

State of Idaho

Department of State.

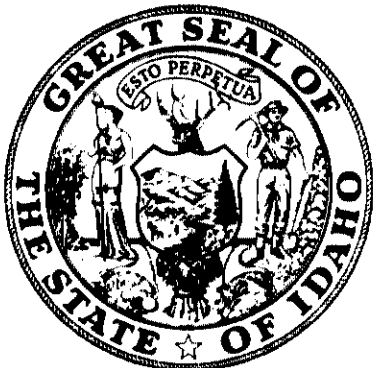
CERTIFICATE OF REGISTRATION OF

FRED MEYER REAL ESTATE PROPERTIES, LTD., AN OREGON LIMITED PARTNERSHIP

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of an Application of FRED MEYER REAL ESTATE PROPERTIES, LTD., AN OREGON LIMITED PARTNERSHIP for Registration in this State, duly signed and verified pursuant to the provisions of the Idaho Limited Partnership Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Registration to FRED MEYER REAL ESTATE PROPERTIES, LTD., AN OREGON LIMITED PARTNERSHIP to transact business in this State under the name FRED MEYER REAL ESTATE PROPERTIES, LTD., AN OREGON LIMITED PARTNERSHIP and attach hereto a duplicate original of the Application for Registration.

Dated December 17, 1982



Pete T. Cenarrusa

SECRETARY OF STATE

by: _____

**APPLICATION FOR REGISTRATION OF
FOREIGN LIMITED PARTNERSHIP**

Dec 17 1981

To the Secretary of State of the State of Idaho:

Pursuant to the provisions of Chapter 2, Title 53, Idaho Code, the undersigned Limited Partnership hereby applies for registration to transact business in your State, and for that purpose submits the following statement:

1. The name of the limited partnership is Fred Meyer Real Estate Properties, Ltd.
2. The name which it shall use in Idaho is Fred Meyer Real Estate Properties, Ltd.,
an Oregon limited partnership
3. It is organized under the laws of Oregon
4. The date of its formation is September 24, 1981
5. The address of its registered or principal office in the state or country under the laws of which it is organized is 3800 SE 22nd Avenue, Portland, OR 97202
6. The name and street address of its proposed registered agent in Idaho are CT Corporation,
300 North 6th Street, Boise, Idaho 83702
7. The general character of the business it proposes to transact in Idaho is:
Real Estate
8. The names and business addresses of its partners are (must be completed only if not included in the certificate of limited partnership): See certified copy of certificate of limited partnership attached.

Name	General or Limited	Address
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(continued on reverse)

8. (Continued)

Name	General or Limited	Address
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

9. This Application is accompanied by a copy of the certificate of limited partnership and amendments thereto, duly authenticated by the proper officer of the state or country under the laws of which it is organized.

Dated December 13, 1982

FRED MEYER REAL ESTATE
PROPERTIES, LTD., an Oregon Limited Partnership

By *Jerry Sadis*
JERRY SADIS, Vice President
~~XXXXXXXXXXXX~~

STATE OF OREGON)
) ss:
COUNTY OF MULTNOMAH)

I, Eileen S. Hanby, a notary public, do hereby certify that on this
13 day of December, 1982, personally appeared
before me Jerry Sadis, who being by me first duly sworn,
declared that he is a ~~XXXXXXXXXXXX~~ Vice President of Fred Meyer Real Estate
Properties, Ltd.

that he signed the foregoing document as a general partner of the limited partnership and that the statements therein contained are true.

Eileen S. Hanby
Notary Public

My Commission Expires May 10, 1986

State of Oregon

Department of Commerce Corporation Division

DEC 17 1982
CORPORATION DIVISION

I, **Frank J. Healy**, Corporation Commissioner and Custodian of the Seal of the Corporation Division of the Department of Commerce of the State of Oregon, do hereby certify that I have carefully compared the annexed copy of Amended and Restated Limited Partnership Agreement and Certificate of Limited Partnership of FRED MEYER REAL ESTATE PROPERTIES, LTD., filed December 9, 1981

with the record now on file in my office, and that the same is a correct transcript therefrom, and of the whole thereof. I further certify that this authentication is in due form and by the proper officer.

In Testimony Whereof, I have hereunto set my hand and affixed hereto the seal of the Corporation Division of the Department of Commerce of the State of Oregon this 22nd day of November, 1982.



Frank J. Healy
Corporation Commissioner

By *Frank J. Healy*

FILED
IN THE OFFICE OF THE CORPORATION
COMMISSIONER OF THE STATE OF OREGON
DEC - 9 1981
FRANK J. HEALY
CORPORATION COMMISSIONER

FRED MEYER REAL ESTATE PROPERTIES, LTD.

