

155578-95

ARTICLES OF ORGANIZATION

OF

FREEMAN GP MANAGEMENT, LLC

FILED
JUN 17 2003
OREGON
SECRETARY OF STATE

Article 1. Name of the Limited Liability Company:

Freeman GP Management, LLC (the "Company")

Article 2. The existence of the Company shall be perpetual, unless sooner dissolved according to the laws of the State of Oregon, these Articles of Organization, or the Operating Agreement of the Company.

Article 3. Name of the initial registered agent:

Alan M. Spinrad

Address of initial registered agent:

200 Willamette Wharf
4640 SW Macadam Avenue
Portland, OR 97239-4232

Mailing address of initial registered agent:

200 Willamette Wharf
4640 SW Macadam Avenue
Portland, OR 97239-4232

Article 4. Address to which the Division may mail notices:

Attn: Alan M. Spinrad
200 Willamette Wharf
4640 SW Macadam Avenue
Portland, OR 97239-4232

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FREEMAN GP MANAGEMENT, LLC

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Article 5. Name and address of each organizer:

**Michael D. Walker
200 Willamette Wharf
4640 SW Macadam Avenue
Portland, OR 97239-4232**

Article 6. The business and affairs of the Company shall be managed by one or more managers.

Article 7. Names and addresses of the initial managers of the Company:

**Rodney Freeman
3029 Wilshire Blvd.
Suite 202
Santa Monica, CA 90403**

Article 8. To the fullest extent that the Oregon Limited Liability Company Act, as it exists on the date hereof or may hereinafter be amended, permits the limitation or elimination of the liability of members or manager, a member or manager of the Company shall not be liable to the Company or its members for conduct as a member or manager. Any amendment or repeal of this Article 8 or the Oregon Limited Liability Company Act shall not adversely affect any right or protection of a member or manager of the Company for or with respect to any acts or omissions of such member occurring prior to such amendment or repeal.

Article 9. The sole business of the Company is to serve as the managing member (the "Managing Member") of Freeman Grants Pass, LLC (the "LLC"), the owner or ground lessee of the real property described in Exhibit "A", attached hereto and incorporated herein by this reference (the "Property").

Article 10. The Property is currently encumbered by that certain Deed of Trust, Fixture Filing, Assignment of Leases and Security Agreement dated as of June 29, 2000 and recorded in the deed records of Josephine Country, Oregon on June 29, 2000 as Instrument No. 00-11475 (the "Deed of Trust"). The Deed of Trust secures that certain promissory note dated June 29, 2000 (the "Note"), said Note being more particularly described in the Deed of Trust. The Company represents, warrants and covenants, as of the date of these Articles of Organization and until (i) such time as all obligations secured by the Deed of Trust have been discharged, or (ii) the LLC is no longer the owner or ground lessee of the Property, the Company agrees that it:

(a) shall at all times act as the managing member of the LLC with all of the rights, powers, obligations and liabilities of Managing Member under the operating agreement of the LLC and shall take any and all actions and do any and all things necessary or appropriate to the accomplishment of same and will engage in no other business.

(b) shall not institute proceedings to be adjudicated bankrupt or insolvent; or consent to the institution of bankruptcy or insolvency proceedings against it; or file a petition seeking, or consent to, reorganization or relief under any applicable federal or state law relating to bankruptcy; or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Managing Member or a substantial part of its property; or make any assignment for the benefit of creditors; or admit in writing its inability to pay its debts generally as they become due; or take any corporate action in furtherance of any such action.

(c) shall not (a) liquidate or dissolve the Managing Member in whole or in part and (b) consolidate, merge or enter into any form of consolidation with or into any other entity, nor convey, transfer or lease its assets substantially as an entirety to any person or entity nor permit any entity to consolidate, merge or enter into any form of consolidation with or into the Managing Member, nor convey, transfer or lease its assets substantially as an entirety to any person or entity.

(d) shall maintain its principal executive office and telephone and facsimile numbers separate from that of any Affiliate and shall conspicuously identify such office and numbers as its own and shall use its own stationary, invoices and checks which reflect its address, telephone number and facsimile number, as appropriate;

(e) shall maintain its records and books and accounts separate from those of any Affiliate or any other entity and shall prepare unaudited quarterly and annual financial statements, and said financial statements shall be in compliance with generally accepted accounting principles and shall be in form reasonably acceptable to the beneficiary under the Deed of Trust (the "Beneficiary") and its successors and/or assigns;

(f) shall maintain its own separate bank accounts and correct, complete and separate books of account;

(g) shall hold itself out to the public (including any Affiliate's creditors) under the Managing Member's own name and as a separate and distinct corporate

entity and not as a department, division or otherwise of any Affiliate;

(h) shall observe all customary formalities regarding the legal existence of the Managing Member, including holding meetings of or obtaining the consent of its managers, as appropriate, and its members and maintaining current accurate minute books separate from those of any Affiliate;

(i) shall act solely in its own legal name and through its own duly authorized managers, officers and agents and no Affiliate shall be appointed or act as agent of the Managing Member in its capacity as managing member of The LLC;

(j) shall make investments in the name of the Managing Member directly by the Managing Member or on its behalf by brokers engaged and paid by the Managing Member or its agents;

(k) except as required by Beneficiary or any successor to Beneficiary in connection with any extension of credit by Beneficiary or any successor to Beneficiary to The LLC (or any refinancing, increase, modification, consolidation or extension of any such extension of credit), shall not guaranty or assume or hold itself out or permit itself to be held out as having guaranteed or assumed any liabilities of any partner of The LLC or any Affiliate other than The LLC, nor shall the Managing Member make any loan, except as permitted in the applicable Operating Agreement of The LLC;

