an Unconsolidated Joint Venture arrangement between the Company and the 4750 Wilshire JV Partners (the "4750 Wilshire JV"). Two of the three floors of 4750 Wilshire were converted from office-use into 68 for-lease multifamily units (the "4750 Wilshire Project"), with the first floor of 4750 Wilshire continuing to function as 30,335 square feet of office space. The 4750 Wilshire Project which was financed by a combination of equity contributions from the 4750 Wilshire JV Partners and a third-party construction loan, secured by 4750 Wilshire, which closed in March 2023 and had a balance of $38.2 million as of March 31, 2026 (with total borrowing availability of $38.5 million) (the "4750 Wilshire Construction Loan"). The Company provided a limited guarantee to the lender under the 4750 Wilshire Construction Loan. As of March 31, 2026, total costs of $28.9 million had been incurred by the 4750 Wilshire JV in connection with the 4750 Wilshire Project.

Pursuant to the co-investment agreement, the 4750 Wilshire JV pays an ongoing management fee to the Company. In addition, the Company may earn incentive fees based on the performance of 4750 Wilshire after the conversion.

1902 Park Avenue— In February 2023, the Company and a CIM-managed interval fund (the "1902 Park JV Partner") purchased a multifamily property in the Echo Park neighborhood of Los Angeles, California for a gross purchase price of $19.1 million (excluding transaction costs) (the "1902 Park JV"), with the Company owning a 50% interest. In connection with the closing of this transaction in February 2023, the 1902 Park JV obtained financing through a mortgage loan of $9.6 million secured by the multifamily property (the "1902 Park Mortgage Loan"). In October 2024, the 1902 Park JV admitted a new third-party co-investor and used part of the net capital contribution of such third party co-investor to satisfy the 1902 Park Mortgage Loan in full. Subsequent to this contribution, the Company's ownership share of the 1902 Park JV was 25.5%. Pursuant to the co-investment agreement, the 1902 Park JV pays an ongoing management fee to the Company.

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

The Company recorded a loss of $1.4 million and $1.2 million related to its investment in the Unconsolidated Joint Ventures during the three months ended March 31, 2026 and 2025, respectively.

5. LOANS RECEIVABLE

Current Expected Credit Losses

Current expected credit losses ("CECL") reflected the Company's estimate of potential credit losses related to loans receivable included in the Company's consolidated balance sheets pursuant to ASU No. 2016-13, Financial Instruments Credit Losses, and subsequent amendments. There was no activity in the Company's CECL for the three months ended March 31, 2026, due to the sale of the Company's lending division in January 2026, as further discussed below.

The following table presents the activity in the Company's CECL for the three months ended March 31, 2025 (dollar amounts in thousands):

	Loans Receivable
Allowance for credit losses as of December 31, 2024	$ 2,032
Net adjustment to reserve for expected credit losses	39
Allowance for credit losses as of March 31, 2025	$ 2,071

The net adjustments to the reserve for expected credit losses were recognized through net income on the Company's consolidated statements of operations. During the three months ended March 31, 2025, the Company recorded an increase of $39,000 in its CECL related to its loans receivable, which was recorded in general and administrative expenses in the consolidated statement of operations.

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Assets and Liabilities Held for Sale

As previously announced on November 12, 2025, the Company and First Western SBLC, LLC, a Florida limited liability company (formerly known as First Western SBLC, Inc.) and an indirect wholly owned subsidiary of the Company ("First Western"), entered into a membership interest purchase agreement, dated as of November 6, 2025 (the "Membership Interest Purchase Agreement"), with PG FR Holding, LLC, a Delaware limited liability company (the "Buyer"). The closing (the "Closing") of the transactions contemplated by the Membership Interest Purchase Agreement (the "Transactions") occurred on January 21, 2026, for a gross purchase price of $44.9 million (which is net of the outstanding balance of debt related to the 2023 securitization of certain loan receivables), resulting in proceeds of $31.2 million after the repayment of the Lending Division Revolving Credit Facility, and a net gain of $1.7 million. Subsequent to March 31, 2026, the Company received $1.0 million of escrow proceeds in connection with the Transactions.

As of December 31, 2025, the Company classified the assets and liabilities of First Western as held for sale. The following is the detail of the carrying amounts of assets and liabilities classified as held for sale on the consolidated balance sheets as of December 31, 2025:

		December 31, 2025
Assets:		
Restricted cash	$	4,423
Loans receivable, net (1)		54,213
Accounts receivable, net		633
Other intangible assets (2)		2,957
Other assets		3,633
Total assets held for sale	$	65,859
Liabilities:		
Debt, net (3)	$	17,330
Accounts payable and accrued expenses		2,508
Other liabilities		2,128
Total liabilities associated with assets held for sale	$	21,966

(1) Loans receivable, net as of December 31, 2025 consisted of total Small Business Administration (the "SBA") 7(a) loans receivable of $53.2 million and net deferred capitalized costs of $1.0 million. Upon the reclassification of First Western to held for sale, the CECL balance related to the loans receivable was reversed. The loans receivable were subsequently written down to their estimated fair value (based on the contractual sales price) less costs to sell, resulting in a loss on assets held for sale of $298,000 for the year ended December 31, 2025. Following the loss on assets held for sale, as of December 31, 2025, the aggregate net assets and liabilities of First Western were recorded at fair value, less costs to sell. During the three months ended March 31, 2026, the Company finalized the sale and based on additional operating and investing activity at First Western and certain transaction-related adjustments, recognized a net gain of $1.7 million.

(2) Other intangible assets as of December 31, 2025 represented First Western's trade name and SBA license, with an aggregate carrying value of $3.0 million.

(3) Debt, net as of December 31, 2025 consisted of the following: Secured borrowings – government guaranteed loans of $1.3 million, along with net unamortized premiums of $19,000, and SBA 7(a) loan-backed notes of $16.4 million, net of deferred debt origination costs of 402,000.

There were no assets or liabilities classified as held for sale as of March 31, 2026.

6. OTHER INTANGIBLE ASSETS

A schedule of the Company's intangible assets and related accumulated amortization and accretion as of March 31, 2026 and December 31, 2025, is as follows (in thousands):

	March 31, 2026	December 31, 2025
Intangible assets:		
Acquired in-place leases, net of accumulated amortization of $894 and $1,874, respectively, with an average useful life of 11 and 2 years, respectively.	$ 409	$ 439

Amortization of acquired above-market leases, if any, is recorded as a reduction to rental and other property income, and amortization of acquired in-place leases is included in depreciation and amortization in the accompanying consolidated statements of operations. Amortization of acquired below-market leases, if any, is recorded as an increase to rental and other property income in the accompanying consolidated statements of operations.

During the three months ended March 31, 2026 and 2025, the Company recognized amortization related to its intangible assets as follows (in thousands):

	Three Months Ended March 31,	
	2026	2025
Acquired above-market lease amortization	$ —	$ 1
Acquired in-place lease amortization	$ 30	$ 79

A schedule of future amortization and accretion of acquired intangible assets as of March 31, 2026, is as follows (in thousands):

Years Ending December 31,	Assets Acquired In-Place Leases
2026 (Nine months ending December 31, 2026)	$ 92
2027	123
2028	122
2029	72
2030	—
Thereafter	—
	$ 409

7. DEBT

The following table summarizes the debt balances as of March 31, 2026 and December 31, 2025, and the debt activity for the three months ended March 31, 2026 (in thousands):

		During the Three Months Ended March 31, 2026			
	Balances as of December 31, 2025	Debt Issuances & Assumptions	Repayments	Accretion & (Amortization)	Balances as of March 31, 2026
Mortgages Payable:					
Fixed rate mortgages payable	$ 268,403	$ —	$ —	$ —	$ 268,403
Variable rate mortgages payable	208,556	333	(150)	—	208,739
	476,959	333	(150)	—	477,142
Deferred debt issuance costs — Mortgages Payable	(3,520)	(66)	—	614	(2,972)
Total Mortgages Payable	473,439	267	(150)	614	474,170
Other Debt:					
Lending division credit facility	10,449	—	(10,449)	—	—
Junior subordinated notes	27,070	—	—	—	27,070
Discount on junior subordinated notes	(1,190)	—	—	28	(1,162)
Total Other Debt	36,329	—	(10,449)	28	25,908
Total Debt, Net	$ 509,768	$ 267	$ (10,599)	$ 642	$ 500,078

Fixed Rate Mortgages Payable—The Company's fixed rate mortgages payable are non-recourse and are secured by, among other things, first priority deeds of trust, security agreements or other similar security instruments on the fee simple interests in properties underlying such mortgages and assignments of rents receivable. As of March 31, 2026, the Company's fixed rate mortgages payable had fixed interest rates of 6.25%, 4.14% and 7.41% per annum, with payments of interest only and initial maturity dates of June 7, 2026, July 1, 2026 and January 11, 2030, respectively.

With regard to the mortgage payable with a balance of $66.3 million as of March 31, 2026 maturing on June 7, 2026 (the "1150 Clay Mortgage"), the Company executed the final one-year extension option under the mortgage in June 2025. The Company intends to work with the lender in order to refinance the 1150 Clay Mortgage beyond its stated maturity date of June 7, 2026. Although the Company believes it is likely it will be able to refinance the 1150 Clay Mortgage prior to June 7, 2026, there can be no assurance that such refinancing will occur. If the Company and the lender under the 1150 Clay Mortgage cannot agree on an extension of the mortgage and the Company fails to repay the loan in full upon its contractual maturity date, such failure would constitute an event of default under the mortgage and would allow the lender to, among other remedies, take possession of the property.

With regard to the mortgage payable with a balance of $97.1 million as of March 31, 2026 maturing on July 1, 2026 (the "1 Kaiser Mortgage"), the Company intends to work with the lender in order to refinance the 1 Kaiser Mortgage beyond its stated maturity date of July 1, 2026. Although the Company believes it is likely it will be able to refinance the 1 Kaiser Mortgage prior to July 1, 2026, there can be no assurance that such refinancing will occur. If the Company and the lender under the 1 Kaiser Mortgage cannot agree on an extension of the mortgage and the Company fails to repay the loan in full upon its contractual maturity date, such failure would constitute an event of default under the mortgage and would allow the lender to, among other remedies, take possession of the property.

Variable Rate Mortgages Payable—The Company's variable rate mortgages payable are non-recourse and are secured by, among other things, first priority deeds of trust, security agreements or other similar security instruments on the Company's fee simple and leasehold interests in its hotel asset and adjacent parking garage and by a deed of trust on and assignment of rents receivable from a multifamily property. As of March 31, 2026, the Company's variable rate mortgages payable had a variable interest rate of SOFR plus 4.35%, SOFR plus 3.36%, SOFR plus 3.00% and SOFR plus 2.95%, with a maturity date of January 1, 2027 (with three one-year extension options), January 31, 2027, February 14, 2027 (with one one-year extension option) and April 3, 2028 (with two one-year extension options), respectively. The mortgages with maturity dates of January 1, 2027, January 31, 2027, and February 14, 2027 have monthly payments of interest only, while the mortgage with an initial maturity date of April 3, 2028 (the "Penn Field Mortgage") has monthly payments of interest plus $50,000 of principal. With regard to the Penn Field Mortgage, during the three months ended March 31, 2026, the Company entered into an amendment to, among other things, provide additional borrowing advances in the amount of $2.5 million under the Penn

Field Mortgage and increase the monthly payments to interest plus $60,000 of principal, with the increased monthly payments beginning subsequent to March 31, 2026.

With regard to the mortgage payable with a balance of $81.0 million as of March 31, 2026 secured by a multifamily property in Oakland, California (the "Channel House Mortgage"), on August 4, 2025 the Company reached an agreement with the lender to extend the maturity date through January 31, 2027 (the "Channel House Mortgage Extension"). In connection with the Channel House Mortgage Extension, the Company made a repayment of $6.0 million under the Channel House Mortgage, reducing it from its previous balance of $87.0 million. Although the Company believes it is likely it will be able to refinance the Channel House Mortgage prior to January 31, 2027, there can be no assurance that such refinancing will occur. If the Company and the lender under the Channel House Mortgage cannot agree on an extension of the mortgage and the Company fails to repay the loan in full upon its contractual maturity date, such failure would constitute an event of default under the mortgage and would allow the lender to, among other remedies, take possession of the property.

Lending Division Revolving Credit Facility—In June 2025, a subsidiary of the Company, as borrower, entered into an agreement (the "Lending Division Revolving Credit Facility") with a bank that included a $20.0 million revolving credit facility secured by the unguaranteed portion of certain of such subsidiary's SBA 7(a) loans receivable and other assets of such subsidiary, subject to a borrowing base calculation, and fully guaranteed by the Company. In connection with the closing of the sale of First Western on January 21, 2026, as further discussed in Note 5, the remaining balance of $10.4 million under the Lending Division Revolving Credit Facility was paid in full, resulting in the termination of the Lending Division Revolving Credit Facility. The Company recorded a loss on early extinguishment of debt during the three months ended March 31, 2026 of $705,000 related to the write-off of deferred debt origination costs previously recorded in deferred rent receivable and charges, net in the Company's consolidated balance sheets.

Junior Subordinated Notes—The Company has junior subordinated notes with a variable interest rate which resets quarterly based on the three-month SOFR plus 3.51%, with quarterly interest only payments. The junior subordinated balance is due at maturity on March 30, 2035. The junior subordinated notes may be redeemed at par at the Company's option.

Other—Deferred debt issuance costs, which represent certain legal and third-party fees incurred in connection with the Company's borrowing activities, are capitalized and amortized to interest expense on a straight-line or effective interest method over the life of the related loan. Deferred debt issuance costs are presented net of accumulated amortization and are a reduction to total debt.

As of March 31, 2026 and December 31, 2025, accrued interest and unused commitment fees payable of $2.3 million and $1.8 million, respectively, are included in accounts payable and accrued expenses.

