

erty includes, among other things, vacant land, and agricultural or ranching land. Agricultural or ranching land which is purchased at substantially its value for agricultural or ranching land and used as such shall not be regarded as unimproved property;

(b) Invest in commodities;

(c) Invest in junior lien mortgages securing loans, if the aggregate disbursed portion of such loans exceeds ten per cent (10%) of the Trust's gross assets at the time of disbursement, provided, however, that this restriction shall not apply to junior lien mortgages made or acquired by the Trust as additional collateral for a first mortgage loan or in connection with (i) a purchase and leaseback transaction, (ii) a wrap-around loan, (iii) the acquisition of at least a 20% ownership interest in real estate, or (iv) the acquisition of an option to acquire such an interest;

(d) Invest more than one (1) per cent of the Trust's gross assets in real estate contracts of sale;

(e) Invest in any real property which is subject to a mortgage or trust deed or other encumbrance to other than a bank, insurance company, pension fund, other institutional lender, or corporation engaged in the business of mortgage investments, except in the case of a purchase money mortgage;

(f) In dealing with any Trustee, investment advisor, officer or employee of the Trust enter into any transaction contrary to the obligations imposed upon fiduciaries by Courts of Equity or acquire or convey any interest in any property in which any Trustee, advisor of the Trust, independent contractor, or employee for the Trust also has an interest, directly or indirectly, except that the foregoing prohibitions shall not apply to: (1) transactions between the Trust and American Security and Trust Company and/or American Security Corporation and/or any savings and loan company or association, except as to the purchase or sale of land and/or land and buildings; (2) purchases of mortgages by the Trust from B. F. Saul Company during the first six months following receipt by the Trust of any proceeds from any public offering of shares of beneficial interest in the Trust; (3) B. F. Saul Company, a Trustee, officer or employee of the Trust where it or he is acting solely on behalf of the Trust; or (4) the purchase of property pursuant to any option outstanding and effective prior to June 1, 1969.

(g) Engage in trading as compared with investment activities;

(h) Issue shares of beneficial interest of more than one class;