

PMC Commercial Trust Enters Into Merger Agreement with CIM Urban REIT, LLC

Deal Value: \$2.4 Billion

Sandler O'Neill + Partners L.P. served as financial advisor to PMC Commercial Trust in this transaction.

This represents the largest REIT M&A transaction in which Sandler O'Neill has acted as a financial advisor.

About the Transaction:

On July 8, 2013, PMC Commercial Trust (NYSE MKT: PCC), ("PMC"), a REIT that specializes in real estate financing through first lien collateralized loans to small businesses, announced that it has entered into a definitive merger agreement with CIM Urban REIT, LLC ("CIM"), a private commercial REIT with Class A commercial real estate assets located in premier urban markets throughout the United States.

Pursuant to the merger agreement, CIM will receive an aggregate of approximately 477.2 million Common Shares, representing approximately 97.8% of PMC's outstanding Common Shares. In addition, PMC shareholders of record will receive a special cash dividend of \$5.50 per common share. Based on the agreed equity value of CIM Urban REIT's contributed portfolio of \$2.386 billion and the issuance of 477.2 million PMC shares, the merged company will have an implied equity valuation of \$2.439 billion. Additionally, the merged company expects to pay a quarterly cash dividend of \$.175 per share moving forward.

The merged company will primarily invest in substantially stabilized real estate and real estate-related assets in high density, high barrier to entry urban markets throughout the United States; an affiliate of CIM will externally manage most aspects of the merged company's business. In addition, the merged company will continue to originate loans in accordance with the current investment strategy of PMC.

This announcement is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell securities.

About PMC Commercial Trust:

PMC is a REIT organized in 1993 that primarily originates loans to small businesses collateralized by first liens on the real estate of the related business, predominantly (94%) in the hospitality industry. Its operations are located in Dallas, Texas and include originating, servicing and selling the government guaranteed portions of certain loans.



Financial Highlights

| | Equity Value | Ownership % |
|---------------------------------|-----------------|---------------|
| CIM Urban REIT, LLC | \$ 2,386 | 97.8% |
| PMC Commercial Trust | 53 | 2.2% |
| <i>Pro Forma</i> ⁽¹⁾ | \$ 2,439 | 100.0% |
| Special Dividend Per Share | \$ 5.50 | |

(1) Excludes CIM and PMC debt

About CIM Urban REIT, LLC:

CIM is a private commercial REIT with Class A commercial real estate assets located in premier urban markets throughout the United States. CIM is managed by a subsidiary of CIM Group, LLC, an urban real estate and infrastructure investment firm with approximately \$12 billion in assets under management and approximately \$7 billion of equity under management on behalf of its investors.

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