**Amended and Restated
Limited Partnership Agreement
and
Certificate of Limited Partnership**

Dated December 7, 1981

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**AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT
AND
CERTIFICATE OF LIMITED PARTNERSHIP
OF
FRED MEYER REAL ESTATE PROPERTIES, LTD.**

This AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP ("Restated Partnership Agreement" or "Agreement") of Fred Meyer Real Estate Properties, Ltd. (the "Partnership") is made as of this 7th day of December, 1981, for the purpose of amending and restating the Limited Partnership Agreement and Certificate of Limited Partnership of the Partnership ("Original Partnership Agreement") filed in the office of the Corporations Commissioner of the State of Oregon on September 24, 1981.

The Partnership has heretofore entered into an asset purchase agreement dated as of September 25, 1981 (the "Asset Purchase Agreement") among the Partnership, FMI Acquisition Corporation, a Delaware corporation ("Acquisition"), and Fred Meyer, Inc., an Oregon corporation ("Fred Meyer"), pursuant to which the Partnership and Acquisition will acquire substantially all of the assets of Fred Meyer, and, therefore, the Partnership, as constituted prior to this amendment and restatement of the Original Partnership Agreement, has been, and is, the sole owner of the right and opportunity to purchase certain of the assets of Fred Meyer. Prior to November 12, 1981, there was no obligation on the part of either the General Partner or the Partnership to admit any person as a general partner or a limited partner to the Partnership. The General Partner, the current limited partner (the "Withdrawing Limited Partner") and the Limited Partners, acting pursuant to the Uniform Limited Partnership Act of the State of Oregon, hereby amend and restate the Original Partnership Agreement as follows:

SECTION 1

DEFINITIONS

Whenever used herein, the capitalized terms listed below shall have the meanings assigned unless some other meaning is plainly required by the context.

Allocation Agreement — an allocation agreement between Acquisition and the Partnership, as originally executed or as amended; modified or supplemented from time to time, pursuant to which, among other things, the assets and liabilities of Fred Meyer shall be allocated between Acquisition and the Partnership.

Assets — all real and personal property of the Partnership, including, without limitation, cash and the Fred Meyer Real Estate Assets.

Available Funds — for any period, an amount equal to:

- (i) FM Net Income or Loss for such period; plus
- (ii) depreciation, amortization and other non-cash charges included in determining such FM Net Income or Loss; plus
- (iii) collections by the Partnership during such period of amounts accounted for as principal of capitalized lease obligations receivable associated with or attributable to the Fred Meyer Real Estate Assets; plus
- (iv) collections by the Partnership during such period of principal of any loans previously made to Acquisition pursuant to the Line of Credit Agreement, to the extent such collections are required to be credited to Available Funds for such period pursuant to Section 6.6(b), together with interest thereon collected during such period; minus
- (v) non-cash credits included in determining such FM Net Income or Loss; minus
- (vi) principal payments during such period on debt secured at the time of payment by a mortgage or deed of trust on one or more of the Fred Meyer Real Estate Assets if such mortgage or deed of trust was assumed by the Partnership in connection with the purchase of the Fred Meyer Real Estate Assets; minus

(vii) actual capital expenditures during such period associated with or attributable to the Fred Meyer Real Estate Assets in excess of any amounts borrowed for such purpose; minus

(viii) principal payments during such period on the Subordinated Notes; minus

(ix) payment during such period of amounts accounted for as principal of capitalized lease obligations payable associated with or attributable to the Fred Meyer Real Estate Assets; minus

(x) the principal amount of any loans made to Acquisition during such period pursuant to the Line of Credit Agreement, to the extent such principal amount is required to be charged to Available Funds for such period pursuant to Section 6.6(a); minus

(xi) principal and, to the extent not included in the calculation of FM Net Income or Loss for such period, interest payments during such period on mortgage debt incurred by the Partnership in connection with the material alteration or expansion of a Fred Meyer Real Estate Asset; minus

(xii) to the extent not included in the calculation of FM Net Income or Loss, any amounts required to be distributed to the General Partner in respect of such period pursuant to Section 5.4.

Capital Contribution — as to any Partner, the amount of cash or other property contributed by such Partner (or its predecessors in interest in the Partnership) to the capital of the Partnership as provided in Schedule A hereto.

Dissolution Sale — all sales or liquidations by the Partnership occurring in connection with the wind-up of the Partnership.

Dissolution Sale Loss — the net loss, if any, realized in connection with the Dissolution Sale.

Dissolution Sale Profit — the net profit, if any, realized in connection with the Dissolution Sale.

Employee Subscription Agreements — the Employee Subscription Agreements, as originally executed, between the Partnership and each Limited Partner who contributes a Promissory Note pursuant to Section 4.1(b), pursuant to which certain Class A limited partnership interests in the Partnership are to be issued and sold.

