

such transaction has been approved or ratified, after full disclosure of such affiliation, by a majority of the Trustees of the Trust, including a majority of the Trustees who are not Affiliates of any Person (other than the Trust) who is a party to the transaction, whether such Trustees are acting as a committee of the Trustees or otherwise, and (ii) the Trustees approving the transaction have determined that such transaction is fair and reasonable to the Trust and its Shareholders and that such transaction is on terms not less favorable to the Trust than terms available for a comparable transaction with others that are not so affiliated, and (iii) if such transaction with such Persons relates to: (x) the acquisition by the Trust of federally insured or guaranteed mortgages, it shall be effected at prices not exceeding the currently quoted prices at which the Federal National Mortgage Association is committing to purchase comparable mortgages; (y) the acquisition by the Trust of other mortgages on terms not less favorable to the Trust than similar transactions involving Persons that are not so affiliated; or (z) the acquisition by the Trust of other property, it shall be effected at prices not exceeding the fair value thereof as determined by independent appraisal. The simultaneous acquisition by the Trust and the Investment Administrator or any Affiliate

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