

others, or interests in Mortgages, interests in Real Property, or interests in Persons engaged in the real estate business, including serving as a trustee or officer of any other Real Estate Investment Trust. Subject to the provisions of Article IV, any Trustee or officer may be interested as trustee, officer, director, stockholder, partner, member, advisor or employee, or otherwise have a direct or indirect interest in any Person who may be engaged to render advice or services to the Trust, and may receive compensation from such Person as well as compensation as Trustee, officer, or otherwise hereunder. None of these activities shall be deemed to conflict with his duties and powers as Trustee or officer.

7.6. Transactions Between the Trustees and the Trust. Except as prohibited by this Declaration, and in the absence of fraud, a contract, act or other transaction, between the Trust and any other Person, or in which the Trust is interested, shall be valid even though (i) one or more of the Trustees, officers, employees or agents of the Trust are directly or indirectly interested in or connected with, or are trustees, partners, directors, employees, agents or officers of such other Person, or (ii) one or more of the Trustees, officers, employees or agents of the Trust, individually or jointly with others, is a party or are parties to or directly or indirectly interested in, or connected with, such contract, act or transaction, and no Trustee or officer shall be under any disability from or have any liability as a result of entering into any such contract, act or transaction, provided that (i) such interest or connection is disclosed or known to the Trustees and the Trustees authorize such contract, act or other transaction by vote sufficient for such purpose without counting the vote of the interested Trustees or (ii) such interest or connection is disclosed to the Shareholders and such contract, act or transaction is approved by the Shareholders. The Trust shall not, in dealing with a Trustee, investment advisor, officer or employee of the Trust, enter into any transaction contrary to the obligations imposed upon Trustees by courts of equity of the State of Maryland.

Notwithstanding any other provision of this Declaration, the Trust shall not knowingly

- (i) lend any assets or property of the Trust to, or borrow any assets or property from, or
- (ii) purchase or acquire any assets or property from, or sell or transfer any assets or property of the Trust to (in either case except for Securities issued by the Trust),

any Trustee; any officer or employee of the Trust; the Advisor; any director, officer or employee of the Advisor; any Person in which a Trustee owns directly more than 1% of the securities; or any Affiliate of any of the foregoing Persons, except that the Trust may, if such transaction has been approved by the affirmative vote of a majority of the Trustees not so affiliated, is on terms not less favorable to the Trust than those then prevailing for comparable transactions at arm's length and is fair and reasonable to the Shareholders of the Trust at the time thereof and under the circumstances then prevailing (A) purchase or acquire from any such Person a participation in a Real Property Investment if such Person retains (or contemporaneously sells to a purchaser other than the Trust who is not such Person), on the same terms as the Trust, at least a 5% participation in such Real Property Investment, (B) sell to any such Person a participation, on terms on which the Trust participates, in any Real Property Investment or (C) borrow money from any such Person on terms no less favorable than the current market; provided, however, that the foregoing provisions of this Paragraph shall not apply to the acquisition by the Trust from any such Person of any loan insured by the Federal Housing Administration or a participation therein, or to the acquisition of any other Real Property Investment or a participation therein which was closed by such Person at the request of or for the convenience of the Trust and is acquired by the Trust from such Person immediately after the closing thereof and upon the same terms as such Person, or to the acquisition or disposition of assets at the formation of the Trust or within 120 days thereafter.

Any Trustee or officer, employee or agent of the Trust may acquire, own, hold and dispose of Securities of the Trust, for his individual account, and may exercise all rights of a holder of such Securities to the same extent and in the same manner as if he were not such a Trustee or officer, employee or agent. The Trustees shall use their best efforts to obtain through an Advisor or other Persons a continuing and suitable investment program, consistent with the investment policies and objectives of the Trust, and the Trustees shall be responsible for reviewing and approving or rejecting investment opportunities presented by the Advisor or such other Persons. So long as there is such Advisor or other Person, the