

5.2. Limit on Real Property Investments. The Trust shall not make any Real Property Investment in an amount, after deducting the principal amount of any participations in such investment disposed of by the Trust to other investors, exceeding twenty percent (20%) of the sum of the Trust's net worth and indebtedness which is subordinated to other indebtedness of the Trust.

5.3. Exclusive Investment in Franchisees of National Hotel Companies. The Trustees are permitted at any time or from time to time to invest the Trust Estate exclusively in securities of franchisees of National Hotel Companies; however, other types of investments in the Accommodations Field may be made by the Trust (including investments in property leased to or operated by a National Hotel Company), or investments may be made by the Trust outside of the Accommodations Field if, in the opinion of the Trustees, such investments are more advantageous to the Trust than available investments in the Accommodations Field.

5.4. Changes in Investment Policy. The investment policy set forth in Sections 5.1 through 5.3 hereof may be altered by the Trustees with the consent of Shareholders, holding a majority of the outstanding Shares if the Trustees determine that such alteration is in the best interest of the Trust and its Shareholders.

5.5. Other Permissible Investments. To the extent that the Trust has assets not otherwise invested in accordance with the foregoing Sections of this Article V, the Trustees may, to the extent it does not adversely affect the Trust's status as a Real Estate Investment Trust under the REIT Provisions of the Internal Revenue Code, employ such assets by investing them in:

- (a) Cash;
- (b) Obligations of the United States Government or agencies thereof;
- (c) Obligations of any state or territory of the United States of America or any agency thereof;
- (d) Obligations of any foreign government or agency thereof;
- (e) Evidences of deposits in, obligations of, and bankers' acceptances issued by, banking institutions and savings institutions which are members of the Federal Deposit Insurance Corporation or of the Federal Home Loan Bank System; and
- (f) Evidences of corporate indebtedness.

5.6. Restrictions. The Trustees shall not:

- (a) invest in commodities, foreign currencies, bullion or chattels, except as required in the day-to-day business of the Trust or in connection with its investments;
- (b) invest in real estate contracts for sale in excess of a value of one percent (1%) of the Total Assets of the Trust; provided, however, that nothing in this Section 5.6 shall prevent the holding of contracts of sale as security for loans made by the Trust and the ownership of such contracts of sale upon foreclosure of, or realization upon, such security interests, and contracts of sale so held or owned shall be excluded from the computation required by this Section 5.6(b);
- (c) engage in any short sale;
- (d) issue equity securities of more than one class (other than convertible obligations, warrants, rights and options) or issue any options or warrants to purchase its securities to the Advisor, or any Affiliate of the Advisor, or at an exercise price less than the fair market value of such securities;
- (e) issue "redeemable securities" as defined in Section 2(a)(31) of the Investment Company Act of 1940;
- (f) hold securities in any "real estate investment trust" which, to the actual knowledge of the Trustees, is then holding investments or engaging in activities prohibited to the Trustees under this Section 5.6;
- (g) engage in trading as compared with investment activities, or engage in the business of underwriting or agency distribution of securities issued by others, but this prohibition shall not prevent the Trust from selling participations in Mortgage Loans or interests in Real Property;