

**PREPARED BY AND UPON
RECORDATION, RETURN TO:**

Cheryl Murray, General Counsel
PMC Capital, Inc.
18111 Preston Road, Suite 600
Dallas, TX 75252

MEMORANDUM OF INDENTURE

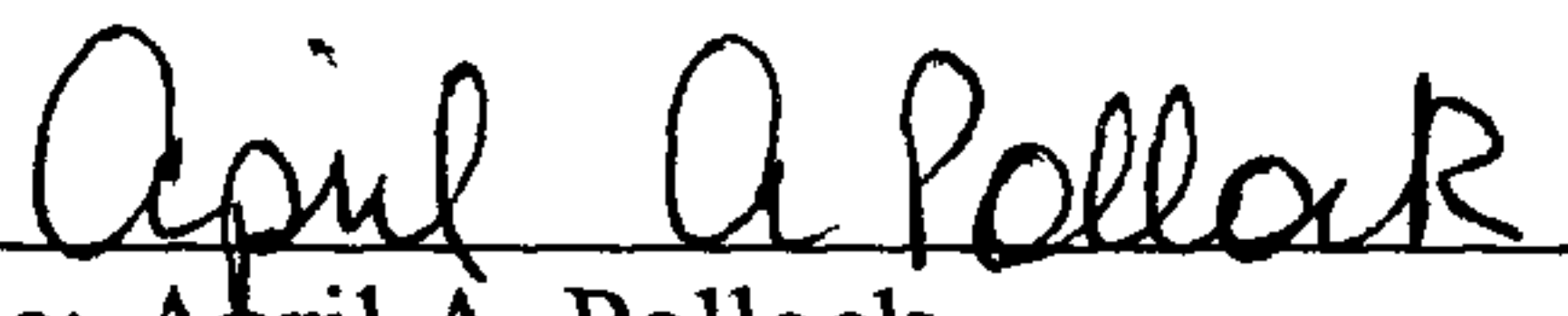
STATE OF ALABAMA §
 § KNOW ALL MEN BY THESE PRESENTS THAT:
COUNTY OF SHELBY §


Reference is hereby made to that Trust Indenture dated as of April 3, 2002 (the "*Indenture*") between **PMC JOINT VENTURE, L.P. 2002-1**, a Delaware limited partnership (the "*Partnership*") whose address is 18111 Preston Road, Suite 600, Dallas 75252 and **BNY MIDWEST TRUST COMPANY**, as Trustee (the "*Trustee*") whose address is **2 N. LaSalle Street, Suite 1020, Chicago, Illinois 60602**. The Partnership is the owner of the promissory note secured by the lien and security interest of the deed of trust or mortgage as more specifically described on **Exhibit A** attached hereto and incorporated herein for all purposes.

Pursuant to the Indenture, the Partnership has pledged, set over and granted to the Trustee and its successors in trust and assigns, a security interest in all right, title and interest of the Partnership in and to the aforementioned promissory note, the deed of trust or mortgage described on **Exhibit A** securing such promissory note and all liens, rights, titles, assignments and interests relating thereto. This Memorandum of Indenture is being placed of record in the real property or other records of the county for the purposes of putting third parties on notice of the assignment and conveyance effectuated by the Indenture.

Executed as of the 3rd day of April 2002.


Signed, sealed and delivered in
Collin County, Texas in the presence of:


Name: April A. Pollock
(Unofficial Witness)


Name: Debbie Taylor
(Unofficial Witness)

PMC JOINT VENTURE, L.P. 2002-1

By: PMC JOINT VENTURE LLC 2002-1
its General Partner

By: 
Name: Jan F. Salit
Title: Executive Vice President


STATE OF TEXAS

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§
§

COUNTY OF COLLIN

BEFORE ME, the undersigned authority, on this day personally appeared Jan F. Salit, the Executive Vice President of PMC JOINT VENTURE LLC 2002-1, a Delaware limited liability company, the General Partner of PMC JOINT VENTURE, L.P. 2002-1, a Delaware limited partnership, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3rd day of April 2002.


Notary Public in and for
the State of Texas

My Commission Expires:
November 3, 2003

Nancy K. Hester
Printed Name of Notary Public



EXHIBIT "A"

Promissory Note dated November 21, 2000, executed by Pelham Motel Investments, Inc. and payable to the order of PMC Commercial Trust in the original principal amount of \$906,074.00.

Mortgage, Assignment of Leases and Rents and Security Agreement dated November 21, 2000, executed by Pelham Motel Investments, Inc. recorded with Shelby County, AL on November 28, 2000 in Inst. #2000-40891.

LEGAL DESCRIPTION

Part of Block 3, Cahaba Valley Park North, as recorded in Map Book 13, Page 140, in the Probate Office of Shelby County, Alabama; being more particularly described as follows:

Begin at the Southeast corner of said Block 3, said point being at the intersection of the Northerly right of way line of Cahaba Valley Parkway East and the Westerly right of way lien of a service road which runs along interstate Highway I-65 right of way; thence run Northerly along said I-65 service road Westerly right of way line for 165.13 feet to a point at the end of said service road; thence continue Northerly along the last stated course for 123.07 feet; thence 119 degrees, 50 minutes, 08 seconds left and run Southwesterly for 288.94 feet; thence 90 degrees, 00 minutes, 00 seconds left and run Southeasterly for 250.00 feet to a point on the North right of way line of said Cahaba Valley Parkway East; thence 90 degrees, 00 minutes, 00 seconds left and run Northeasterly along said right of way line 145.56 feet to the point of beginning.