

September 16, 2024

Creative Media & Community Trust Corporation (NASDAQ: CMCT) announced today actions being taken to drive **an accelerated focus on premier multifamily housing in place of traditional office real estate** while also strengthening its balance sheet and improving liquidity.

Why is CMCT taking these actions?

The Company has previously targeted a capital structure consisting of approximately 40% common equity, 30% preferred equity and 30% debt. The recent decline in real estate values, particularly in the Bay Area and office in general, has resulted in a lower than targeted common equity ratio.

What specific actions is CMCT taking to strengthen its balance sheet and improve liquidity?

- Given the increasingly favorable interest rate environment, CMCT is focusing on refinancing existing assets
- The proceeds from refinancing will be used to fully repay its corporate-level credit facility
- Remaining funds, along with the proceeds from any future potential sale of assets, will be invested in premier multifamily properties

What are the implications to preferred shareholders?

CMCT has announced that effective immediately it is suspending its Series A1 Preferred offering. Additionally:

- Shareholders who acquired Series A Preferred Stock less than 5 years ago and shareholders who acquired Series A1 Preferred Stock less than 2 years ago (as of 9/13/24) will:
 - Maintain preferred stock
 - Have the dividend payment schedule shifted to a quarterly dividend (from monthly)
- Shareholders who acquired Series A Preferred Stock more than 5 years ago and shareholders who acquired Series A1 Preferred Stock more than 2 years ago (as of 9/13/24) will:
 - Have Preferred Shares redeemed in the form of common stock (for most investors the redemption date will be 9/23)
 - Receive the common dividend payment quarterly
 - Earn 4 cents per share quarterly on each common share (in the form of common stock), equating to an 8.14% annual yield (based on the closing common stock price on 9/13/24)



What will happen to previously declared Preferred Stock dividends?

- The company's previously declared dividends for the third quarter of 2024 will continue to be paid out monthly in September and October as originally stated

The Company believes these actions will strengthen its balance sheet, improve its liquidity and assist in accelerating the transition towards premier multifamily properties. In addition, the Company should be better positioned to take advantage of opportunities that are expected to arise in a recovering real estate market.

We appreciate your ongoing partnership. If you have any questions, please contact your CIM Wholesaler and/or join us for A CMCT Fund Update webinar on Wednesday, September 18 at 4:30 PM ET.

Register here: [CMCT Fund Update](#)

Sincerely,

Byron Bent

1st Vice President

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