

among the particular investment opportunities that come to the Adviser those investment opportunities which it presents to the Trust.

The Trustees shall not enter into any agreement with the Adviser pursuant to the provisions of Section 3.1 hereof unless such agreement shall provide that upon the request of any Trustee, the Adviser and any Person who is directly or indirectly controlled by, or under common control with, the Adviser shall from time to time promptly furnish the Trustees to the extent feasible and legally permissible with information on a confidential basis as to any investments within the Trust's investment policies made by the Adviser or such Person for its own account and as to any investment opportunities within the Trust's investment policies furnished by the Adviser or such Person to others.

ARTICLE IV

INVESTMENTS

SECTION 4.1. *Statement of Investment Policy.* The principal investment objective of the Trust is Mortgage Loans (including, without limitation, conventional Mortgage Loans and Mortgage Loans made in connection with land purchase-leaseback transactions and corporate net lease financings), ownership or other interests in Real Property or in Persons involved in owning, leasing, developing, financing or dealing in Real Property (which investments shall ordinarily be made in connection with properties having income-producing characteristics and which may but need not be related to the making of Mortgage Loans by the Trust), Construction Loans, and other investments (including commitments) related to Real Property, all in such proportions as the Trustees may deem advisable from time to time in light of changing economic conditions.

Subject to the investment restrictions in Section 4.3 hereof, the Trustees may alter the above-described investment policies if they should determine such change to be in the best interests of the Trust. Subject to the preceding sentence, the Trustees shall endeavor to invest the Trust's assets in accordance with the investment policies set forth in this Article IV, but the failure so to invest its assets shall not affect the validity of any investment made or action taken by the Trustees.

The general purpose of the Trust is to seek real estate investment trust income as defined in the REIT Provisions of the Internal Revenue Code. The Trustees intend to make investments in such a manner as to comply with the requirements of the REIT Provisions of the Internal Revenue Code with respect to the composition of the Trust's investments and the derivation of its income; provided, however, that no Trustee, officer, employee or agent of the Trust or the Adviser shall be liable for any act or omission resulting in the loss of tax benefits under the Internal Revenue Code, except for that arising from his or its own bad faith, willful misconduct, gross negligence or reckless disregard of his or its duties.

SECTION 4.2. *Uninvested Assets.* To the extent that the Trust has assets not otherwise invested in accordance with Section 4.1 hereof, the Trustees may invest such assets in:

- (a) obligations of, or guaranteed or insured by, the United States Government or any agencies or political subdivisions thereof;
- (b) obligations of, or guaranteed by, any state, territory or possession of the United States of America or any agencies or political subdivisions thereof;
- (c) evidences of deposits in, or obligations of, banking institutions, state and federal savings and loan associations and savings institutions which are members of the Federal Deposit Insurance Corporation or of the Federal Home Loan Bank System;
- (d) shares of other "real estate investment trusts", to the extent permitted by the REIT Provisions of the Internal Revenue Code and Section 4.3(e) hereof;