FM Net Income or Loss — for any period, gross rental revenues of the Partnership for such period, and amounts accounted for as interest for such period on capitalized lease obligations receivable, in each case associated with or attributable to the Fred Meyer Real Estate Assets, reduced by (i) direct expenses for such period associated with or attributable to the Fred Meyer Real Estate Assets, including, but not limited to:

(a) interest on debt secured at the time of payment by a mortgage or deed of trust on one or more of the Fred Meyer Real Estate Assets if such mortgage or deed of trust was assumed by the Partnership in connection with the purchase of the Fred Meyer Real Estate Assets;

(b) amounts accounted for as interest expense on capitalized lease obligations payable associated with or attributable to the Fred Meyer Real Estate Assets; and

(c) rental and other charges pursuant to lease obligations of the Partnership associated with or attributable to the Fred Meyer Real Estate Assets;

(ii) that percentage of the administrative and overhead expenses of the Partnership for such period which are not direct expenses associated with or attributable to the Fred Meyer Real Estate Assets or the New Assets which is equal to the percentage of the Partnership's gross rental revenues for such period and amounts accounted for as interest for such period on capitalized lease obligations receivable, in each case associated with or attributable to the Fred Meyer Real Estate Assets and (iii) interest for such period on the Subordinated Notes.

For purposes of this definition, any parcel of real property otherwise included in the Fred Meyer Real Estate Assets which is not leased to Acquisition or a subsidiary thereof shall not be a Fred Meyer Real Estate Asset.

Final Distribution — a distribution of Partnership funds pursuant to Section 5.5.

Fiscal Period — each of the following periods:

(i) The period from September 24, 1981 to December 31, 1981.

(ii) Each full calendar year after 1981 prior to the period described in clause (iii) below.

(iii) The period from the commencement of the calendar year during which the Partnership is finally wound-up (including the application and/or distribution of all of the Assets pursuant to Section 5.5) to the date of such final wind-up.

Fred Meyer Real Estate Assets — those assets of Fred Meyer to be acquired by the Partnership pursuant to the Asset Purchase Agreement, as designated in the Allocation Agreement. For purposes of this definition, (i) if any improved parcel of real property included in the Fred Meyer Real Estate Assets is being materially altered and expanded on the date hereof, or is materially altered or expanded in the future, it shall nevertheless remain a Fred Meyer Real Estate Asset; (ii) if any unimproved parcel of real property included in the Fred Meyer Real Estate Assets is materially improved, it shall cease to be a Fred Meyer Real Estate Asset and (iii) if a new store or similar facility is under construction on the date hereof on any parcel of real property included in the Fred Meyer Real Estate Assets, such parcel shall not be a Fred Meyer Real Estate Asset.

General Partner — FMGP Associates, an Oregon limited partnership, or any successor General Partner approved pursuant to Section 7.

Gross Income — the gross revenues of the Partnership and net profits or losses from sales, exchanges or other dispositions of Assets other than in connection with a Dissolution Sale used to determine Operating Profits and Operating Losses.

Interim Distribution — a distribution of Partnership funds to the Partners, as such, other than any Final Distribution, and other than amounts payable pursuant to Section 6.2 or 12.4 and reimbursements of Limited Partners' out-of-pocket expenses.

Limited Partner — any Person other than the General Partner whose name and address are set forth on Schedule A hereto, as amended from time to time.

Line of Credit Agreement — a line of credit agreement between the Partnership and Acquisition, as originally executed or as amended, modified or supplemented from time to time, pursuant to which the Partnership will make subordinated loans to Acquisition under certain circumstances.

New Assets — at any time, all of the Assets not included in the Fred Meyer Real Estate Assets.

Note Purchase and Class B Agreement — the Note Purchase and Class B Subscription Agreement dated November 12, 1981 between the Partnership and the Class B Limited Partners, as amended on December 11, 1981 or as further amended, modified or supplemented from time to time, pursuant to which the 18% Subordinated Notes due December 31, 1996 of the Partnership and the Class B Partnership interest hereunder are to be issued and sold.

Operating Losses — all Losses other than the Dissolution Sale Loss.

Operating Profits — all Profits other than the Dissolution Sale Profit.

Partner — the General Partner or any Limited Partner.

Person — an individual, partnership, corporation, trust or unincorporated organization, and a government or agency or political subdivision thereof.

Profits and Losses — for any period, the net income or net loss of the Partnership for such period, net of any item of Gross Income specifically credited to a Partner pursuant to Section 4.3(a). Such net income is referred to herein as "Profits", and such net loss is referred to herein as "Losses".

Right of First Refusal Agreement — a right of first refusal agreement between the Partnership and Acquisition, as originally executed or as amended, modified or supplemented from time to time.

Subordinated Notes — the 18% Subordinated Notes due December 31, 1996 of the Partnership, as originally executed or as amended, modified or supplemented from time to time, to be issued pursuant to the Note Purchase and Class B Agreement.