Future principal payments on the Company's debt (face value) as of March 31, 2026 are as follows (in thousands):

Years Ending December 31,	Mortgages Payable (1)	Junior Subordinated Notes	Total
2026 (Nine months ending December 31, 2026)	$ 163,944	$ —	$ 163,944
2027	178,008	—	178,008
2028	30,190	—	30,190
2029	—	—	—
2030	105,000	—	105,000
Thereafter	—	27,070	27,070
	$ 477,142	$ 27,070	$ 504,212

(1) With regard to the $66.3 million 1150 Clay Mortgage, which matures on June 7, 2026, and the $97.1 million 1 Kaiser Mortgage, which matures on July 1, 2026, see the discussion under Fixed Rate Mortgages Payable. With regard to the $81.0 million Channel House Mortgage, which matures on January 31, 2027, see the discussion under Variable Rate Mortgages Payable.

8. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

In the ordinary course of business, the Company may use certain types of derivative instruments for the purpose of managing or hedging its interest rate risk.

The following table summarizes the terms of the Company's interest rate cap agreements as of March 31, 2026 (dollar amounts in thousands):

	Balance Sheet Location	Outstanding Notional Amount as of March 31, 2026	Strike Rates [(1)]	Effective Dates	Maturity Dates	Fair Value of Assets as of March 31, 2026
Interest Rate Caps	Other assets	$ 172,288	4.5% to 5.75%	12/6/2024 - 8/04/2025	1/1/2027 - 1/31/2027	$ 20

(1) The index used for the Company's interest rate cap agreements is 1-Month Term SOFR.

Additional disclosures related to the fair value of the Company's derivative instruments are included in Note 13. The notional amount under the derivative instruments is an indication of the extent of the Company's involvement in the instruments, but does not represent exposure to credit, interest rate or market risks.

Accounting for changes in the fair value of a derivative instrument depends on the intended use and designation of the derivative instrument. The Company has an interest rate cap that is used to manage exposure to interest rate movements but does not meet the requirements to be designated as a hedging instrument. The change in fair value of the derivative instrument that is not designated as a hedge is recorded directly to earnings as interest expense on the accompanying consolidated statements of operations. During the three months ended March 31, 2026, the Company recorded an unrealized gain of $17,000, which was included in interest expense on the accompanying consolidated statements of operations related to its interest rate caps. During the three months ended March 31, 2025, the Company recorded an unrealized loss of $78,000, which was included in interest expense on the accompanying consolidated statements of operations related to its interest rate caps.

9. STOCK-BASED COMPENSATION PLANS

On April 3, 2015, the Company's board of directors (the "Board of Directors") unanimously approved the Company's Equity Incentive Plan (the "Equity Incentive Plan"), which was approved by the Company's stockholders. On June 27, 2023, the Equity Incentive Plan was amended by the Board of Directors, and subsequently approved by the Company's stockholders, to authorize additional shares of Common Stock for issuance as compensation.

The Company has granted awards of restricted shares of Common Stock to each of the independent members of the Board of Directors under the Equity Incentive Plan as follows:

Grant Date [(1)]	Vesting Date	Restricted Shares of Common Stock - Individual	Restricted Shares of Common Stock - Aggregate
August 2024	August 2025	1	4
August 2025	August 2026	86	344

(1) Compensation expense related to these restricted shares of Common Stock is recognized over the vesting period, and generally vests based on one year of continuous service. The Company recorded compensation expense related to these restricted shares of Common Stock in the amount of $55,000 for both the three months ended March 31, 2026 and 2025.

As of March 31, 2026, there was $73,000 of total unrecognized compensation expense related to restricted shares of Common Stock which will be recognized ratably over the remaining vesting period.

10. EARNINGS PER SHARE ("EPS")

The computation of basic EPS is based on the Company's weighted average shares outstanding. No shares of Series D Preferred Stock, Series A Preferred Stock, or Series A1 Preferred Stock outstanding as of March 31, 2026 or 2025 were included in the computation of diluted EPS because they had no dilutive effect. Outstanding Series A Preferred Warrants were not included in the computation of diluted EPS for the three months ended March 31, 2025 because their impact was either anti-dilutive or such warrants were not exercisable during such periods (Note 12). As of March 31, 2025, all of the Series A Preferred Warrants had expired.

EPS for the year-to-date period may differ from the sum of quarterly EPS amounts due to the required method for computing EPS in the respective periods. In addition, EPS is calculated independently for each component and may not be additive due to rounding.

The following table reconciles the numerator and denominator used in computing the Company's basic and diluted per-share amounts for net loss attributable to common stockholders for the three months ended March 31, 2026 and 2025 (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2026	2025
Numerator:		
Net loss attributable to common stockholders	$ (34,695)	$ (11,898)
Redeemable preferred stock dividends declared on dilutive shares	—	—
Diluted net loss attributable to common stockholders	$ (34,695)	$ (11,898)
Denominator:		
Basic weighted average shares of Common Stock outstanding	492	6
Effect of dilutive securities—contingently issuable shares	—	—
Diluted weighted average shares and common stock equivalents outstanding	492	6
Net loss attributable to common stockholders per share:		
Basic	$ (70.52)	$ (1,983.00)
Diluted	$ (70.52)	$ (1,983.00)

11. REDEEMABLE PREFERRED STOCK

The table below provides information regarding the issuances, reclassifications and redemptions of each class of the Company's preferred stock in permanent equity during the three months ended March 31, 2026 and 2025 (dollar amounts in thousands):

	Preferred Stock							
	Series A1		Series A		Series D		Total	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
Balances, December 31, 2024	8,372,689	$ 207,387	4,125,363	$ 103,326	48,447	$ 1,190	12,546,499	$ 311,903
Redemption of Series A1 Preferred Stock paid in Common Stock	(194,216)	(4,813)	—	—	—	—	(194,216)	(4,813)
Redemption of Series A Preferred Stock paid in Common Stock	—	—	(104,471)	(2,606)	—	—	(104,471)	(2,606)
Balances, March 31, 2025	8,178,473	$ 202,574	4,020,892	$ 100,720	48,447	$ 1,190	12,247,812	$ 304,484
Balances, December 31, 2025	8,749,542	$ 217,451	3,669,018	$ 91,906	44,325	$ 1,089	12,462,885	$ 310,446
Redemption of Series A1 Preferred Stock paid in Common Stock	(7,734,130)	(191,566)	—	—	—	—	(7,734,130)	(191,566)
Redemption of Series D Preferred Stock paid in Common Stock	—	—	—	—	(21,760)	(536)	(21,760)	(536)
Redemption of Series A Preferred Stock paid in Common Stock	—	—	(1,957,823)	(49,094)	—	—	(1,957,823)	(49,094)
Balances, March 31, 2026	1,015,412	$ 25,885	1,711,195	$ 42,812	22,565	$ 553	2,749,172	$ 69,250

Series A1 Preferred Stock—From June 2022 through September 2024, the Company conducted a public offering with respect to shares of its Series A1 Preferred Stock, par value $0.001 per share with an initial stated value of $25.00 per share, subject to adjustment. As of September 2024, the Company has suspended its offering of Series A1 Preferred Stock.

Shares of Series A1 Preferred Stock issued from June 2022 through May 2024 were recorded in permanent equity at the time of their issuance. With respect to Series A1 Preferred Stock, for shares issued in June 2024 and thereafter, in the event a holder of Series A1 Preferred Stock requests redemption of such shares and such redemption takes place prior to the first anniversary of the date of original issuance, the Company is required to pay such redemption in cash. As a result, net proceeds from the issuance of shares of Series A1 Preferred Stock from June 2024 and through September 2024 were initially recorded in temporary equity at an amount equal to the gross proceeds allocated to such shares of Series A1 Preferred Stock minus the costs specifically identifiable to the issuance of such shares and the non-issuance specific offering costs allocated to such shares. With respect to shares of Series A1 Preferred Stock issued from June 2024 through September 2024, on the first anniversary of the issuance of a particular share of such Series A1 Preferred Stock, the Company reclassified such share of Series A1 Preferred Stock from temporary equity to permanent equity as the feature giving rise to temporary equity classification, the requirement to satisfy redemption requests in cash, lapsed on the first anniversary date. As of March 31, 2026, the Company had reclassified an aggregate of $20.8 million in net proceeds from temporary equity to permanent equity.

As of March 31, 2026, the Company had issued in registered public offerings 12,040,878 shares of the Series A1 Preferred Stock and received gross proceeds of $298.2 million and additionally had issued 200,000 shares of Series A1 Preferred Stock as payment for services to CIM Service Provider, LLC (the “Administrator”), for which no cash proceeds were received. In connection with the issuance of shares of Series A1 Preferred Stock, $22.0 million of costs specifically identifiable to the offering of Series A1 Preferred Stock was allocated to the Series A1 Preferred Stock. Such costs include commissions, dealer manager fees and other offering fees and expenses.

If the net proceeds from the issuance of shares of Series A1 Preferred Stock are less than the redemption value of such shares at the time they were issued, or if the redemption value of such shares subsequently becomes greater than the carrying value of such shares, an adjustment is recorded to increase the carrying amount of such shares to their redemption value as of the balance sheet date. Such adjustment is considered a deemed dividend for purposes of calculating basic and diluted EPS. The Company recorded no redeemable preferred stock deemed dividends related to such adjustments during both the three months ended March 31, 2026 and March 31, 2025.

As of March 31, 2026, there were 1,015,412 shares of Series A1 Preferred Stock outstanding and 11,225,466 shares of Series A1 Preferred Stock had been redeemed. Of the 11,225,466 shares of Series A1 Preferred Stock that have been redeemed, the redemption of 183,081 shares of Series A1 Preferred Stock were paid in cash (all of which were redeemed at the option of the holders). As of March 31, 2026, the Company had, at its option, redeemed 10,129,244 shares of Series A1 Preferred Stock, all of which were paid in shares of Common Stock, including all accrued and unpaid dividends as of each redemption date and, in addition, as of March 31, 2026, 913,141 shares redeemed at the option of the holders were paid in shares of Common Stock, including all accrued and unpaid dividends as of the redemption date (collectively, the “Series A1 In-Kind Redemptions”). The Series A1 In-Kind Redemptions resulted in the aggregate issuance of 2,096,914 shares of Common Stock (adjusted for the Reverse Stock Splits).

Series A Preferred Stock—The Company conducted a continuous public offering of Series A Preferred Stock, with each issued share of Series A Preferred Stock initially accompanied by one warrant (“Series A Preferred Warrant”) to purchase 0.25 of a share of Common Stock, subject to adjustment, from October 2016 through January 2020. Proceeds and expenses from the sale were allocated to the Series A Preferred Stock and Series A Preferred Warrants using their relative fair values on the date of issuance.

From February 2020 through June 2022, the Company conducted a continuous public offering with respect to shares of the Company’s Series A Preferred Stock, which, since February 2020, was no longer being issued as a unit with an accompanying Series A Preferred Warrant. In June 2022, the Company concluded the offering of Series A Preferred Stock.

As of March 31, 2026, the Company had issued in registered public offerings 8,251,657 shares of Series A Preferred Stock and 4,603,287 Series A Preferred Warrants and received gross proceeds of $205.4 million and $761,000, respectively, and additionally, had issued 568,681 shares of Series A Preferred Stock as payment for services to the Administrator, for which no cash proceeds were received. In connection with the cumulative issuance of Series A Preferred Stock and Series A Preferred Warrants, $17.0 million and $142,000 of costs specifically identifiable to the offering of the Series A Preferred Stock and Series

A Preferred Warrants, respectively, were allocated to the Series A Preferred Stock and Series A Preferred Warrants, respectively. Such costs include commissions, dealer manager fees and other offering fees and expenses.

On the first anniversary of the issuance of a particular share of Series A Preferred Stock, the Company reclassifies such share of Series A Preferred Stock from temporary equity to permanent equity as the feature giving rise to temporary equity classification, the requirement to satisfy redemption requests in cash, lapsed on the first anniversary date. As of March 31, 2026, the Company had reclassified an aggregate of $199.6 million in net proceeds from temporary equity to permanent equity.

As of March 31, 2026, there were 1,711,195 shares of Series A Preferred Stock outstanding and 7,109,143 shares of Series A Preferred Stock had been redeemed. Of the 7,109,143 shares of Series A Preferred Stock that have been redeemed, the redemption of 2,330,186 shares of Series A Preferred Stock were paid in cash, 2,313,106 of which were redeemed at the option of the holders and 17,080 of which were redeemed at the option of the Company. As of March 31, 2026, the Company, at its option, redeemed 4,019,649 shares of Series A Preferred Stock, all of which were paid in shares of Common Stock, including all accrued and unpaid dividends as of each redemption date and, in addition, as of March 31, 2026, 759,308 shares redeemed at the option of the holders were paid in shares of Common Stock, including all accrued and unpaid dividends as of the redemption date (collectively, the “Series A In-Kind Redemptions”). The Series A In-Kind Redemptions resulted in the aggregate issuance of 534,863 shares of Common Stock (adjusted for the Reverse Stock Splits).

Series D Preferred Stock—From February 2020 through June 2022, the Company conducted a continuous public offering with respect to shares of its Series D Preferred Stock, par value $0.001 per share, subject to adjustment. The selling price of the Series D Preferred Stock was $25.00 per share for all sales that occurred from the beginning of the offering to and including June 28, 2020 and $24.50 per share thereafter. Shares of Series D Preferred Stock were recorded in permanent equity at the time of their issuance. In June 2022, the Company concluded the offering of its Series D Preferred Stock.

As of March 31, 2026, the Company had issued in registered public offerings 56,857 shares of Series D Preferred Stock and received gross proceeds of $1.4 million. In connection with such issuance, $35,000 of costs specifically identifiable to the offering of Series D Preferred Stock were allocated to the Series D Preferred Stock. Such costs include commissions, dealer manager fees and other offering fees and expenses.

