

(d) fees and expenses (including travel expenses and other out-of-pocket expenses) paid to Trustees (other than fees paid to Trustees who are affiliates of the Advisor), independent contractors, consultants, managers, closing and disbursement agents, and other agents employed by or on behalf of the Trust (other than the Advisor);

(e) expenses connected with the acquisition, disposition and ownership of real estate interests or mortgage loans or other property (including the costs of closing, foreclosure, insurance premiums, legal services, brokerage and sales commissions, maintenance, repair and improvement of property);

(f) expenses of maintenance, up-keep and management of real estate equity interests and processing and servicing mortgage, construction and other loans;

(g) insurance as required by the Trustees (including Trustees' liability insurance);

(h) the expenses of organizing, revising, amending, converting, modifying or terminating the Trust;

(i) expenses connected with payments of dividends or interest or distributions in cash or any other form made or caused to be made by the Trustees to holders of securities of the Trust;

(j) all expenses connected with communications to holders of securities of the Trust and the other bookkeeping and clerical work necessary in maintaining relations with holders of securities, including the cost of printing and mailing certificates for securities and proxy solicitation materials and reports to holders of the Trust's securities;

(k) the cost of any accounting, statistical, or bookkeeping equipment necessary for the maintenance of the books and records of the Trust;

(l) transfer agent's, registrar's and indenture trustee's fees and charges;

(m) legal, accounting and auditing fees and expenses incurred in connection with the administration and operation of the business of the Trust in the ordinary course of its business and not included in clauses (a) through (l) of this definition; and

(n) depletion, depreciation, amortization and losses on disposition of investments and reserves therefor.

All calculations made in accordance with this Section 4.4 shall be based upon statements (which may be unaudited, except as provided herein) prepared on an accrual basis consistent with generally accepted accounting principles, regardless of whether the Trust may also prepare statements on a different basis.

4.5. **Initial Advisor.** Hotel Advisors, Inc. shall serve as the initial Advisor.

ARTICLE V INVESTMENT POLICY

5.1. **General Statement of Policy.** The Trust has been established to provide investors with the opportunity to invest in a portfolio of Real Property Investments consisting primarily of Long-Term Mortgage Loans with Equity Participations and Equity Investments in Real Property made in transactions not relating to the Trust's lending activities. The Trust may also make Construction Loans primarily in connection with Long-Term Real Property Investments. It is the policy of the Trust to concentrate its Real Property Investments in the Accommodations Field; however, other types of income producing Real Property Investments may be made by the Trust if, in the opinion of the Trustees, such investments are more advantageous to the Trust than available Real Property Investments in the Accommodations Field. In addition to the foregoing the Trust is empowered to make any other investment or engage in any other activity which does not adversely affect the Trust's status as a real estate investment trust under the REIT Provisions of the Internal Revenue Code. In each case the Trustees may make the Trust's investments or engage in an activity alone or in participation with others, including the granting of Senior Participations to other lenders.