Substituted Limited Partner — any Person admitted to the Partnership pursuant to Section 8.

Supplemental Funds — for any period, an amount equal to:

- (i) Supplemental Net Income or Loss for such period, excluding any item taken into account in calculating such Supplemental Net Income or Loss which is included in calculating Available Funds for such period; plus

(ii) depreciation, amortization and other non-cash charges included in determining such Supplemental Net Income or Loss; plus

(iii) collections by the Partnership during such period of amounts accounted for as principal of capitalized lease obligations receivable not included in calculating Available Funds for such period; plus

(iv) collections by the Partnership during such period of principal of any loans previously made to Acquisition pursuant to the Line of Credit Agreement to the extent such collections are required to be credited to Supplemental Funds for such period pursuant to Section 6.6(b); plus

(v) the net proceeds received in cash during such period from sales, exchanges or other dispositions of Assets (whether during such period or prior thereto), other than in connection with a Dissolution Sale; plus

(vi) insurance and condemnation proceeds collected by the Partnership during such period to the extent not reinvested or to be reinvested in the affected property; plus

(vii) all cash dividends actually received during such period from subsidiary or affiliated companies accounted for on an equity basis; minus

(viii) non-cash credits included in determining such Supplemental Net Income or Loss; minus

(ix) principal payments during such period on indebtedness of the Partnership for borrowed money not deducted in calculating Available Funds for such period; minus

(x) actual capital expenditures during such period associated with or attributable to the New Assets in excess of any amounts borrowed for such purpose; minus

(xi) payments during such period of amounts accounted for as principal of capitalized lease obligations payable not deducted in calculating Available Funds for such period; minus

(xii) the principal amount of any loans made during such period to Acquisition pursuant to the Line of Credit Agreement, to the extent such principal amount is required to be charged to Supplemental Funds for such period pursuant to Section 6.6(a).

Supplemental Net Income or Loss — for any period, the net income or loss of the Partnership other than (i) the FM Net Income or Loss for such period and (ii) net profits or losses for such period from sales, exchanges or other dispositions of Assets.

SECTION 2

FORMATION OF LIMITED PARTNERSHIP NAME; PURPOSE; PLACE OF BUSINESS

2.1 Organization of Limited Partnership. Pursuant to the terms of this Agreement, the parties hereto hereby continue this limited partnership previously formed pursuant to and in accordance with the provisions of the Uniform Limited Partnership Act of the State of Oregon.

2.2 Name. The name of the Partnership is Fred Meyer Real Estate Properties, Ltd.

2.3 Purpose. The Partnership is organized for the object and purpose of acquiring the Fred Meyer Real Estate Assets; purchasing, owning, operating and managing, directly or through subsidiaries, real property, buildings, fixtures, leasehold improvements and related personal property primarily leased or to be leased to Acquisition; and engaging in such activities incidental or ancillary thereto as the General Partner shall deem necessary or advisable.

2.4 Principal Place of Business. The Partnership shall have its principal place of business at 3 Embarcadero Center, San Francisco, California 94111 or at such other place or places as the General Partner may, from time to time, decide.

2.5 Initial Registered Office and Initial Registered Agent. The Initial Registered Office of the Partnership is 421 S.W. Sixth Avenue, Portland, Oregon 97204 and the Initial Registered Agent of the Partnership at such address is Verne W. Newcomb. The undersigned General Partner designates Verne W. Newcomb, the Initial Registered Agent, and any successor Registered Agent, as its personal Registered Agent and attorney upon whom any process, notice or demand which arises out of the conduct of the Partnership's affairs and which is required or permitted by law to be served upon a General Partner may be served.

SECTION 3
PARTNERS

3.1 General and Limited Partners. The Partnership shall consist of the General Partner and the Class A Limited Partners ("Class A Limited Partners") and two Class B Limited Partners ("Class B Limited Partners"), as listed in Schedule A hereto, and such Substituted Limited Partners as may be admitted to the Partnership pursuant to the terms of this Agreement. The name and place of residence of each Partner are listed on Schedule A hereto. No real or other property of the Partnership shall be deemed to be owned by the General Partner or any Limited Partner individually, but shall be owned by, and title shall be vested solely in, the Partnership.

3.2 Certificates and Fictitious Name Filings. Upon execution of this Agreement, upon any change in the parties or principal place of business of the Partnership, upon the admission or substitution of new Partners, and whenever else required by law, the General Partner shall execute, acknowledge, file and cause to be published, as appropriate, a certificate of limited partnership pursuant to the Uniform Limited Partnership Act of the State of Oregon, and a certificate of fictitious business name, as required by law, as well as any amendments or renewals of such certificates as may be required.