As of March 31, 2026, there were 22,565 shares of Series D Preferred Stock outstanding and 34,292 shares of Series D Preferred Stock had been redeemed. Of the 34,292 shares of Series D Preferred Stock that have been redeemed, the redemption of 8,410 shares of Series D Preferred Stock were paid in cash (all of which were redeemed at the option of the holders). As of March 31, 2026, the Company had, at its option, redeemed 21,760 shares of Series D Preferred Stock, all of which were paid in shares of Common Stock, including all accrued and unpaid dividends as of the redemption date and, in addition, as of March 31, 2026, 4,122 shares redeemed at the option of the holders were paid in shares of Common Stock, including all accrued and unpaid dividends as of the redemption date (collectively, the “Series D In-Kind Redemptions”). The Series D In-Kind Redemptions resulted in the aggregate issuance of 6,057 shares of Common Stock (adjusted for the Reverse Stock Splits).

Dividends—With respect to the payment of dividends or the distribution of amounts upon liquidation, dissolution or winding-up, the Series A1 Preferred Stock, the Series A Preferred Stock and Series D Preferred Stock rank on parity with respect to each other and senior to the Common Stock.

Holders of Series A1 Preferred Stock are entitled to receive, if, as and when authorized by the Company’s Board of Directors, and declared by the Company out of legally available funds, cumulative cash dividends (the “Series A1 Dividend”) on each share of Series A1 Preferred Stock at the greater of (i) an annual rate of 6.0% of the Series A1 Preferred Stock Stated Value (i.e., the equivalent of $0.3750 per share per quarter) and (ii) the Federal Funds (Effective) Rate for such quarter and plus 2.5% of the Series A1 Preferred Stock Stated Value divided by four, up to a maximum of 2.5% of the Series A1 Preferred Stock Stated Value per quarter. Holders of Series A Preferred Stock are entitled to receive, if, as and when authorized by the Company’s Board of Directors, and declared by the Company out of legally available funds, cumulative cash dividends on each share of Series A Preferred Stock at an annual rate of 5.50% of the Series A Preferred Stock Stated Value (i.e., the equivalent of $0.34375 per share per quarter) (the “Series A Dividend”). Holders of Series D Preferred Stock are entitled to receive, if, as and when authorized by the Company’s Board of Directors, and declared by the Company out of legally available funds, cumulative cash dividends on each share of Series D Preferred Stock at an annual rate of 5.65% of the Series D Preferred Stock Stated Value (i.e., the equivalent of $0.35313 per share per quarter) (the “Series D Dividend”). Dividends on each share of Series A1 Preferred Stock, Series A Preferred Stock and Series D Preferred Stock begin accruing on, and are cumulative from, the date of issuance.

During the three months ended March 31, 2026, the Company paid $3.7 million, $1.3 million and $16,000 of cash dividends on the Series A1 Preferred Stock, Series A Preferred Stock, and Series D Preferred Stock, respectively. Additionally, during the three months ended March 31, 2026, the Company paid dividends of $2.6 million, $567,000 and $6,000 on the Series A1 Preferred Stock, Series A Preferred Stock, and Series D Preferred Stock, respectively, in shares of Common Stock due to these dividends being accrued and unpaid at the time that such applicable shares of Preferred Stock were redeemed in shares of Common Stock. During the three months ended March 31, 2025, the Company paid $4.5 million, $1.4 million and $17,000 of cash dividends on the Series A1 Preferred Stock, Series A Preferred Stock and Series D Preferred Stock, respectively. Additionally, during the three months ended March 31, 2025, the Company paid dividends of $45,000 and $16,000 on the Series A1 Preferred Stock and Series A Preferred Stock, respectively, in shares of Common Stock due to these dividends being accrued and unpaid at the time that such applicable shares of Preferred Stock were redeemed in shares of Common Stock.

During the three months ended March 31, 2026, the Company recorded $3.0 million, $1.2 million, and $14,000, related to the Series A1 Preferred Stock, Series A Preferred Stock, and Series D Preferred Stock, respectively, in redeemable preferred stock dividends declared or accumulated on the consolidated statements of operations. These amounts reflect dividends declared during the period as well as dividends accumulated for the period on the Company's cumulative redeemable preferred stock, in each case regardless of whether such dividends were paid during the period. These amounts are deducted from net loss attributable to the Company to arrive at net loss attributable to common stockholders. During the three months ended March 31, 2025, the Company recorded $4.1 million, $1.4 million and $17,000, related to Series A1 Preferred Stock, Series A Preferred Stock, and Series D Preferred Stock, respectively, in redeemable preferred stock dividends declared or accumulated on the consolidated statements of operations.

Redemptions—The Company's Series A1 Preferred Stock, Series A Preferred Stock and Series D Preferred Stock are redeemable at the option of the holder or the Company. The redemption schedule of the Series A1 Preferred Stock, Series A Preferred Stock and Series D Preferred Stock allows redemptions at the option of the holder of Series A1 Preferred Stock, Series A Preferred Stock or Series D Preferred Stock from the date of original issuance of any such shares at the Series A1 Preferred Stock Stated Value, Series A Preferred Stock Stated Value or Series D Preferred Stock Stated Value, respectively, less a redemption fee applicable prior to the fifth anniversary of the issuance of such shares, plus accrued and unpaid dividends. The Company has the right to redeem the Series A1 Preferred Stock after the date that is twenty-four months following the original issuance of such shares of Series A1 Preferred Stock at the Series A1 Preferred Stock Stated Value, plus accrued and unpaid dividends. The Company has the right to redeem the Series A Preferred Stock or Series D Preferred Stock after the fifth anniversary of the date of original issuance of such shares at the Series A Preferred Stock Stated Value or Series D Preferred Stock Stated Value, respectively, plus accrued and unpaid dividends. With respect to redemptions of the Series A1 Preferred Stock, Series A Preferred Stock or Series D Preferred Stock, at the Company's discretion, the redemption price will be paid in cash and/or in Common Stock based on the volume weighted average price of the Company's Common Stock for the 20 trading days prior to the redemption; provided that the redemption price of any shares of Series A1 Preferred Stock issued in June 2024 and thereafter that are redeemed prior to the first anniversary of the date of original issuance of such shares must be paid in cash.

On March 16, 2026, the Company redeemed, at the Company's option, 1,869,573 shares of Series A Preferred Stock, 7,539,638 shares of Series A1 Preferred Stock and 21,760 shares of Series D Preferred Stock in shares of Common Stock (the "March 2026 Redemption"). Other than the March 2026 Redemption, the Company does not currently intend to redeem, at the Company's election, additional Preferred Stock in shares of Common Stock. However, the Company will evaluate redemption requests submitted by holders of its shares of Preferred Stock at the time it receives them and may elect to redeem those Preferred Shares in Common Stock or cash, at the Company's discretion.

As of May 1, 2026, the Company has received redemption requests related to Series A1 Preferred Stock and Series A Preferred Stock, totaling approximately $204,000, which the Company intends to redeem in shares of Common Stock as soon as practical after the Company opens its trading window in accordance with its Insider Trading Policy.

During the three months ended March 31, 2026, the Company recorded $18.5 million, $3.6 million, $19,000 related to the Series A1 Preferred Stock, Series A Preferred Stock, and Series D Preferred Stock, respectively, in redeemable preferred stock redemptions on the consolidated statements of operations, which reflect the excess amount of the redemption value over the carrying value of the Preferred Stock at the time of the redemption and is deducted from net loss attributable to the Company to arrive at net loss attributable to common stockholders. During the three months ended March 31, 2025, the Company recorded $130,000 and $170,000 related to the Series A1 Preferred Stock and Series A Preferred Stock, respectively, in redeemable preferred stock redemptions on the consolidated statements of operations.

12. STOCKHOLDERS' EQUITY

Dividends

Holders of the Company's Common Stock are entitled to receive dividends, if, as and when authorized by the Board of Directors and declared by the Company out of legally available funds. In determining the Company's dividend policy, the Board of Directors considers many factors including the amount of cash resources available for dividend distributions, capital spending plans, cash flow, the Company's financial position, applicable requirements of the Maryland General Corporation Law ("MGCL"), any applicable contractual restrictions, and future growth in NAV and cash flow per share prospects. Consequently, the dividend rate on a quarterly basis does not necessarily correlate directly to any individual factor. No cash dividends were declared for the three months ended March 31, 2026 or 2025.

Series A Preferred Warrants

Prior to February 2020, the Series A Preferred Stock was sold as a unit that included one share of Series A Preferred Stock and one Series A Preferred Warrant that could be exercised to purchase 0.25 of a share of Common Stock. The Series A Preferred Warrants were exercisable beginning on the first anniversary of the date of their original issuance until and including the fifth anniversary of the date of such issuance. Proceeds and expenses from the sale of the Series A Preferred Stock and Series A Preferred Warrants were allocated to the Series A Preferred Stock and Series A Preferred Warrants using their relative fair values on the date of issuance. As of March 31, 2025, all of the Series A Preferred Warrants had expired.

Share Repurchase Program

In May 2022, the Company's Board of Directors approved a repurchase program of up to $10.0 million of the Company's Common Stock (the "SRP"). Under the SRP, the Company, in its discretion, may purchase shares of its Common Stock from time to time in the open market or in privately negotiated transactions. The amount and timing of purchases of shares will depend on a number of factors, including, without limitation, the price and availability of shares, trading volume, general market conditions and compliance with applicable securities law. The SRP has no termination date and may be suspended or discontinued at any time.

There were no repurchases during the three months ended March 31, 2026 or 2025. As of March 31, 2026, the Company had repurchased 27 shares of Common Stock (adjusted for the Reverse Stock Splits) for $4.7 million.

13. FAIR VALUE MEASUREMENTS

The Company determines the estimated fair value of financial assets and liabilities utilizing a hierarchy of valuation techniques based on whether the inputs to a fair value measurement are considered to be observable or unobservable in a marketplace. The hierarchy for inputs used in measuring fair value is as follows:

Level 1 Inputs—Quoted prices in active markets for identical assets or liabilities

Level 2 Inputs—Observable inputs other than quoted prices in active markets for identical assets and liabilities

Level 3 Inputs—Unobservable inputs

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

Management's estimation of the fair value of the Company's financial instruments is based on a Level 3 valuation in the fair value hierarchy established for disclosure of how a company values its financial instruments. In general, quoted market prices from active markets for the identical financial instrument (Level 1 inputs), if available, should be used to value a financial instrument. If quoted prices are not available for the identical financial instrument, then a determination should be made if Level 2 inputs are available. Level 2 inputs include quoted prices for similar financial instruments in active markets for identical or similar financial instruments in markets that are not active (i.e., markets in which there are few transactions for the financial instruments, the prices are not current, price quotations vary substantially, or in which little information is released publicly). There is limited reliable market information for the Company's financial instruments and the Company utilizes other methodologies based on unobservable inputs for valuation purposes since there are no Level 1 or Level 2 inputs available. Accordingly, Level 3 inputs are used to measure fair value.

In general, estimates of fair value may differ from the carrying amounts of the financial assets and liabilities primarily as a result of the effects of discounting future cash flows. Considerable judgment is required to interpret market data and develop estimates of fair value. Accordingly, the estimates presented are made at a point in time and may not be indicative of the amounts the Company could realize in a current market exchange.

The following describes the methods the Company uses to estimate the fair value of the Company’s financial assets and liabilities.

Debt—The carrying amounts of the Company’s secured borrowings - government guaranteed loans, SBA 7(a) loan-backed notes, Lending Division Revolving Credit Facility and variable rate mortgages payable approximate their fair values, as the interest rates on these securities are variable and approximate current market interest rates. The Company determines the fair value of fixed rate mortgage notes payable and junior subordinated notes by discounting the expected cash flows based on estimated borrowing rates available to the Company as of the measurement date. Current and prior period liabilities’ carrying and fair values exclude net deferred financing costs.

Loans Receivable—As of December 31, 2025, the Company reclassified the assets and liabilities of First Western as held for sale, including the Company’s portfolio of loans receivable. See Items Measured at Fair Value on a Non-Recurring Basis (Including Impairment Charges) later in this footnote for further discussion of the fair value measurement of the assets held for sale.

Derivative Instruments— The Company’s derivative instruments are comprised of two interest rate caps. All derivative instruments are carried at fair value and are valued using Level 2 inputs. The fair value of these instruments is determined using interest rate market pricing models. In addition, credit valuation adjustments are incorporated into the fair values to account for the Company’s potential nonperformance risk and the performance risk of the respective counterparties.

Other Financial Instruments—The carrying amounts of the Company’s cash and cash equivalents, restricted cash, accounts receivable, accounts payable, and accrued expenses approximate their fair values due to their short-term maturities at March 31, 2026 and December 31, 2025. Due to the short-term maturities of these instruments, Level 1 inputs are utilized to estimate the fair value of these financial instruments.

The estimated fair values of those financial instruments which are not recorded at fair value on a recurring basis on the Company’s consolidated balance sheets are as follows (dollar amount in thousands):

	March 31, 2026		December 31, 2025		
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value	Level
Liabilities:					
Mortgages payable [(1)]	$ 268,403	$ 251,679	$ 268,403	$ 251,632	3
Junior subordinated notes [(1)]	$ 27,070	$ 26,195	$ 27,070	$ 26,176	3

(1) The carrying amounts for the mortgages payable and junior subordinated notes represent the principal outstanding amounts, excluding deferred debt issuance costs and discounts.

Items Measured at Fair Value on a Non-Recurring Basis (Including Impairment Charges)

Certain financial and nonfinancial assets and liabilities are measured at fair value on a nonrecurring basis and are subject to fair value adjustments in certain circumstances, such as when there is evidence of impairment. The Company’s process for identifying and recording impairment related to investments in real estate is discussed in Note 2.

As of December 31, 2025, the Company reclassified the assets and liabilities of First Western as held for sale, including the Company’s portfolio of loans receivable. See Note 5 for more detail on the assets and liabilities held for sale. Upon the reclassification of First Western to held for sale, the CECL balance related to the loans receivable was reversed. The loans receivable were subsequently written down to their estimated fair value (based on the contractual sales price) less costs to sell, resulting in a loss on assets held for sale of $298,000 for the year ended December 31, 2025. During the three months ended March 31, 2026, the Company finalized the sale and based on additional operating and investing activity at First Western and certain transaction-related adjustments, recognized a net gain of $1.7 million.

