

and any corporation, partnership, trust or other legal entity in which such natural person owns directly or indirectly more than a one percent (1%) interest; and persons affiliated with any corporation, partnership, trust or other legal entity shall include its officers, directors, partners and trustees and any corporation, partnership, trust or other entity in which such corporation, partnership, trust or other entity owns directly or indirectly more than a one percent (1%) interest. If any person is affiliated with any other person, then such other person shall also be affiliated with that person, i e., if A is affiliated with B, then B shall also be affiliated with A.

Section 13.12. Fees and Expenses. The aggregate annual expenses of every character paid or incurred by the Trust, excluding interest, taxes, expenses in connection with the issuance of securities, shareholder relations, and acquisition, operation, maintenance, protection and disposition of Trust Assets (regardless of whether such expenses are paid directly by the Trust or indirectly by way of reimbursement to any agent or independent contractor, including the Adviser, that has advanced or incurred a liability for the payment of any such expense on behalf of the Trust) but including compensation paid to the Adviser or advisory fees generally, and mortgage servicing fees and all other expenses, shall not exceed the greater of:

(a) one and one-half percent (1 1/2%) of the average net assets of the Trust, net assets being defined as all Trust Assets at cost before deducting depreciation reserves, less total liabilities, calculated at least quarterly on a basis consistently applied; or

(b) twenty-five percent (25%) of the net income of the Trust, excluding provision for depreciation and realized capital gains and losses and extraordinary items, and before deducting the Adviser's compensation and other advisory and servicing fees, calculated at least quarterly on a basis consistently applied;

but in no event shall such aggregate annual expenses of the Trust

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