3.3 Liability of General Partner. The General Partner shall not be liable to the Partnership or any Limited Partner for any action taken in good faith and with the belief that such action is in the best interest of the Partnership, so long as such action is not in violation of the provisions hereof and does not constitute negligence, fraud or a willful violation of law by the General Partner. The General Partner shall not be liable to the Partnership or to any other Partner for any action taken by any other Partner, nor shall the General Partner (in the absence of negligence, bad faith, fraud or a willful violation of law by the General Partner) be liable to the Partnership or any other Partner for any action of any employee or agent of the Partnership.

3.4 Liability of Limited Partners. Except as provided by law, the aggregate liability of each Limited Partner is limited to its Capital Contribution required to be made pursuant to Section 4.1 (including obligations due under any Promissory Note contributed pursuant to Section 4.1(b)) and nothing elsewhere set forth in this Agreement or in any other document, and nothing arising from any other transaction whatsoever between or among any or all of the Partners or the Partnership, shall remove, diminish or affect such limitation. No Limited Partner shall take part in the control of the Partnership's business, nor shall

any Limited Partner have any right or authority to act for or bind the Partnership.

3.5 No Obligation to Replenish Negative Capital Account. Neither the General Partner nor any Limited Partner shall have any obligation at any time to contribute any funds to replenish any negative balance in its Capital Account.

3.6 Representations and Warranties of Partners. By execution and delivery of this Agreement, the General Partner and each Limited Partner, solely on its own behalf and not on behalf of any other Partner (i) represents and warrants that its interest in the Partnership is intended to be and is being acquired solely for its own account for investment and with no present intention of distributing or reselling all or any part thereof (subject, nevertheless, to any requirement of law that the disposition of its property shall be at all times within its control); (ii) acknowledges that it is aware that interests in the Partnership have not been registered under the Securities Act of 1933, as amended (the "Act"), that interests in the Partnership cannot be sold or otherwise disposed of unless they are registered thereunder or unless an exemption from such registration is available, and that the Partnership has no intention of so registering interests in the Partnership under the Act; (iii) represents that it is able and is prepared to bear the economic risk of making its Capital Contribution and to suffer a complete loss of its investment; and (iv) represents that its knowledge and experience in financial and business matters are such that it is capable of evaluating the risks of making its Capital Contribution. The foregoing representations and warranties may be relied upon by all purchasers of securities of the Partnership in connection with their purchase of such securities.

3.7 Admission of Additional Limited Partners. No additional limited partners may be admitted to the Partnership (other than as Substituted Limited Partners pursuant to Section 8), nor may any additional limited partnership interests in the Partnership be created, after the execution and delivery of this Agreement by the parties hereto, as identified on the signature pages hereof.

3.8 Withdrawing Limited Partner. This Agreement is executed by the Withdrawing Limited Partner pursuant to the provisions of the Original Partnership Agreement. As provided therein, execution of this Agreement in such capacity constitutes the withdrawal of the

Withdrawing Limited Partner as a limited partner of the Partnership and, because of such withdrawal, the Withdrawing Limited Partner is not required to make any capital contribution and has no further right, interest or obligation of any kind whatsoever as a limited partner of the Partnership. The capital contribution of the Withdrawing Limited Partner shall be returned to him on the date this Agreement becomes effective pursuant to Section 11.1(b).

3.9 **Redemption of Interests.** Pursuant to the terms of the Employee Subscription Agreements, the General Partner may cause the Partnership to redeem the Partnership interest of any Class A Limited Partner who has executed an Employee Subscription Agreement.

SECTION 4

CAPITAL CONTRIBUTIONS, CAPITAL ACCOUNTS

4.1 Capital Contributions.

(a) The General Partner and each Limited Partner shall contribute to the Partnership the amount set forth under the heading "Cash Contribution" opposite its name on Schedule A hereto.

(b) If there is an amount set forth under the heading "Promissory Note" opposite the name of a Limited Partner on Schedule A hereto, such Limited Partner shall deliver to the Partnership a promissory note ("Promissory Note") in the principal amount set forth under such heading, bearing interest at the rate of 9% per annum for a term of seven years.

(c) At the time that the Limited Partners which are parties to a Class A Subscription Agreement dated November 12, 1981, as amended, with the Partnership are required, pursuant to such Class A Subscription Agreements, to make their respective Capital Contributions to the Partnership, (i) each Partner shall pay the cash portion of its Capital Contribution to the Partnership by depositing immediately available funds in the amount thereof in such bank account in New York City as the General Partner shall have designated, and (ii) each Promissory Note required to be delivered pursuant to Section 4.1(b) shall be delivered to the Partnership.

4.2 **Capital Accounts.** There shall be established for each Partner on the books of the Partnership a capital account ("Capital Account")

to which there shall be credited such Partner's Capital Contribution, such Partner's share of any Operating Profits and Dissolution Sale Profit, and any Gross Income specifically credited to such Partner, and to which there shall be charged such Partner's share of any Operating Losses, Dissolution Sale Loss and distributions.