14. RELATED-PARTY TRANSACTIONS

Asset Management and Other Fees to Related Parties

Asset Management Fees; Administrative Fees and Expenses—CIM Urban Partners, L.P. ("CIM Urban"), a wholly owned subsidiary of the Company, and CIM Capital, LLC, an affiliate of CIM Group ("CIM Capital"), have an investment management agreement, pursuant to which CIM Urban engaged CIM Capital to provide certain services to CIM Urban (the "Investment Management Agreement"). CIM Capital has assigned its duties under the Investment Management Agreement to its four wholly owned subsidiaries: CIM Capital Securities Management, LLC, a securities manager, CIM Capital RE Debt Management, LLC, a debt manager, CIM Capital Controlled Company Management, LLC, a controlled company manager, and CIM Capital Real Property Management, LLC, a real property manager. The "Operator" refers to CIM Capital and its four wholly owned subsidiaries.

The Company and its subsidiaries have a master services agreement (the "Master Services Agreement") with CIM Service Provider, LLC (the "Administrator"), an affiliate of CIM Group, pursuant to which the Administrator provides, or arranges for other service providers to provide, management and administration services to the Company and its subsidiaries.

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

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

1. Base Fee: A base asset management fee (the "Base Fee") is payable quarterly in arrears to the Operator in an amount equal to an annual rate of 1% (or 0.25% per quarter) of the average of the "Net Asset Value Attributable to Common Stockholders" as of the first and last day of the applicable quarter. Net Asset Value Attributable to Common stockholders is defined as (a) the sum of the Company's (1) investments in real estate at fair value, (2) cash, (3) loans receivable at fair value and (4) the book value of the other assets of the Company, excluding deferred costs and net of other liabilities at book value, less (b) the Company's (i) debt at face value, (ii) outstanding preferred stock at stated value, and (iii) non-controlling interests at book value; provided, that, non-controlling interests in any UPREIT operating partnership relating to the Company shall not be excluded.
2. Incentive Fee: An incentive fee (the "Revised Incentive Fee") is payable quarterly in arrears to the Administrator with respect to the quarterly core funds from operations in excess of a quarterly threshold equal to 1.75% (i.e., 7.00% on an annualized basis) of the Company's "Adjusted Common Equity" (as defined below) for such quarter ("Excess Core FFO") as follows: (i) no Revised Incentive Fee in any quarter in which the Excess Core FFO is $0; (ii) 100% of any Excess Core FFO up to an amount equal to the product of (x) the average of the Adjusted Common Equity as of the first and last day of the applicable quarter and (y) 0.4375%; and (iii) 20% of any Excess Core FFO thereafter. Revised Incentive Fees payable for any partial quarter will be appropriately prorated.

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

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

Pursuant to the Investment Management Agreement, the asset management fee prior to January 1, 2022 was calculated (without giving effect to the Fee Waiver) as a percentage of the daily average adjusted fair value of CIM Urban's assets as follows (dollar amounts in thousands):

Daily Average Adjusted Fair Value of CIM Urban's Assets		Quarterly Fee
From Greater of	To and Including	Percentage
$ —	$ 500,000	0.2500%
$ 500,000	$ 1,000,000	0.2375%
$ 1,000,000	$ 1,500,000	0.2250%
$ 1,500,000	$ 4,000,000	0.2125%
$ 4,000,000	$ 20,000,000	0.1000%

Asset management fees are included in asset management and other fees to related parties in the accompanying consolidated statements of operations.

Under the Master Services Agreement, for fiscal quarters prior to April 1, 2020, the Company paid a base service fee (the "Base Service Fee") to the Administrator initially set at $1.0 million per year (subject to an annual escalation by a specified inflation factor beginning on January 1, 2015), payable quarterly in arrears. On May 11, 2020, the Master Services Agreement was amended to replace the Base Service Fee with an incentive fee pursuant to which the Administrator was entitled to receive, on a quarterly basis, 15.00% of the Company's quarterly core funds from operations in excess of a quarterly threshold equal to 1.75% (i.e., 7.00% on an annualized basis) of the Company's average Adjusted Common Equity (defined above) for such quarter. The amendment was effective as of April 1, 2020 and was further modified by the Fee Waiver described above. No such incentive fee was paid by the Company.

In addition, pursuant to the terms of the Master Services Agreement, the Administrator may receive compensation and/or reimbursement for performing certain services for the Company and its subsidiaries that are not covered by the Base Fee. During the three months ended March 31, 2026 and 2025, such services performed by the Administrator and its affiliates included accounting, tax, reporting, internal audit, legal, compliance, risk management, IT, human resources, corporate communications, operational and ongoing support in connection with the Company's Preferred Stock. The Company will also reimburse the Administrator for the Company's share of broken deal expenses that are incurred by the Administrator and its affiliates (i.e., fees and expenses relating to investments that were contemplated but the Company did not make and/or transactions that could have been executed by the Company but that the Company did not consummate, including fees and expenses associated with performing due diligence review and negotiating the terms of such investments or transactions). The Administrator's compensation is based on the salaries and benefits of the employees of the Administrator and/or its affiliates who performed these services (allocated based on the percentage of time spent on the affairs of the Company and its subsidiaries). The expense for such services is included in expense reimbursements to related parties—corporate in the accompanying consolidated statements of operations.

Property Management Fees and Reimbursements—CIM Management, Inc. and certain of its affiliates (collectively, the "CIM Management Entities"), all affiliates of CIM Group, provide property management, leasing, and development services to properties owned by the Company. Property management fees earned by the CIM Management entities and onsite management costs incurred are included in rental and other property operating expenses in the accompanying consolidated statements of operations, with the exception of certain onsite management costs which are capitalized in some cases. Leasing commissions earned are capitalized to deferred charges on the accompanying consolidated balance sheets. Construction management fees and development management reimbursements are capitalized to investments in real estate on the accompanying consolidated balance sheets.

Lending Segment Expenses—The Company had a Staffing and Reimbursement Agreement with CIM SBA Staffing, LLC ("CIM SBA"), an affiliate of CIM Group, and the Company's subsidiary, PMC Commercial Lending, LLC. The agreement provided that CIM SBA would provide personnel and resources to the Company and that the Company would reimburse CIM SBA for the costs and expenses of providing such personnel and resources. The expense for such services was included in expense reimbursements to related parties—lending segment in the accompanying consolidated statements of operations.

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

On November 22, 2022, the Company entered into the Fourth Amended and Restated Dealer Manager Agreement, pursuant to which CCO Capital acted as the exclusive dealer manager for the Company's prior public offering of its Series A1 Preferred Stock.

The Company recorded fees and expense reimbursements as shown in the table below for services provided by related parties related to the services described above during the periods indicated (in thousands):

	Three Months Ended March 31,	
	2026	2025
Asset Management Fees:		
Asset management fees	$ 584	$ 360
Property Management Fees and Reimbursements:		
Property management fees[1]	$ 523	$ 554
Onsite management and other cost reimbursement[2]	$ 1,824	$ 1,760
Leasing commissions[3]	$ 23	$ 129
Construction management fees[4]	$ 180	$ 232
Development management reimbursements[5]	$ 254	$ 402
Administrative Fees and Expenses:		
Expense reimbursements to related parties - corporate	$ 875	$ 626
Lending Segment Expenses:		
Expense reimbursements to related parties - lending segment [6]	$ —	$ 659

(1) Does not include the Company's share of the property management fees from the Unconsolidated Joint Ventures of $27,000 and $20,000 for the three months ended March 31, 2026 and 2025, respectively.

(2) Does not include the Company's share of the onsite management and other cost reimbursements from the Unconsolidated Joint Ventures of $118,000 and $91,000 for the three months ended March 31, 2026 and 2025, respectively.

(3) Does not include the Company's share of the leasing commissions from the Unconsolidated Joint Ventures of $11,000 and $7,000 for the three months ended March 31, 2026 and 2025, respectively.

(4) Does not include the Company's share of the construction management fees from the Unconsolidated Joint Ventures of $2,000 and $58,000 for the three months ended March 31, 2026 and 2025, respectively.

(5) Does not include the Company's share of the development management reimbursements from the Unconsolidated Joint Ventures of $73,000 and $175,000 for the three months ended March 31, 2026 and 2025, respectively.

(6) Expense reimbursements to related parties - lending segment do not include personnel costs capitalized to deferred loan origination costs of $18,000 for the three months ended March 31, 2025.

As of March 31, 2026 and December 31, 2025, due to related parties consisted of the following (in thousands):

	March 31, 2026	December 31, 2025
Asset management fees	$ 588	$ 1,303
Property management fees and reimbursements	1,148	13,574
Expense reimbursements - corporate	309	3,968
Expense reimbursements - lending segment	—	3,255
Upfront dealer manager and trailing dealer manager fees	241	203
Other amounts due to the CIM Management Entities and certain of its affiliates	93	516
Total due to related parties	$ 2,379	$ 22,819

Investments with Affiliates of CIM Group

In February 2022, the Company invested with the 1910 Sunset JV Partner, a CIM-managed separate account, in the 1910 Sunset JV which purchased an office property in Los Angeles, California for a gross purchase price of approximately $51.0 million, of which the Company initially contributed approximately $22.4 million and the 1910 Sunset JV Partner initially contributed the remaining balance. See Note 2 and Note 4 for more information.

In February 2023, the Company and the 1902 Park JV Partner invested in the 1902 Park JV, which purchased a multifamily property in the Echo Park neighborhood of Los Angeles, California for a gross purchase price of $19.1 million, with the Company owning a 50% interest. In October 2024, the 1902 Park JV admitted a new third-party co-investor and used part of the net capital contribution of such third party co-investor to satisfy the 1902 Park JV's mortgage loan in full. Subsequent to this contribution, the Company's ownership share of the 1902 Park JV was 25.5%. See Note 2 and Note 4 for more information.

In October 2023, the Company and the 1015 N Mansfield JV Partner acquired from an unrelated third party a 100% fee-simple interest in a plot of land located in the Sycamore media district of Los Angeles, California for a gross purchase price of $18.0 million (excluding transaction costs). The property has a site area of approximately 44,141 square feet and contains a parking garage that has been leased to a third-party tenant. The Company owns 28.8% of the 1015 N Mansfield JV.

Other

On May 15, 2019, an affiliate of CIM Group entered into an approximately 11-year lease that runs through May 2030 for approximately 30,000 rentable square feet with respect to a property owned by 4750 Wilshire JV, in which the Company has a 20% interest. For the three months ended March 31, 2026, the Company's share of the income from the tenant earned by the 4750 Wilshire JV was $84,000. For the three months ended March 31, 2025, the Company's share of the income from the tenant earned by the 4750 Wilshire JV was $82,000.

In connection with the loan agreement for one of the Company's fixed rate mortgages payable secured by three of the Company's office properties in Los Angeles, California (the "Wilshire Mortgage Loan"), the Company (in such capacity, the "REIT Guarantor") and CIM Group Investments, LLC, an affiliate of CIM Group (the "CIM Guarantor," and, together with the REIT Guarantor, the "Guarantor"), delivered a customary non-recourse carveout guaranty to the lenders (the "Guaranty Agreement"), under which (i) the Company agreed to indemnify the lenders with respect to certain "non-recourse carveout events" and to be fully liable for the Wilshire Mortgage Loan in certain circumstances (e.g., the voluntary bankruptcy of the Borrowers and other insolvency events (collectively, the "Bankruptcy Events")) and (ii) the CIM Guarantor is jointly and severally fully liable with the Company for the Wilshire Mortgage Loan in the case of Bankruptcy Events (collectively, the "Guaranties"). The Guaranty Agreement requires the Guarantor to maintain a net worth of no less than $105.0 million and liquid assets of no less than $6.0 million, in each case, exclusive of the values of the collateral for the Wilshire Mortgage Loan, provided that in the event of any partial prepayment or partial defeasance of the Wilshire Mortgage Loan, the above-referenced net worth and liquidity requirements will be reduced in proportion to the principal amount of the Wilshire Mortgage Loan that is partially prepaid and/or defeased, as the case may be.

On December 29, 2025, an affiliate of CIM Group extended an unsecured term loan facility to the Company with total available principal of $4.0 million and with an applicable interest rate of 7.5%. The unsecured term loan facility expired concurrent with the closing of the sale of First Western on January 21, 2026, and the Company did not borrow any amounts under the facility prior to its maturity.

15. COMMITMENTS AND CONTINGENCIES

General—In connection with the ownership and operation of real estate properties, the Company has certain obligations for the payment of tenant improvement allowances and lease commissions in connection with new leases and renewals. The Company had a total of $5.0 million in future obligations under leases to fund tenant improvement as of March 31, 2026. As of March 31, 2026, $13.0 million was funded to reserve accounts included in restricted cash on the Company's consolidated balance sheet for tenant improvement obligations in connection with various mortgage loan agreements. Under the terms of the Sheraton Management Agreement, the Company is obligated to complete specific renovation projects at its hotel property (the "Sheraton Renovations"). As of March 31, 2026, the expected costs to complete the Sheraton Renovations was $2.6 million. As of March 31, 2026, the Company was entitled to receive an additional $2.5 million of key money under the Sheraton Management Agreement, to be made available to the Company upon completion of specific aspects of the Sheraton Renovation. The Company also has available borrowings of $911,000 under a mortgage loan agreement at its hotel property which can be used to finance remaining costs related to the Sheraton Renovations.

