

accordance with generally accepted accounting principles except that assets may be included at the greater of either (i) the cost of such assets on the books of the Trust less accumulated amortization, depreciation or depletion thereof or (ii) the fair market value of such assets which fair market value, in the case of Real Property, shall be based upon Appraisals thereof.

"Trust Property" shall mean as of any particular time any and all property, real, personal or otherwise, tangible or intangible, which is transferred, conveyed or paid to the Trust or Trustees and all rents, income, profits and gains therefrom and which at such time is owned or held by, or for the account of, the Trust or the Trustees.

## ARTICLE II POWERS OF TRUSTEES

SECTION 2.1. *General.* The Trustees, subject only to the specific limitations contained in this Declaration of Trust and such limitations as may be imposed by law, shall have, without further or other authorization, and free from any power or control on the part of the Shareholders, full, exclusive and absolute power, control and authority over the Trust Property and over the business of the Trust to the same extent as if the Trustees were the sole and absolute owners of the Trust Property and business in their own right, including such power, control and authority to do all such acts and things as in their sole judgment and discretion are necessary, incidental or desirable for the carrying out of or conducting the business of the Trust, but with such powers of delegation as may be permitted by this Declaration of Trust. The enumeration of any specific power or authority herein shall not be construed as limiting the aforesaid power or authority or any specific power or authority. The Trustees shall have the power to enter into commitments to make any investment, purchase or acquisition, or to exercise any power authorized by this Declaration of Trust.

SECTION 2.2. *Investments.* The Trustees shall have power, for such consideration as they may deem proper, to invest in, purchase or otherwise acquire, for cash or other property or through the issuance of Securities of the Trust, and hold or retain for investment full or participating interests (including participations with the Adviser or Affiliates of the Adviser) of any type in real, personal or mixed, tangible or intangible, property of any kind wherever located, including, without limitation, the following: (a) Securities which are secured by Mortgages; (b) rents, lease payments or other income from, or the profits from, or the equity or ownership of, Real Property; (c) investments secured by the pledge or transfer of Mortgage Loans; and (d) Securities of every nature, whether or not secured by Mortgages.

In the exercise of their powers, the Trustees shall not be limited to investing in obligations maturing before the possible termination of the Trust, nor shall the Trustees be limited by any law now or hereafter in effect limiting the investments which may be held or retained by trustees or other fiduciaries, but they shall have full authority and power to make any and all investments within the limitations of this Declaration of Trust, that they, in their absolute discretion, shall determine, and without liability for loss, even though such investments shall be of a character or in an amount not considered proper for the investment of trust funds or which do not or may not produce income.

SECTION 2.3. *Appraisals.* If the Trustees should at any time purchase Real Property, the consideration paid for such Real Property shall be based upon the fair market value of the property as determined by an Appraisal, except that an Appraisal shall not be required with respect to:

- (a) the acquisition of any Mortgage;
- (b) the acquisition of any interest in Real Property in connection with any investment, purchase or acquisition of any interest in Securities which are secured by Mortgages; or