4.3 Allocations to Capital Accounts. The Capital Accounts of the Partners shall be adjusted as follows:

(a) As of the end of each Fiscal Period, Gross Income, if any, for such Fiscal Period shall be credited (i) to the Capital Account of each Class B Limited Partner in an amount equal to the dollar amount of all Interim Distributions made to such Class B Limited Partner in respect of such Fiscal Period (including distributions made concurrently with such crediting) and (ii) to the Capital Account of the General Partner in an amount equal to the dollar amounts required to be distributed pursuant to Section 5.4 in respect of such Fiscal Period. All such credits shall be made out of gross rental and interest revenues to the extent of such revenues, and the remainder from other Gross Income.

(b) As of the end of each Fiscal Period, Operating Profits or Operating Losses, if any, for such Fiscal Period shall be credited or charged, as the case may be, 85% to the Capital Accounts of the Class A Limited Partners and 15% to the Capital Account of the General Partner.

(c) Dissolution Sale Profit shall be credited (after giving effect in the Capital Accounts to all Operating Profits, all Operating Losses, all specific allocations of Gross Income, and all distributions (exclusive of all distributions pursuant to Section 5.5)) in the following order of priority:

(i) To the Capital Accounts of the Class B Limited Partners in an amount, if any, by which their Capital Contributions exceed their Capital Accounts.

(ii) If, and to the extent that, all of the Class A Limited Partners and the General Partner have negative balances in their Capital Accounts, 85% to the Capital Accounts of the Class A Limited Partners and 15% to the Capital Account of the General Partner.

(iii) If, and to the extent that, the General Partner has a negative balance in its Capital Account, 100% to the Capital Account of the General Partner.

(iv) To the Capital Accounts of the Class A Limited Partners in an amount by which their Capital Contributions exceed their Capital Accounts.

(v) To the Capital Account of each Class A Limited Partner in an amount, if any, equal to any amounts to which it is entitled pursuant to Section 5.6 on the date of such crediting.

(vi) To the Capital Account of the General Partner in the amount by which its Capital Contribution exceeds its Capital Account.

(vii) Any remaining Dissolution Sale Profit, 45% to the Capital Accounts of the Class A Limited Partners, 40% to the Capital Accounts of the Class B Limited Partners and 15% to the Capital Account of the General Partner.

(d) Dissolution Sale Loss shall be charged (after giving effect in the Capital Accounts to all Operating Profits, all Operating Losses, all specific allocations of Gross Income, and all distributions (exclusive of distributions pursuant to Section 5.5)) in the following order of priority:

(i) To the Capital Account of the General Partner so as to eliminate any positive balance in its Capital Account;

(ii) To the Capital Accounts of the Class A Limited Partners so as to eliminate any positive balances in their Capital Accounts;

(iii) To the Capital Accounts of the Class B Limited Partners so as to eliminate any positive balances in their Capital Accounts; and

(iv) Any remaining Dissolution Sale Loss, 85% to the Capital Accounts of the Class A Limited Partners and 15% to the Capital Account of the General Partner.

4.4 Allocations to Limited Partners. All Gross Income, Operating Profits, Operating Losses, Dissolution Sale Profit, Dissolution Sale Loss and all income, gains, losses, deductions or credits allocated collectively to the Class A Limited Partners or the Class B Limited

Partners pursuant to this Section 4 shall be allocated among them in the same proportion that each of their Capital Contributions bears to the aggregate Capital Contributions of the Class A Limited Partners or the Class B Limited Partners, respectively.

4.5 Adjustments to Capital Accounts. Under no circumstances shall the Capital Account of any Partner be adjusted in any manner other than as provided in Sections 4.1 through 4.4 inclusive.

4.6 Allocation for Federal Income Tax Purposes.

(a) For federal income tax purposes, each item of income, gain, loss, deduction or credit associated with Gross Income and Operating Profits and Operating Losses shall be allocated in the same manner that Gross Income and Operating Profits and Operating Losses are allocated by Sections 4.3(a) and 4.3(b), respectively.

(b) For federal income tax purposes, net taxable gain or net taxable loss, as the case may be, associated with the Dissolution Sale shall be allocated according to the rules of Sections 4.3(c) or 4.3(d), as the case may be; and for purposes of this Section 4.6(b) (i) any such net taxable gain shall be determined without regard to the adjustments described in Section 10.3 and shall be treated as Dissolution Sale Profit, (ii) net taxable loss shall be determined without regard to the adjustments described in Section 10.3 and shall be treated as Dissolution Sale Loss, and (iii) the term "Capital Accounts" as used in Sections 4.3(c) and 4.3(d) shall refer to the capital accounts of the Partners as determined for federal income tax purposes, but without regard to adjustments, if any, described in Section 10.3.