Litigation—The Company is not currently involved in any material pending or threatened legal proceedings nor, to the Company's knowledge, are any material legal proceedings currently threatened against the Company, other than routine litigation arising in the ordinary course of business. In the normal course of business, the Company is periodically party to certain legal actions and proceedings involving matters that are generally incidental to the Company's business. While the outcome of these legal actions and proceedings cannot be predicted with certainty, in management's opinion, the resolution of these legal proceedings and actions will not have a material adverse effect on the Company's business, financial condition, results of operations, cash flow or the Company's ability to satisfy its debt service obligations or to maintain its level of distributions on its Preferred Stock or renew dividends on its Common Stock.

A subsidiary of the Company is a defendant in a lawsuit in connection with injuries sustained by a third-party contractor at a property previously owned by such subsidiary. Such subsidiary has reached an agreement in principle to settle the lawsuit with the plaintiff, pursuant to which such subsidiary's share of the settlement payment is expected to be approximately $700,000. The Company anticipates that such payment will be made directly from the Company's insurance carrier, which will be responsible for the entire payment. Accordingly, the Company does not expect this lawsuit to have any adverse effect on the Company's business, financial condition, results of operations, cash flow or the Company's ability to satisfy its debt service obligations or to maintain the level of distributions on the Company's Preferred Stock or any renewed dividends on our Common Stock.

Environmental Matters—In connection with the ownership and operation of real estate properties, the Company may be potentially liable for costs and damages related to environmental matters, including asbestos-containing materials. The Company has not been notified by any governmental authority of any noncompliance, liability, or other claim in connection with any of the properties, and the Company is not aware of any other environmental condition with respect to any of the properties that management believes will have a material adverse effect on the Company's business, financial condition, results of operations, cash flow or the Company's ability to satisfy its debt service obligations or to maintain its level of distributions on our Preferred Stock or any renewed dividends on our Common Stock.

16. LEASES

Future minimum rental revenue under long-term operating leases as of March 31, 2026, excluding tenant reimbursements of certain costs, are as follows (excludes unconsolidated properties, in thousands):

Years Ended December 31,	Total
2026 (Nine months ending December 31, 2026)	$ 39,702
2027	36,094
2028	20,654
2029	16,700
2030	10,048
Thereafter	52,991
	$ 176,189

17. SEGMENT DISCLOSURE

The Company's reportable segments during the three months ended March 31, 2026 and 2025 consist of three types of commercial real estate properties, namely, office, hotel and multifamily. As previously disclosed, the Company completed the sale of its lending business on January 21, 2026, and, as a result, the Company's lending business ceased to be one of the Company's reportable segments during the three months ended March 31, 2026. As the lending segment activity was de minimis during the period it remained under the Company's ownership for the three months ended March 31, 2026, the related amounts are included within non-segment interest and other income, interest expense, and general and administrative, as applicable. Management internally evaluates the operating performance and financial results of the segments based on net operating income. The Company also has certain general and administrative level activities, including public company expenses, legal, accounting, and tax preparation that are not considered separate operating segments. The reportable segments are accounted for on the same basis of accounting as described in the notes to the Company's audited consolidated financial statements for the year ended December 31, 2025 included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

For the Company's real estate segments, the Company defines net operating income (loss) as rental and other property income and expense reimbursements less property related expenses, and excludes non-property income and expenses, interest expense, depreciation and amortization, corporate related general and administrative expenses, gain (loss) on sale of real estate, gain (loss) on early extinguishment of debt, impairment of real estate, transaction costs, and provision (benefit) for income taxes. For the Company's lending segment, the Company defines net operating income as interest income net of interest expense and general overhead expenses.

The Company's chief operating decision maker ("CODM") is the Company's executive management team, comprised of the Chief Executive Officer, Chief Investment Officer, Chief Financial Officer, and the 1st Vice President for portfolio oversight of CIM.

The CODM evaluates performance and allocates resources based on segment net operating income (loss). All expense categories on the statement of operations are significant and there are no other significant segment expenses that would require disclosure. The CODM uses net operating income (loss) to make key operating decisions, such as identifying attractive investment opportunities, evaluating underwriting standards, determining the appropriate level of leverage to enhance returns on equity and deciding on the sources of financing.

The net operating income (loss) of the Company's segments for the three months ended March 31, 2026 and 2025 is as follows (in thousands):

	Three Months Ended March 31,	
	2026	2025
Office (1):		
Revenues	$ 12,578	$ 13,054
Property expenses:		
Operating	5,839	5,636
General and administrative	302	288
Total property expenses	6,141	5,924
Income (loss) from unconsolidated entities	62	(29)
Segment net operating income—office	6,499	7,101
Hotel:		
Revenues	12,376	12,681
Property expenses:		
Operating	8,400	7,986
General and administrative	20	11
Total property expenses	8,420	7,997
Segment net operating income—hotel	3,956	4,684
Multifamily (1):		
Revenues	3,872	4,091
Property expenses:		
Operating	2,908	3,503
General and administrative	139	86
Total property expenses	3,047	3,589
Loss from unconsolidated entities	(1,438)	(1,122)
Segment net operating loss—multifamily	(613)	(620)
Lending (2):		
Revenues	—	2,378
Lending expenses:		
Interest expense	—	574
Expense reimbursements to related parties—lending segment	—	659
General and administrative	—	555
Total lending expenses	—	1,788
Segment net operating income—lending	—	590
Total segment net operating income	$ 9,842	$ 11,755

(1) In the above table, activity related to 1015 N Mansfield JV is included within the office segment, while activity related to the 1902 Park JV and the 4750 Wilshire JV is included in the multifamily segment. Beginning on October 1, 2025, in connection with the 1910 Sunset JV's commencement of leasing at the 1915 Park Project, the Company began reporting its share of the income from the operations of the 1915 Park Project in its multifamily segment, while income from the operations of the 1910 Sunset Office Building continue to be reported in its office segment.

(2) Lending segment was sold in connection with the closing of the sale of First Western on January 21, 2026. As the lending segment activity was de minimis during the period it remained under the Company's ownership for the three months ended March 31, 2026, the related amounts are included within non-segment interest and other income, interest expense, and general and administrative, as applicable, in the following table.

A reconciliation of the Company's segment net operating income to net loss attributable to the Company for the three months ended March 31, 2026 and 2025 is as follows (in thousands):

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Total segment net operating income	$ 9,842	$ 11,755
Interest and other income	591	91
Asset management and other fees to related parties	(584)	(360)
Expense reimbursements to related parties—corporate	(875)	(626)
Interest expense	(9,124)	(9,184)
General and administrative	(1,571)	(1,241)
Transaction-related costs	(7)	(26)
Depreciation and amortization	(7,721)	(6,560)
Loss on early extinguishment of debt	(705)	—
Gain on sale of First Western	1,737	—
Loss before provision for income taxes	(8,417)	(6,151)
Provision for income taxes	—	(121)
Net loss	(8,417)	(6,272)
Net loss attributable to noncontrolling interests	108	158
Net loss attributable to the Company	$ (8,309)	$ (6,114)

The condensed assets for each of the segments as of March 31, 2026 and December 31, 2025 are as follows (in thousands):

	March 31, 2026	December 31, 2025
Condensed assets:		
Office	$ 400,246	$ 402,151
Hotel	115,713	114,994
Multifamily	267,616	270,645
Lending (1)	—	67,867
Non-segment assets	8,746	3,530
Total assets	$ 792,321	$ 859,187

(1) Lending segment was sold in connection with the closing of the sale of First Western on January 21, 2026. As of December 31, 2025, the Company had reclassified $65.9 million of lending segment assets as held-for-sale, in connection with the sale.

18. SUBSEQUENT EVENTS

The Company evaluated events subsequent to March 31, 2026, and concluded that, other than those items already disclosed elsewhere in the notes to the consolidated financial statements, no subsequent events have occurred that would require recognition or disclosure in the consolidated unaudited financial statements.

Item 2.

Management's Discussion and Analysis of Financial Condition and Results of Operations

This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are intended to be covered by the safe harbors created thereby. These statements include the plans and objectives of management for future operations, including plans and objectives relating to future growth of our business and availability of funds. Such forward-looking statements can be identified by the use of forward-looking terminology such as "may," "will," "project," "target," "expect," "intend," "might," "believe," "anticipate," "estimate," "could," "would," "continue," "pursue," "potential," "forecast," "seek," "plan," "should" or "goal" or the negative thereof or other variations or similar words or phrases. Such forward-looking statements also include, among others, statements about our plans and objectives relating to future growth and outlook. Such forward-looking statements are based on particular assumptions that our management has made in light of its experience, as well as its perception of expected future developments and other factors that it believes are appropriate under the circumstances. Forward-looking statements are necessarily estimates reflecting the judgment of our management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include those associated with (i) the timing, form, and operational effects of our development activities, (ii) our ability to raise in place rents to existing market rents and to maintain or increase occupancy levels, (iii) fluctuations in market rents, (iv) the effects of inflation and continuing higher interest rates on our operations and profitability, (v) general economic, market and other conditions, including the effects of high unemployment rates, continued or renewed inflation and any recession or slowdown in economic growth, and (vi) our approach to artificial intelligence ("AI"). Additional important factors that could cause our actual results to differ materially from our expectations are discussed in "Item 1A—Risk Factors" of the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 10, 2026 (the "2025 Form 10-K"). The forward-looking statements included herein are based on current expectations and there can be no assurance that these expectations will be attained. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements expressed or implied in this Quarterly Report on Form 10-Q will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements expressed or implied herein, the inclusion of such information should not be regarded as a representation by us or any other person that our objectives and plans will be achieved. Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made. We do not undertake to update them to reflect changes that occur after the date they are made, except as may be required by applicable securities laws.

The following discussion of our financial condition as of March 31, 2026 and results of operations for the three months ended March 31, 2026 and 2025 should be read in conjunction with the 2025 Form 10-K. For a more detailed description of the risks affecting our financial condition and results of operations, see "Risk Factors" in Part I, Item 1A of the 2025 Form 10-K. Capitalized terms used herein, but not otherwise defined, shall have the meaning ascribed to those terms in "Part I — Financial Information" of this Quarterly Report on Form 10-Q, including the notes to the consolidated financial statements contained therein. The terms "we," "us," "our" and the "Company" refer to Creative Media & Community Trust Corporation and its subsidiaries.

Definitions

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

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

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

The phrase "net annualized rent" represents gross monthly base rent, or gross monthly contractual rent under parking and retail leases, net of total rent abatements granted in the applicable month, multiplied by 12. Where applicable, annualized rent has been grossed up by adding annualized expense reimbursements to base rent.

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

Executive Summary

Business Overview

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

CIM Group is headquartered in Los Angeles, California and has offices in Atlanta, Georgia, Chicago, Illinois, Dallas, Texas, New York, New York, Orlando, Florida, Phoenix, Arizona, London, U.K., and Tokyo, Japan. CIM also maintains additional offices globally with distribution staff and Joint Venture ("JV") partnerships.

Properties

As of March 31, 2026, our real estate portfolio consisted of 27 assets, all of which were fee-simple properties and five of which we own through investments in Unconsolidated Joint Ventures. Our Unconsolidated Joint Ventures contain one office property, three multifamily properties (one of which has been partially converted from office into multifamily units and is now being classified as a multifamily property) and one commercial development site. As of March 31, 2026, our 12 office properties, totaling approximately 1.3 million rentable square feet, were 73.1% occupied and our one 505-room hotel with an ancillary parking garage, had RevPAR of $178.71 for the three months ended March 31, 2026 and our five multifamily properties were 89.6% occupied. Additionally, as of March 31, 2026, we had eight development sites (two of which were being used as parking lots).

Strategy

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

Our investments in multifamily and creative office assets may take different forms, including direct equity or preferred investments, real estate development activities, side-by-side investments or co-investments with vehicles managed or owned by CIM Group and/or originating loans that are secured directly or indirectly by properties primarily located in qualified communities ("Qualified Communities") that meet our strategy. Further, we leverage the investor relationships of CIM Group to execute on our investment pipeline using an asset-light approach for certain of our investments. Under this approach, we co-invest with one or more third parties on an asset-level basis by raising capital from such third parties, maintain an economic interest in the asset and, in some cases, earn a management fee and a percentage of the profits. We believe this is a compelling model that is expected to contribute to strong returns on invested capital while reducing risk by reducing our capital outlay.

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

CIM Overview

Established in 1994, CIM is a vertically integrated, community-focused real estate and infrastructure owner, operator, lender, and developer of real assets. Through CIM's vertically integrated structure, CIM is able to leverage in-house expertise across the full life cycle of assets to drive value creation across the process. CIM has dedicated teams for sourcing/acquisition, credit analysis, development, financing, commercial leasing, onsite property management and distribution. These functions bring alignment of interests and deep expertise, allowing for disciplined business plan underwriting and effective risk management. CIM also seeks to maximize synergies across its vertically integrated platform. The three investment platforms, real estate, infrastructure, and credit leverage in-house expertise to create value within each investment.

Financing Strategy

We will seek to satisfy our long-term liquidity needs through one or more of the following methods: (i) offerings of shares of Common Stock or other equity and/or debt securities of the Company; (ii) issuances of interests in our operating partnership in exchange for properties; (iii) credit facilities and term loans; (iv) the addition of senior recourse or non-recourse debt using target acquisitions as well as existing assets as collateral; (v) the sale of existing assets; and/or (vi) cash flows from operations.

Rental Rate Trends

Office Statistics: The following table sets forth occupancy rates and annualized rent per occupied square foot across our office portfolio as of the specified periods (includes 100% of our properties partially owned through Unconsolidated Joint Ventures):

	As of March 31,	
	2026	**2025**
Occupancy (1)	73.1 %	70.2 %
Annualized rent per occupied square foot (1)(2)	$ 58.47	$ 61.14

(1) The information presented in this table represents historical information as of the date indicated without giving effect to any property sales occurring thereafter.

(2) Represents gross monthly base rent under leases commenced as of the specified periods, multiplied by 12. This amount reflects total cash rent before abatements. Where applicable, annualized rent has been grossed up by adding annualized expense reimbursements to base rent. Annualized rent for certain office properties includes rent attributable to retail. Total abatements, representing lease incentives in the form of free rent, for the twelve months ended March 31, 2026 and 2025 were approximately $1.8 million and $1.0 million, respectively. Giving effect to abatements, net annualized rent per occupied square foot was $55.90 and $58.00 as of March 31, 2026 and 2025, respectively (See Definitions for more detail).