(l) represents and warrants that the Managing Member is and expects to remain solvent and shall pay its own liabilities, indebtedness and obligations of any kind, including all administrative expenses, from its own separate assets;

(m) represents and warrants that assets of the Managing Member shall be separately identified, maintained and segregated and the Managing Member's assets shall at all times be held by or on behalf of the Managing Member and if held on behalf of the Managing Member by another entity, shall at all times be kept identifiable (in accordance with customary usages) as assets owned by the Managing Member (this restriction requires, among other things, that corporate funds shall not be commingled with those of any Affiliate and it shall maintain all accounts in its own name and with its own tax identification number, separate from those of any Affiliates);

(n) shall not intentionally take any action if, as a result of such action, the Managing Member would be required to register as an investment company under the Investment Company Act of 1940, as amended;

(o) shall at all times be adequately capitalized to engage in the transactions contemplated at its formation;

(p) represents and warrants that all data and records (including computer records) used by the Managing Member or any Affiliate in the collection and administration of any loan shall reflect the Managing Member's ownership interest therein; and

(q) represents and warrants that none of the Managing Member's funds shall be invested in securities issued by any Affiliate.

(r) shall maintain at all times an Independent Manager. Independent Manager means a person who (i) except in the capacity as a manager of the Company, is not an employee, consultant, or agent of the Company or any Affiliate, or a former employee, manager or member of the Company or any Affiliate, (ii) is not a spouse, child, grandchild or sibling of any of (i) above, (iii) is not (and is not affiliated with an entity that is) a significant advisor or consultant to the Company, (iv) is not affiliated with a company of which the Company is a significant customer or supplier and (v) has not yet received, and was not a partner, member or any employee of an entity that received, in any year within the five years immediately preceding or any years during such person's incumbency as a manager, fees or other income from the Company or any Affiliate of those entities in the aggregate in excess of 1% of the gross income, for any applicable year, of such person, firm or business. For purposes of this definition, "significant," with respect to any relationship between two persons shall mean any transaction, services of transactions or relationship involving more than the lesser of (a) \$60,000 per calendar year or (b) 1/2 of 1% of either person's annual income.

"Affiliate" means any person or entity other than the Company (i) which owns beneficially, directly or indirectly, more than 50 percent of the ownership interests or which is otherwise in control of the Company, (ii) of which more than 50 percent of the outstanding voting securities are owned beneficially, directly or indirectly, by any entity described in clause (i) above, or (iii) which is controlled by an entity described in clause (i) above; provided that for the purposes of this definition the term "control" or "controlled by" shall have the meanings assigned to them in Rule 405 under the Securities Act of 1933, as amended.

Article 11. The Independent Manager shall not be at the time of his or her appointment and shall not have been at any time during the preceding five (5) years (i) a member, manager, officer, employee or partner of the Managing Member, the Company or

any Affiliate thereof; (ii) a customer, supplier or other person who derives more than 10% of its purchases or revenues from its activities with the Managing Member, the Company or any Affiliate thereof; (iii) a person or other entity controlling or under common control with any such member, manager, officer, employee, partner customer, supplier or other person, or (iv) a member of the immediate family of any such member, manager, officer, employee, partner customer, supplier or other person. As used in this Article 11, the term "Affiliate" shall have the meaning set forth in Article 10, above.

In the event that the Independent Manager resigns, or such position is otherwise vacated, no action specified in Article 12 hereof and requiring the unanimous affirmative vote of the members or the managers of the Company, as the case may be, shall be taken until a successor Independent Manager is elected and qualified and approves such action. In the event of the death, incapacity or resignation of the Independent Manager, or a vacancy for any other reason, a successor Independent Manager shall be appointed by the members and/or the remaining managers of the Company, as the case may be.

The voting and management rights of the Independent Manager shall be limited to matters relating to any action described in Article 12, below.

Article 12. Notwithstanding any other provision of these Articles of Organization and any provision of law that otherwise so empowers the Company, until such time as (i) all obligations secured by the Deed of Trust encumbering the Property owned by the LLC have been discharged, or (ii) the LLC is no longer the owner or ground lessee of the Property, the Company shall not:

(a) without the prior approval of the Beneficiary, amend, alter, change or repeal Articles 9, 10, 11 and 12, inclusive, of these Articles of Organization;

(b) for itself or on behalf of the LLC as the Managing Member of the LLC, without the prior approval of the Independent Manager:

(i) file a voluntary petition or otherwise initiate proceedings to be adjudicated insolvent, or seek an order for relief as a debtor under the United States Bankruptcy Code, as amended (11 U.S.C. §§ 101. et seq.); or

(ii) file any petition seeking any composition, reorganization, readjustment, liquidation, distribution, or similar relief under the present or any future federal bankruptcy laws, or any other present or future applicable federal, state or other statute or law relative to bankruptcy,

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insolvency, or other relief for debtors, or seek the appointment of any trustee, receiver, conservator, assignee, sequestrator, custodian, liquidator (or other similar official) of the Company of all or any substantial part of the property owned by the Company and/or the LLC or make any general assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or declare or effect a moratorium on a debt or take any action in furtherance of any such action.

Execution:



Signature

Michael D. Walker

Printed Name

Organizer

Title

Person to contact about this filing: Michael D. Walker
(503) 226-2966