(c) For federal income tax purposes, depreciation recapture and investment tax credit recapture, if any, due as a result of sales or dispositions of Assets shall, so far as practicable, be allocated among the same Partners and in the same proportions that the depreciation and investment tax credit being recaptured was allocated.

SECTION 5

DISTRIBUTIONS

5.1 No Right to Withdraw. No Partner shall have the right to withdraw or demand distribution of any amount of its Capital Contribution or Capital Account, except as expressly provided herein.

5.2 Distributions of Available Funds and Supplemental Funds.

(a) Available Funds for each Fiscal Period shall be distributed by the Partnership within three months after the close of such Fiscal Period in the following order of priority:

(i) First, to each Class A Limited Partner the amount to which it is entitled pursuant to Section 5.6 on the date such distribution is made.

(ii) Second, the remainder, 45% to the Class A Limited Partners, 40% to the Class B Limited Partners, and 15% to the General Partner.

(b) Supplemental Funds for each Fiscal Period shall be distributed by the Partnership within three months after the close of such Fiscal Period to the extent necessary to make any distributions to which the Class A Limited Partners are entitled pursuant to Section 5.6 on the date such distribution is made.

(c) Notwithstanding anything else in this Section 5.2, no distribution of any portion of Available Funds or Supplemental Funds shall be made (i) to the extent it would render the Partnership unable to meet its obligations as they become due or cause the Partnership to be in violation of or in default under the Line of Credit Agreement, the Subordinated Notes, or the agreement under which the Subordinated Notes were issued or (ii) in violation of Section 69.270 of the Oregon Uniform Limited Partnership Act. Any distributions which are not made pursuant to the preceding sentence shall be made as soon as reasonably practicable after the conditions set forth in such sentence no longer exist.

5.3 Other Distributions. The General Partner may, from time to time in its discretion, make other distributions of available Partnership funds, including proceeds of sales or refinancings of Assets, but excluding proceeds of any Dissolution Sale, in the following order of priority:

(i) First, to each Class A Limited Partner the amount to which it is entitled pursuant to Section 5.6 on the date such distribution is made.

(ii) Second, the remainder, 45% to the Class A Limited Partners, 40% to the Class B Limited Partners, and 15% to the General Partner.

5.4 Distributions to General Partner.

(a) During the Fiscal Period commencing January 1, 1982, the Partnership shall distribute to the General Partner the sum of \$275,000 in respect of such Fiscal Period, such distribution to be made in two equal installments on June 30, 1982 and December 31, 1982.

(b) During each succeeding Fiscal Period, the Partnership shall distribute to the General Partner:

(i) an amount in respect of such Fiscal Period which is 10% greater than the amount required to be distributed during the prior Fiscal Period pursuant to Section 5.4(a) or this Section 5.4(b)(i), such distribution to be made in two equal installments on June 30 and December 31 during such Fiscal Period, and

(ii) an amount, if any, equal to any amounts not previously distributed pursuant to Section 5.4(a) or 5.4(b)(i), plus an amount equal to interest thereon at the rate of 10% per annum for the period from the date each such installment was required to be distributed pursuant to Section 5.4(a) or 5.4(b)(i) through the date of actual payment, such distribution to be made when sufficient funds are available.

Notwithstanding Sections 5.4(a) and 5.4(b)(i), if the final Fiscal Period is less than a full calendar year, the distribution in respect of such Fiscal Period pursuant to Section 5.4(a) or 5.4(b)(i) shall be reduced to an amount equal to the amount which would otherwise have been distributed to the General Partner pursuant to Section 5.4(a) or 5.4(b)(i) by the close of such Fiscal Period, multiplied by a fraction, the numerator of which is the number of days in such Fiscal Period prior to such last day, and the denominator of which is 365.

(c) Any such distribution or portion thereof shall be repaid to the Partnership to the extent there is insufficient Gross Income during such Fiscal Period to make the allocation set forth in Section 4.3(a)(ii).

(d) Upon the wind-up of the Partnership, any accumulated but unpaid distributions under this Section 5.4 shall, to the extent that Gross Income has been or will be allocated in respect of such unpaid distributions pursuant to Section 4.3(a)(ii), be treated as a liability of the Partnership and shall be chargeable against the Capital Account of the General Partner prior to the allocation of Dissolution Sale Profit or Dissolution Sale Loss.