Over the next four quarters, we expect to see expiring cash rents as set forth in the table below (includes 100% of our properties partially owned through Unconsolidated Joint Ventures):

	For the Three Months Ended			
	June 30, 2026	**September 30, 2026**	**December 31, 2026**	**March 31, 2027**
Expiring Cash Rents:				
Expiring square feet (1)	27,841	30,978	20,097	30,429
Expiring rent per square foot (2)	$ 62.46	$ 48.97	$ 54.24	$ 51.53

(1) Month-to-month tenants occupying a total of 6,168 square feet are included in the expiring leases in the first quarter listed.

(2) Represents gross monthly base rent, as of March 31, 2026, under leases expiring during the periods above, multiplied by 12. This amount reflects total cash rent before abatements. Where applicable, annualized rent has been grossed up by adding annualized expense reimbursements to base rent.

During the three months ended March 31, 2026, we executed leases with terms longer than 12 months totaling 20,562 square feet. The table below sets forth information on certain of our executed leases during the three months ended March 31, 2026, excluding space that was vacant for more than one year, month-to-month leases, leases with an original term of less than 12 months, related party leases, and space where the previous tenant was a related party:

	Number of Leases [(1)]	Rentable Square Feet	New Cash Rents per Square Foot [(2)]	Expiring Cash Rents per Square Foot [(2)]
Three Months Ended March 31, 2026	10	20,562	$ 61.35	$ 65.72

(1) Based on the number of tenants that signed leases.

(2) Cash rents represent gross monthly base rent, multiplied by 12. This amount reflects total cash rent before abatements. Where applicable, annualized rent has been grossed up by adding annualized expense reimbursements to base rent.

Fluctuations in submarkets, buildings and terms of leases cause large variations in these numbers and make predicting the changes in rent in any specific period difficult. Our rental and occupancy rates are impacted by general economic conditions, including the pace of regional and economic growth, and access to capital. Therefore, we cannot give any assurance that leases will be renewed or that available space will be re-leased at rental rates equal to or above the current market rates. Additionally, decreased demand and other negative trends or unforeseeable events that impair our ability to timely renew or re lease space could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Preferred Stock or renew dividends on our Common Stock.

Multifamily Statistics: The following table sets forth occupancy rates and the monthly rent per occupied unit across our multifamily portfolio for the specified periods (includes 100% of our properties partially owned through an Unconsolidated Joint Venture):

	As of March 31,	
	2026	2025
Occupancy	89.6 %	80.2 %
Monthly rent per occupied unit (1)	$ 2,493	$ 2,461

(1) Represents gross monthly base rent under leases commenced as of the specified period, divided by occupied units. This amount reflects total cash rent before concessions. Net of rent concessions granted in the specified period, monthly rent per occupied unit was $2,156 and $2,341 as of March 31, 2026 and 2025, respectively.

Hotel Statistics: The following table sets forth the occupancy, ADR and RevPAR for our hotel in Sacramento, California for the specified periods:

	For the Three Months Ended March 31,	
	2026	2025
Occupancy	78.5 %	80.0 %
ADR	$ 227.75	$ 220.57
RevPAR	$ 178.71	$ 176.47

Seasonality

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

Lending Segment

Prior to the divestiture described in this paragraph, we were a national lender that primarily originated loans to small businesses. As previously announced on November 12, 2025, the Company and First Western entered into the Membership Interest Purchase Agreement with the Buyer. The Closing occurred on January 21, 2026. At the Closing, pursuant to the Membership Interest Purchase Agreement, and upon the terms and subject to the conditions therein, Buyer purchased from the Company all of the issued and outstanding equity interests of First Western for a purchase price of $44.9 million (which is net of the outstanding balance of debt related to the 2023 securitization of certain loan receivables), resulting in proceeds of $31.2 million after the repayment of the Lending Division Revolving Credit Facility, and a net gain of $1.7 million. Subsequent to March 31, 2026, the Company received $1.0 million of escrow proceeds in connection with the Transactions.

Property Concentration

Kaiser Foundation Health Plan, Incorporated, which occupied space in one of our Oakland, California properties, accounted for 24.0% of our annualized office rental income for the three months ended March 31, 2026.

2026 Results of Operations

Overview

We are not aware of any material trends or uncertainties, other than geopolitical conflict and national economic conditions affecting real estate in general, such as the effects of high unemployment rates, continued or renewed inflation, heightened interest rates, and any recession or slowdown in economic growth and any proposed or imposed tariffs by the U.S. government and retaliatory tariffs proposed or imposed by U.S. trading partners, that may reasonably be expected to have a material impact on our results from operations other than those listed in the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2025.

Comparison of the Three Months Ended March 31, 2026 to the Three Months Ended March 31, 2025

<u>Net Loss and FFO</u>

	Three Months Ended March 31,		Change	
	2026	2025	$	%
	(dollars in thousands)			
Total revenues	$ 29,417	$ 32,295	$ (2,878)	(8.9)%
Total expenses	$ 38,195	$ 37,295	$ 900	2.4 %
Gain on sale of First Western	$ 1,737	$ —	$ 1,737	N/A
Net loss	$ (8,417)	$ (6,272)	$ (2,145)	34.2 %

The Company had a net loss of $8.4 million for the three months ended March 31, 2026, representing an increase of $2.1 million compared to a net loss of $6.3 million for the three months ended March 31, 2025. The increase in net loss was primarily due to a decrease of $1.9 million in segment net operating income (discussed in more detail below in “Summary Segment Results”).

<u>Funds from Operations</u>

We believe that funds from operations (“FFO”), a non-GAAP measure, is a widely recognized and appropriate measure of the performance of a REIT and that it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO represents net income (loss) attributable to common stockholders, computed in accordance with GAAP, which reflects the deduction of redeemable preferred stock dividends accumulated, excluding gains (or losses) from sales of real estate, impairment of real estate, and real estate depreciation and amortization. We calculate FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts (the “NAREIT”).

Like any metric, FFO should not be used as the only measure of our performance because it excludes depreciation and amortization and captures neither the changes in the value of our real estate properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effect and could materially impact our operating results. Other REITs may not calculate FFO in accordance with the standards established by the NAREIT; accordingly, our FFO may not be comparable to the FFOs of other REITs. Therefore, FFO should be considered only as a supplement to net income (loss) as a measure of our performance and should not be used as a supplement to or substitute measure for cash flows from operating activities computed in accordance with GAAP. FFO should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends.

The following table sets forth a historical reconciliation of net (loss) attributable to common stockholders to FFO attributable to holders of common stockholders (in thousands):

	Three Months Ended March 31,	
	2026	2025
Net loss attributable to common stockholders [(1)]	$ (34,695)	$ (11,898)
Depreciation and amortization	7,721	6,560
Noncontrolling interests' proportionate share of depreciation and amortization	(58)	(67)
Gain on sale of First Western	(1,737)	—
FFO attributable to common stockholders [(1)]	$ (28,769)	$ (5,405)

(1) During the three months ended March 31, 2026 and 2025, we recognized $22.2 million and $300,000, respectively, of redeemable preferred stock redemptions. Such amounts are included in, and have the effect of increasing, net loss attributable to common stockholders and FFO attributable to common stockholders because redeemable preferred stock redemptions are not an adjustment prescribed by NAREIT.

FFO attributable to common stockholders, which is a non-GAAP measure, was $(28.8) million for the three months ended March 31, 2026, a decrease of $(23.4) million compared to $(5.4) million for the three months ended March 31, 2025. The decrease in FFO was primarily attributable to an increase in redeemable preferred stock redemptions of $21.9 million, a decrease of $1.9 million in segment net operating income (discussed in more detail below in "Summary Segment Results") and an increase of $705,000 in loss on early extinguishment of debt, partially offset by a decrease in redeemable preferred stock dividends of $1.3 million.

Summary Segment Results

During the three months ended March 31, 2026 and 2025, we operated in three segments: office, hotel and multifamily properties. As previously disclosed, the Company completed the sale of its lending business on January 21, 2026, and, as a result, the Company's lending business ceased to be one of the Company's reportable segments during the three months ended March 31, 2026. As the lending segment activity was de minimis during the period it remained under the Company's ownership for the three months ended March 31, 2026, the related amounts are included within non-segment interest and other income, interest expense, and general and administrative, as applicable, in the following table for the three months ended March 31, 2026. Set forth and described below are summary segment results for our operating segments (dollar amounts in thousands).

	Three Months Ended March 31,		Change	
	2026	**2025**	**$**	**%**
Revenues:				
Office	$ 12,578	$ 13,054	$ (476)	(3.6)%
Hotel	$ 12,376	$ 12,681	$ (305)	(2.4)%
Multifamily	$ 3,872	$ 4,091	$ (219)	(5.4)%
Lending	$ —	$ 2,378	$ (2,378)	NM*
Expenses:				
Office	$ 6,141	$ 5,924	$ 217	3.7 %
Hotel	$ 8,420	$ 7,997	$ 423	5.3 %
Multifamily	$ 3,047	$ 3,589	$ (542)	(15.1)%
Lending	$ —	$ 1,788	$ (1,788)	NM*
Income (Loss) From Unconsolidated Entities				
Office	$ 62	$ (29)	$ 91	NM*
Multifamily	$ (1,438)	$ (1,122)	$ (316)	28.2 %
Non-Segment Revenue and Expenses:				
Interest and other income	$ 591	$ 91	$ 500	NM*
Asset management and other fees to related parties	$ (584)	$ (360)	$ (224)	62.2 %
Expense reimbursements to related parties—corporate	$ (875)	$ (626)	$ (249)	39.8 %
Interest expense	$ (9,124)	$ (9,184)	$ 60	(0.7)%
General and administrative	$ (1,571)	$ (1,241)	$ (330)	26.6 %
Transaction-related costs	$ (7)	$ (26)	$ 19	NM*
Depreciation and amortization	$ (7,721)	$ (6,560)	$ (1,161)	17.7 %
Loss on early extinguishment of debt	$ (705)	$ —	$ (705)	N/A
Gain on sale of First Western	$ 1,737	$ —	$ 1,737	N/A
Provision for income taxes	$ —	$ (121)	$ 121	NM*

(*) Percentage changes in excess of 100% are deemed to be not meaningful ("NM")

Revenues

Office Revenue: Office revenue includes rental revenue, expense reimbursements and lease termination income from office properties. Office revenue decreased to $12.6 million for the three months ended March 31, 2026 from $13.1 million for the three months ended March 31, 2025. The change is primarily due to a decrease in tenant reimbursement revenue at an office property in Oakland, California.

Hotel Revenue: Hotel revenue decreased to $12.4 million for the three months ended March 31, 2026, compared to $12.7 million for the three months ended March 31, 2025. The decrease was largely attributable to temporary factors, including a renovation-related disruption early in the quarter, and an issue in one of the mechanical systems that temporarily removed a number of rooms from service in March of 2026.

Multifamily Revenue: Multifamily revenue decreased to $3.9 million for the three months ended March 31, 2026, compared to $4.1 million for the three months ended March 31, 2025. The decrease is primarily due to decreased rent per occupied unit, net of rent concessions, at our multifamily properties during the three months ended March 31, 2026.

Lending Revenue: Lending revenue represented interest income on loans and other loan-related fee income from our lending business (First Western), which was sold on January 21, 2026. The Company recorded no lending revenue for the three months ended March 31, 2026, compared to $2.4 million for the three months ended March 31, 2025. Lending revenue for the period First Western was still under ownership during the three months ended March 31, 2026 was recorded to interest and other income not allocated to any of our operating segments.

Income (Loss) From Unconsolidated Office Entities: Income from our unconsolidated office entities was $62,000 for the three months ended March 31, 2026, compared to a loss of $29,000 for the three months ended March 31, 2025. The increase was due to an increase in rental revenues at one of our unconsolidated office entities during the three months ended March 31, 2026.

Loss From Unconsolidated Multifamily Entities: The loss from our unconsolidated multifamily entities increased to $1.4 million for the three months ended March 31, 2026, compared to $1.1 million for the three months ended March 31, 2025. The increase is due to an increase in the unrealized loss on investments in real estate at one of our unconsolidated multifamily entities during the three months ended March 31, 2026, partially offset by an increase in rental revenues at the property.

Interest and Other Income: Interest and other income, which has not been allocated to our operating segments, was $591,000 for the three months ended March 31, 2026, compared to $91,000 for the three months ended March 31, 2025. The increase is primarily due the Company recording lending revenue for the period First Western was still under ownership during the three months ended March 31, 2026 to interest and other income.

Expenses

Office Expenses: Office expenses increased to $6.1 million for the three months ended March 31, 2026, compared to $5.9 million for the three months ended March 31, 2025. The increase is primarily a result of an increase in real estate tax expense at an office property in Beverly Hills, California for the three months ended March 31, 2026, compared to the three months ended March 31, 2025, driven by a tax refund recorded in the prior-year period.

Hotel Expenses: Hotel expenses increased to $8.4 million for the three months ended March 31, 2026, compared to $8.0 million for the three months ended March 31, 2025. The increase is due to an increase in operating expenses and administrative expenses, driven mostly by elevated maintenance and marketing costs for the three months ended March 31, 2026, compared to the three months ended March 31, 2025.

Multifamily Expenses: Multifamily expenses decreased to $3.0 million for the three months ended March 31, 2026, compared to $3.6 million for the three months ended March 31, 2025. The decrease was primarily due to a decrease in real estate tax expenses at multifamily properties in Oakland, California for the three months ended March 31, 2026, compared to the prior period.

Lending Expenses: Lending expenses included interest expense, general and administrative expenses and fees to related parties from our lending business (First Western), which was sold on January 21, 2026. The Company recorded no lending expenses for the three months ended March 31, 2026, compared to $1.8 million for the three months ended March 31, 2025. Lending expenses for the period First Western was still under ownership during the three months ended March 31, 2026 were recorded to general and administrative expenses and interest expense not allocated to any of our operating segments.

Asset Management and Other Fees to Related Parties: Asset management fees and other fees to related parties, which have not been allocated to our operating segments increased to $584,000 for the three months ended March 31, 2026, compared to $360,000 for the three months ended March 31, 2025. The change was a result of an increase in asset management fees driven by an increase in our net asset value attributable to common stockholders resulting from the issuance of additional shares of Common Stock during the three months ended March 31, 2026.

Expense Reimbursements to Related Parties—Corporate*:* The Administrator receives compensation and/or reimbursement for performing certain services for the Company and its subsidiaries. Expense reimbursements to related parties—corporate were $875,000 for the three months ended March 31, 2026, compared to $626,000 for the three months ended March 31, 2025. The change was primarily due to an increase in expense allocation as well as an increase in legal services.

Interest Expense: Interest expense, which has not been allocated to our operating segments, was $9.1 million for the three months ended March 31, 2026, consistent with $9.2 million for the three months ended March 31, 2025.

General and Administrative Expenses: General and administrative expenses, which have not been allocated to our operating segments, were $1.6 million for the three months ended March 31, 2026, compared to $1.2 million for the three months ended March 31, 2025. The increase is primarily due the Company recording lending general and administrative expenses for the period First Western was still under ownership during the three months ended March 31, 2026 to general and administrative expenses not allocated to any of our operating segments.

Transaction-Related Costs: Transaction-related costs were $7,000 for the three months ended March 31, 2026, generally consistent with $26,000 for the three months ended March 31, 2025.

Depreciation and Amortization Expense: Depreciation and amortization expense increased to $7.7 million for the three months ended March 31, 2026, compared to $6.6 million for the three months ended March 31, 2025. The increase was primarily due to an increase in tenant improvement amortization at an office property located in Beverly Hills, California, as well as an increase at our hotel property due to renovation projects which have increased depreciable assets.

Gain on sale of First Western: Gain on sale of First Western was $1.7 million for the three months ended March 31, 2026, related to the sale of First Western in January 2026. There were no such amounts recorded for the three months ended March 31, 2025.

Provision for Income Taxes: There was no provision for income taxes for the three months ended March 31, 2026, compared to a provision for income taxes of $121,000 for the three months ended March 31, 2025. The decrease is primarily due to the sale of First Western, one of our taxable REIT subsidiaries, on January 21, 2026.

Cash Flow Analysis

Our cash flows from operating activities are primarily dependent upon the real estate assets owned, occupancy level of our real estate assets, the rental rates achieved through our leases, the occupancy and ADR of our hotel, the collectability of rent and recoveries from our tenants, and prior to the sale of our lending division, First Western, in January 2026, loan-related activity. Our cash flows from operating activities are also impacted by fluctuations in operating expenses and other general and administrative costs. Net cash used in operating activities was $26.0 million for the three months ended March 31, 2026, compared to net cash provided by operating activities of $1.2 million for the three months ended March 31, 2025. The decrease is primarily due to changes in working capital, including the timing of cash payments related to amounts due to related parties, as well as, an increase in net loss, adjusted for depreciation and amortization expense and other non-cash items of $2.4 million.

Our cash flows from investing activities are primarily related to property acquisitions and dispositions, expenditures for the development or repositioning of properties, capital expenditures and, prior to the sale of First Western in January 2026, cash flows associated with loans originated at our lending segment. Net cash provided by investing activities was $41.4 million for the three months ended March 31, 2026, compared to net cash used in investing activities of $5.2 million for the three months ended March 31, 2025. The change was primarily due to $44.6 million of proceeds from the sale of assets held for sale, net, in connection with the sale of First Western, as further discussed in Note 5 to the consolidated financial statements included in this Quarterly Report on Form 10-Q, as well as a $2.3 million decrease in capital expenditures, partially offset by a decrease in proceeds from principal loan collections, net of loans funded, of $2.0 million during the three months ended March 31, 2026 as compared to the same period in 2025.

Our cash flows from financing activities are generally impacted by borrowings and capital activities. Net cash used in financing activities for the three months ended March 31, 2026 was $15.4 million, compared to net cash provided by financing activities of $206,000 for the three months ended March 31, 2025. The change was primarily due to net repayments on debt of $10.3 million during the three months ended March 31, 2026, as compared to net proceeds from debt of $6.4 million during the three months ended March 31, 2025. The change was partially offset by a $1.0 million decrease in preferred stock dividends paid during three months ended March 31, 2026, as compared to the same period in 2025.

Liquidity and Capital Resources

General

On a short-term basis, our principal demands for funds will be for the acquisition of assets, development or repositioning of properties (as further described below) (including pre-construction costs such as obtaining entitlements and permits and architectural work), or re-leasing of space in existing properties, capital expenditures, paying interest and principal on current and any future debt financings, and paying distributions on our Preferred Stock. We may finance our future activities through one or more of the following methods: (i) offerings of shares of Common Stock or other equity and/or debt securities of the Company; (ii) issuances of interests in our operating partnership in exchange for properties; (iii) credit facilities and term loans; (iv) the addition of senior recourse or non-recourse debt using target acquisitions as well as existing assets as collateral; (v) the sale of existing assets; and/or (vi) cash flows from operations.

Our long-term liquidity needs will consist primarily of funds necessary for acquisitions of assets, development or repositioning of properties, or re-leasing of space in existing properties, capital expenditures, paying interest and principal on debt financings, refinancing of indebtedness, paying distributions on our Preferred Stock or any other preferred stock we may issue, any future repurchase of Common Stock and/or redemption of our Preferred Stock (if we choose, or are required, to pay the redemption price in cash instead of in shares of our Common Stock) and any renewed distributions on our Common Stock. To the extent we decide to proceed with development work on any of our development sites (in addition to those discussed below), we will have increased liquidity needs.

Construction has been substantially completed on the renovation of the Sheraton Grand Hotel's guest rooms and corridors (the "Rooms Renovation Project") at our Sheraton Grand Hotel in Sacramento, California, with total costs incurred of $21.5 million as of March 31, 2026. We also started our renovation of Sheraton Grand Hotel's lobbies and common areas (the "Lobby Renovation Project") during the third quarter of 2025. The estimated cost for the Lobby Renovation Project is approximately $11.6 million, of which $9.0 million had been incurred as of March 31, 2026. Both the Rooms Renovation Project and Lobby Renovation Project are being funded by a combination of draws on the mortgage loan at the property, key money from the Sheraton Grand Hotel's franchisor, and cash from operations of the hotel. In addition, we are evaluating a potential refinancing and are in discussions with and receiving proposals from potential lenders related to the Sheraton Hotel that could result in an upsized loan and a reduced interest rate.

From and after September 2024, at our option, we redeemed 10,129,244, 4,019,649 and 21,760 shares of Series A1 Preferred Stock, Series A Preferred Stock, and Series D Preferred Stock, respectively, in shares of Common Stock and we have paid holder-requested redemptions of 913,141, 759,308, and 4,122 shares of Series A1 Preferred Stock, Series A Preferred Stock, and Series D Preferred Stock, respectively, in shares of Common Stock. On March 16, 2026, we redeemed, at our option, 7,539,638 shares of Series A1 Preferred Stock, 1,869,573 shares of Series A Preferred Stock and 21,760 shares of Series D Preferred Stock in shares of Common Stock (the "March 2026 Redemption"). Other than the March 2026 Redemption, the Company does not currently intend to redeem, at the Company's election, additional Preferred Stock in shares of Common Stock. However, the Company will evaluate redemption requests submitted by holders of its shares of Preferred Stock at the time it receives them and may elect to redeem those Preferred Shares in Common Stock or cash, at the Company's discretion.

As of May 1, 2026, the Company has received redemption requests related to Series A1 Preferred Stock and Series A Preferred Stock, totaling approximately $204,000, which the Company intends to redeem in shares of Common Stock as soon as practical after the Company opens its trading window in accordance with its Insider Trading Policy.

The measures noted above, taken together, strengthen our balance sheet and improve liquidity. These actions are also intended to better position the Company to take advantage of opportunities that are expected to arise in a recovering real estate market.

We may not have sufficient funds on hand or may not be able to obtain additional financing to cover all of our long-term cash requirements. The nature of our business, and the requirements imposed by REIT rules that we distribute a substantial majority of our REIT taxable income on an annual basis in the form of dividends, may cause us to have substantial liquidity needs over the long-term. While we will seek to satisfy such needs through one or more of the methods described in this Quarterly Report on Form 10-Q, our ability to take such actions is highly uncertain and cannot be predicted, and could be affected by various risks and uncertainties, including, but not limited to, the risks detailed in "Item 1A—Risk Factors" of the 2025 Form 10-K. If we cannot obtain funding for our long-term liquidity needs, our assets may generate lower cash flows or decline in value, or both, which may cause us to sell assets at a time when we would not otherwise do so which could have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Preferred Stock or any renewed distributions on our Common Stock.

We must meet certain financial and liquidity criteria to maintain the listing of our Common Stock on Nasdaq. If we violate Nasdaq's listing requirements or fail to meet its listing standards, our Common Stock may be delisted. On November 7, 2024, we received written notice from the Listing Qualifications Department of Nasdaq indicating that we had fallen out of compliance with the Bid Price Requirement. To regain compliance, the closing bid price of our Common Stock had to be a minimum of $1.00 per share for a minimum of ten consecutive business days prior to May 6, 2025. On May 1, 2025, we received a letter from the Nasdaq Listing Qualification Department informing the Company that it had regained compliance with the Bid Price Requirement as of April 30, 2025 due to the price of our Common Stock maintaining a minimum bid price in excess of $1.00 for ten consecutive business days. In addition, in order to remain in compliance with Nasdaq's Modified Low-

Price Requirement (which triggers an immediate suspension of trading and potential delisting notice for securities that do not maintain a closing bid price of greater than $0.10 for ten consecutive trading days), the Company effected a 1-for-10 reverse stock split on March 26, 2026 and, in order to remain in compliance with the Bid Price Requirement, the Company effected an additional 1-for-10 reverse stock split on April 20, 2026. However, our ability to maintain compliance with Nasdaq's listing standards requirements in the future, including the Bid Price Requirement, is not guaranteed. We believe that delisting our Common Stock from Nasdaq could have significant adverse consequences, including a decreased ability to issue additional shares of Common Stock to raise additional financing in the future due to the increased lack of liquidity that would result in our Common Stock due to the factors described in "We may not be able to maintain a listing of our Common Stock on Nasdaq" in "Item 1A—Risk Factors" of the 2025 Form 10-K. In addition, delisting may result in the inability to redeem Preferred Stock when all other criteria for redemption have been met if registration under applicable state securities or "blue sky" laws is not able to be accomplished in a particular state and the cash required for such redemption is not available.

Sources and Uses of Funds

Mortgages

We have mortgage loan agreements with outstanding balances of $477.1 million as of March 31, 2026. Our mortgage loans mature on various dates from June 7, 2026 through January 11, 2030.

With regard to the mortgage payable with a balance of $66.3 million as of March 31, 2026 maturing on June 7, 2026 (the "1150 Clay Mortgage"), the Company executed the final one-year extension option under the mortgage in June 2025. The Company intends to work with the lender in order to refinance the 1150 Clay Mortgage beyond its stated maturity date of June 7, 2026. Although the Company believes it is likely it will be able to refinance the 1150 Clay Mortgage prior to June 7, 2026, there can be no assurance that such refinancing will occur. If the Company and the lender under the 1150 Clay Mortgage cannot agree on an extension of the mortgage and the Company fails to repay the loan in full upon its contractual maturity date, such failure would constitute an event of default under the mortgage and would allow the lender to, among other remedies, take possession of the property.

With regard to the mortgage payable with a balance of $81.0 million as of March 31, 2026 secured by a multifamily property in Oakland, California (the "Channel House Mortgage"), on August 4, 2025 the Company reached an agreement with the lender to extend the maturity date through January 31, 2027 (the "Channel House Mortgage Extension"). In connection with the Channel House Mortgage Extension, the Company made a repayment of $6.0 million under the Channel House Mortgage, reducing it from its previous balance of $87.0 million. Although the Company believes it is likely it will be able to refinance the Channel House Mortgage prior to January 31, 2027, there can be no assurance that such refinancing will occur. If the Company and the lender under the Channel House Mortgage cannot agree on an extension of the mortgage and the Company fails to repay the loan in full upon its contractual maturity date, such failure would constitute an event of default under the mortgage and would allow the lender to, among other remedies, take possession of the property.

With regard to the mortgage payable with a balance of $97.1 million as of March 31, 2026 maturing on July 1, 2026 (the "1 Kaiser Mortgage"), the Company intends to work with the lender in order to refinance the 1 Kaiser Mortgage beyond its stated maturity date of July 1, 2026. Although the Company believes it is likely it will be able to refinance the 1 Kaiser Mortgage prior to July 1, 2026, there can be no assurance that such refinancing will occur. If the Company and the lender under the 1 Kaiser Mortgage cannot agree on an extension of the mortgage and the Company fails to repay the loan in full upon its contractual maturity date, such failure would constitute an event of default under the mortgage and would allow the lender to, among other remedies, take possession of the property.

Revolving Credit Facilities

In June 2025, a subsidiary of the Company, as borrower, entered into an agreement (the "Lending Division Revolving Credit Facility") with a bank that included a $20.0 million revolving credit facility secured by the unguaranteed portion of certain of such subsidiary's SBA 7(a) loans receivable and other assets of such subsidiary, subject to a borrowing base calculation, and fully guaranteed by the Company. Upon the closing of the sale of First Western on January 21, 2026, the remaining balance of $10.4 million under the Lending Division Revolving Credit Facility was paid in full, resulting in the termination of the Lending Division Revolving Credit Facility.

Other Financing Activity

We have junior subordinated notes with a variable interest rate that resets quarterly based on the three-month SOFR plus 3.51%, with quarterly interest-only payments. The junior subordinated balance is due at maturity on March 30, 2035. The junior subordinated notes may be redeemed at par at our option. The aggregate principal balance of the junior subordinated notes was $27.1 million as of March 31, 2026.

Securities Offerings

We conducted a continuous public offering of Series A Preferred Stock from October 2016 through January 2020, where one Series A Preferred Warrant was issued along with each issued share of Series A Preferred Stock. During the tenure of the offering, we issued 4,603,287 Series A Preferred Stock and Series A Preferred Warrants and received aggregate net proceeds of $105.2 million after commissions, fees and allocated costs. As of March 31, 2026, all of the Series A Preferred Warrants had expired.

From February 2020 through June 2022, we conducted a continuous public offering of our Series A Preferred Stock and Series D Preferred Stock. From June 2022 through September 2024, we conducted a public offering with respect to shares of our Series A1 Preferred Stock. We used the net proceeds from the offerings for general corporate purposes. We have suspended our offering of Series A1 Preferred Stock.

As of March 31, 2026, we had issued 12,040,878 shares of Series A1 Preferred Stock, 8,251,657 shares of Series A Preferred Stock and 56,857 shares of Series D Preferred Stock and received aggregate net proceeds of $459.1 million after commissions, fees and allocated costs.

Dividends on and Redemptions of Preferred Stock

Holders of Series A1 Preferred Stock, Series A Preferred Stock and Series D Preferred Stock are entitled to receive, if, as and when authorized by our Board of Directors, and declared by us out of legally available funds, cumulative cash dividends on each share as follows: (1) at the of greater of (i) an annual rate of 6.0% of the Series A1 Preferred Stock Stated Value (i.e., the equivalent of $0.3750 per share per quarter) and (ii) the Federal Funds (Effective) Rate for such quarter and plus 2.5% of the Series A1 Preferred Stock Stated Value divided by four, up to a maximum of 2.5% of the Series A1 Preferred Stock Stated Value per quarter, (2) 5.50% of the Series A Preferred Stock Stated Value (i.e., the equivalent of $0.34375 per share per quarter), and (3) 5.65% of the Series D Preferred Stock Stated Value (i.e., the equivalent of $0.35313 per share per quarter), respectively.

We expect to pay dividends on the Series A1 Preferred Stock, Series A Preferred Stock and Series D Preferred Stock in arrears on a monthly basis, unless our results of operations, our general financing conditions, general economic conditions, applicable requirements of the Maryland General Corporation Law ("MGCL") or other factors make it imprudent to do so. The timing and amount of dividends declared and paid on our Preferred Stock will be determined by our Board of Directors, in its sole discretion, and may vary from time to time.

From the date of issuance until the fifth anniversary of the date of issuance, holders of Series A1 Preferred Stock, Series A Preferred Stock and Series D Preferred Stock may require us to redeem such shares at a discount to the Series A1 Preferred Stock, Series A Preferred Stated Value and Series D Preferred Stated Value, respectively. From and after the fifth anniversary of the date of original issuance of any share of our Preferred Stock, we generally (subject to certain conditions) have the right (but not the obligation) to redeem, and the holder of such share may require us to redeem, such share at a redemption price equal to 100% of the stated value of such share, plus any accrued but unpaid dividends in respect of such share as of the effective date of the redemption. The redemption price in respect of any share of Preferred Stock, whether redeemed at our option or at the option of a holder, may be paid in cash or in shares of Common Stock in our sole discretion. Through March 31, 2026, we had redeemed 7,109,143 shares of Series A Preferred Stock, 11,225,466 shares of Series A1 Preferred Stock, and 34,292 of Series D Preferred Stock.

Other than the March 2026 Redemption, the Company does not currently intend to redeem, at the Company's election, additional Preferred Stock in shares of Common Stock. However, the Company will evaluate redemption requests submitted by holders of its shares of Preferred Stock at the time it receives them and may elect to redeem those Preferred Shares in Common Stock or cash, at the Company's discretion.

As of May 1, 2026, the Company has received redemption requests related to Series A1 Preferred Stock and Series A Preferred Stock, totaling approximately $204,000, which the Company intends to redeem in shares of Common Stock as soon as practical after the Company opens its trading window in accordance with its Insider Trading Policy.

Of the 7,109,143 shares of Series A Preferred Stock that have been redeemed, the redemption of 2,330,186 shares of Series A Preferred Stock were paid in cash, 2,313,106 of which were redeemed at the option of the holders and 17,080 of which were redeemed at the option of the Company. As of March 31, 2026, the Company, at its option, redeemed 4,019,649 shares of Series A Preferred Stock, all of which were paid in shares of Common Stock, including all accrued and unpaid dividends as of each redemption date and, in addition, as of March 31, 2026, 759,308 shares redeemed at the option of the holders were paid in shares of Common Stock, including all accrued and unpaid dividends as of the redemption date (collectively, the "Series A In-

Kind Redemptions”). The Series A In-Kind Redemptions resulted in the aggregate issuance of 534,863 shares of Common Stock.

Of the 11,225,466 shares of Series A1 Preferred Stock that have been redeemed, the redemption of 183,081 shares of Series A1 Preferred Stock were paid in cash (all of which were redeemed at the option of the holders). As of March 31, 2026, the Company had, at its option, redeemed 10,129,244 shares of Series A1 Preferred Stock, all of which were paid in shares of Common Stock, including all accrued and unpaid dividends as of each redemption date and, in addition, as of March 31, 2026, 913,141 shares redeemed at the option of the holders were paid in shares of Common Stock, including all accrued and unpaid dividends as of the redemption date (collectively, the “Series A1 In-Kind Redemptions”). The Series A1 In-Kind Redemptions resulted in the aggregate issuance of 2,096,914 shares of Common Stock.

Of the 34,292 shares of Series D Preferred Stock that have been redeemed, the redemption of 8,410 shares of Series D Preferred Stock were paid in cash (all of which were redeemed at the option of the holders). As of March 31, 2026, the Company had, at its option, redeemed 21,760 shares of Series D Preferred Stock, all of which were paid in shares of Common Stock, including all accrued and unpaid dividends as of the redemption date and, in addition, as of March 31, 2026, 4,122 shares redeemed at the option of the holders were paid in shares of Common Stock, including all accrued and unpaid dividends as of the redemption date (collectively, the “Series D In-Kind Redemptions”). The Series D In-Kind Redemptions resulted in the aggregate issuance of 6,057 shares of Common Stock.

Dividends on Common Stock

Holders of our Common Stock are entitled to receive dividends, if, as and when authorized by the Board of Directors and declared by us out of legally available funds. In determining our dividend policy, the Board of Directors considers many factors including the amount of cash resources available for dividend distributions, capital spending plans, cash flow, our financial position, applicable requirements of the MGCL, any applicable contractual restrictions, and future growth in NAV and cash flow per share prospects. Consequently, the dividend rate on a quarterly basis does not necessarily correlate directly to any individual factor. We have not paid dividends on our Common Stock since 2024, and we cannot predict with certainty if or when we may be able to resume paying such dividends on our Common Stock.

Off Balance Sheet Arrangements

As of March 31, 2026, we did not have any off-balance sheet arrangements.

Recently Issued Accounting Pronouncements

Our recently issued accounting pronouncements are described in Note 2 to the consolidated financial statements included in this Quarterly Report on Form 10-Q.

Item 3.

Quantitative and Qualitative Disclosures About Market Risk

Our future income, cash flow and fair values relevant to financial instruments are dependent upon prevalent market interest rates. Market risk refers to the risk of loss from adverse changes in market prices and interest rates. We are exposed to market risk in the form of changes in interest rates and the potential impact such changes may have on the cash flows from our floating rate debt or the fair values of our fixed rate debt. As of March 31, 2026 and December 31, 2025 (including our variable rate mortgages payable subject to interest rate cap agreements and excluding premiums, discounts, and deferred loan costs), $440.7 million (or 87.4%) and $440.4 million (or 85.6%) of our debt, respectively, was fixed rate borrowings. As of March 31, 2026 and December 31, 2025 (excluding debt reclassified as held for sale and excluding our variable rate mortgages payable subject to interest rate cap agreements as well as premiums, discounts and deferred loan costs), $63.5 million (or 12.6%) and $74.1 million (or 14.4%), respectively, was floating rate borrowings. Based on the level of floating rate debt outstanding as of March 31, 2026 and December 31, 2025, a 50 basis point change in SOFR would result in an annual impact to our earnings of approximately $318,000 and $371,000, respectively. We calculate interest rate sensitivity by multiplying the amount of floating rate debt by the respective change in rate.

As of March 31, 2026, we had two interest rate cap agreements outstanding with an aggregate notional amount of $172.3 million and an aggregate fair value of the net derivative assets of $20,000. As of March 31, 2026, an increase or decrease of 50 basis points in interest rates would not result in a significant change to the fair value of the derivative asset.

Item 4.

Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Principal Executive Officer and our Principal Financial Officer, regarding the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) at the end of the period covered by this report. Based on that evaluation, our Principal Executive Officer and our Principal Financial Officer concluded, as of that time, that our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in the reports that we file or submit to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms and include controls and procedures designed to ensure the information required to be disclosed by us in such reports is accumulated and communicated to management, including our Principal Executive Officer and our Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the quarter ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Other Information

Item 1. Legal Proceedings

We are not currently involved in any material pending or threatened legal proceedings nor, to our knowledge, are any material legal proceedings currently threatened against us, other than routine litigation arising in the ordinary course of business. In the normal course of business, we are periodically party to certain legal actions and proceedings involving matters that are generally incidental to our business. While the outcome of these legal actions and proceedings cannot be predicted with certainty, in management's opinion, the resolution of these legal proceedings and actions will not have a material adverse effect on our business, financial condition, results of operations, cash flow or our ability to satisfy our debt service obligations or to maintain our level of distributions on our Preferred Stock or any renewed distributions on our Common Stock.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In May 2022, the Company's Board of Directors approved a repurchase program of up to $10.0 million of the Company's Common Stock (the "SRP"). Under the SRP, the Company, in its discretion, may purchase shares of its Common Stock from time to time in the open market or in privately negotiated transactions. The amount and timing of purchases of shares will depend on a number of factors, including, without limitation, the price and availability of shares, trading volume, general market conditions and compliance with applicable securities law. The SRP has no termination date and may be suspended or discontinued at any time. There were no repurchases during the three months ended March 31, 2026. As of March 31, 2026, the Company had repurchased 27 shares of Common Stock (adjusted for the Reverse Stock Splits) for $4.7 million.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

We have adopted an Insider Trading Policy governing the trading of our securities by the Company's officers, directors, employees and certain employees of CIM Group, as well as the Company itself, that we believe is reasonably intended to promote compliance with insider trading laws, rules and regulations and Nasdaq's listing standards. A copy of our Insider Trading Policy is filed as Exhibit 19.1 to our Annual Report on Form 10-K for the year ended December 31, 2025.

None of our officers or directors had any contract, instruction, or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement," as defined in Item 408 of Regulation S-K, in effect at any time during the three months ended March 31, 2026.

On May 8, 2025, the Company filed a notice with the Israel Securities Authority and the Tel Aviv Stock Exchange ("TASE") voluntarily requesting to delist its Common Stock from trading on the TASE due to the relatively low amount of shares of the Company's Common Stock that are trading on the TASE. The voluntary delisting of the Company's Common Stock from the TASE became effective on August 15, 2025. The Company's Common Stock will continue to be listed for trading on Nasdaq.

Item 6. Exhibits

Exhibit Number	Exhibit Description
2.1	Membership Interest Purchase Agreement, dated as of November 6, 2025, by and among PG FR Holding LLC, Creative Media & Trust Corporation and First Western SBLC, Inc. (incorporated by reference to Exhibit 2.1 of the Registrant's Current Report on Form 8-K filed with the SEC on January 22, 2026).
3.1	Creative Media & Community Trust Corporation Articles of Amendment (reverse stock split) (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 31, 2026).
3.2	Creative Media & Community Trust Corporation Articles of Amendment (par value decrease) (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the SEC on March 31, 2026).
*31.1	Section 302 Officer Certification—Chief Executive Officer.
*31.2	Section 302 Officer Certification—Chief Financial Officer.
*32.1	Section 906 Officer Certification—Chief Executive Officer.
*32.2	Section 906 Officer Certification—Chief Financial Officer.
*101.INS	XBRL Instance Document — the instance document does not appear in the interactive data files because its XBRL on the Interactive Data File because its XBRL tags are embedded within the inline XBRL document
*101.SCH	XBRL Taxonomy Extension Schema Document
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
*101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
*101.LAB	XBRL Taxonomy Extension Label Linkbase Document
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
*104	Cover page Interactive Data File, formatted in inline XBRL (included in Exhibit 101).

* Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

			Creative Media & Community Trust Corporation
Dated:	May 7, 2026	By:	/s/ DAVID THOMPSON
			David Thompson
			Chief Executive Officer
Dated:	May 7, 2026	By:	/s/ BRANDON HILL
			Brandon Hill
			Chief Financial Officer

Exhibit 31.1

Certification
Pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002

I, David Thompson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Creative Media & Community Trust Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2026

/s/ David Thompson
David Thompson
Chief Executive Officer

Exhibit 31.2

Certification
Pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002

I, Brandon Hill, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Creative Media & Community Trust Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2026

/s/ BRANDON HILL
Brandon Hill
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Creative Media & Community Trust Corporation (the "Company") on Form 10-Q for the period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Thompson, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 7, 2026

/s/ David Thompson
David Thompson
Chief Executive Officer

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350) and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Creative Media & Community Trust Corporation (the "Company") on Form 10-Q for the period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brandon Hill, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 7, 2026	/s/ BRANDON HILL
	Brandon Hill
	Chief Financial Officer

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350) and is not being filed as part of the Report or as a separate disclosure document.