5.5 Dissolution Sale and Final Distribution. In connection with the dissolution and wind-up of the Partnership, the General Partner shall proceed with the Dissolution Sale, and, after giving effect to the allocation of the Dissolution Sale Profit and Dissolution Sale Loss pursuant to Section 4.3(c) and Section 4.3(d), all of the Partnership's cash and cash equivalent items not distributed pursuant to Sections 5.2, 5.3 and 5.4 shall be applied and/or distributed in one or more installments in the following order of priority:

(a) First, to the payment of the Partnership's outstanding liabilities, including the outstanding principal amount of all of the Partnership's notes and other debt obligations and all interest thereon, or the provision of adequate reserves therefor;

(b) Second, to the Class B Limited Partners up to the amount of their Capital Accounts; provided that if the amounts remaining to be distributed pursuant to this Section 5.5(b) are less than the full amount of their Capital Accounts, then to the Class B Limited Partners in proportion to their respective Capital Accounts;

(c) Third, to the Class A Limited Partners up to the amount of their Capital Accounts, provided that if the amounts remaining to be distributed pursuant to this Section 5.5(c) are less than the full amount of their Capital Accounts, then to the Class A Limited Partners in proportion to their respective Capital Accounts; and

(d) Fourth, to the General Partner up to the amount of its Capital Account.

5.6 Special Distributions to Class A Limited Partners. As of any point in time, each Class A Limited Partner shall be entitled to the following amounts:

(a) For the immediately preceding Fiscal Period, an amount (less any distributions made in satisfaction thereof) equal to interest at the rate of 10.25% per annum on its Capital Contribution (as it may be deemed to have been reduced as hereinafter provided in this Section 5.6) for the period from the commencement of the immediately preceding Fiscal Period through the end thereof, except that in the case of the Fiscal Period ending December 31, 1981, such amount shall accrue only for the period from the date on which this Agreement shall become effective pursuant to Section 11.1(b) through December 31, 1981.

(b) All amounts (less any distributions made in satisfaction thereof) to which such Class A Limited Partner is entitled pursuant to Section 5.6(a) for prior Fiscal Periods, other than the immediately preceding Fiscal Period.

(c) An amount (less any distributions made in satisfaction thereof) equal to interest at the rate of 10.25% per annum on each respective amount due under Section 5.6(a) or 5.6(b) that was not paid by the last day of the third month after the end of the Fiscal Period for which such amount was due, for the period from such last day through the date of actual payment.

For purposes of Sections 5.6(a) and 5.6(b) only, distributions made to a Class A Limited Partner pursuant to Section 5.5 shall be deemed to be first in satisfaction of amounts due under Section 5.6(c), then in satisfaction of amounts due under Section 5.6(b), then in satisfaction of amounts due under Section 5.6(a), and thereafter, a reduction of the Capital Contribution of such Class A Limited Partner.

Distributions to the Class A Limited Partners in respect of this Section 5.6 shall be deemed to be first in satisfaction of amounts due under Section 5.6(c), then in satisfaction of amounts due under Section 5.6(b) and thereafter in satisfaction of amounts due under Section 5.6(a).

5.7 Distributions to Limited Partners. All distributions to the Class A Limited Partners or the Class B Limited Partners pursuant to Sections 5.2 and 5.3 shall be distributed to them in the same proportion that each of their Capital Contributions bears to the aggregate Capital Contributions of the Class A Limited Partners or the Class B Limited Partners, respectively.

SECTION 6

MANAGEMENT

6.1 Management by General Partner. The Partnership shall be managed by the General Partner, and the General Partner shall, subject to the provisions of this Agreement, have responsibility for all policy decisions relating to the conduct of the Partnership business; provided, however, that the General Partner may retain or employ, on behalf of the Partnership, such persons, firms or corporations as it deems advis-

able for the operation and management of the Partnership, including employees, agents, accountants, consultants and attorneys, on such terms and for such compensation as it may determine.

6.2 Management Reimbursement. The Partnership shall reimburse the General Partner for its reasonable travel and other out-of-pocket expenses incurred in connection with the operation and business of the Partnership.

6.3 Third Party Reliance. Third parties dealing with the Partnership are entitled to rely conclusively upon the authority of the General Partner as set forth in this Agreement.

6.4 Waiver of Business Opportunities. The General Partner and any Limited Partner may engage in any business of any kind whatsoever and become affiliated in any way with any other business enterprise, and need not contribute to the Partnership any compensation received by such Partner for such permitted activity. The Partners recognize that the General Partner is engaged in the operation and management of other enterprises and shall devote to the management of the Partnership only such time as may reasonably be required to cause the affairs of the Partnership to be conducted in an efficient and businesslike manner.

6.5 Limitation on Authority of General Partner. The Partnership shall not, and the General Partner shall not cause the Partnership to:

(a) Change the original object and purpose of the Partnership, or change materially the business conducted on the date hereof by any corporation ("Controlled Subsidiary") controlled by the Partnership.

(b) Except in the ordinary course of business, sell, lease, transfer or otherwise dispose of Assets or permit any Controlled Subsidiary to sell, lease, transfer or otherwise dispose of any of its real or personal property (the real and personal property of all Controlled Subsidiaries, together with the Assets, being referred to herein as the "Consolidated Assets"), provided that the foregoing restrictions shall not apply to a mortgage, deed of trust or security agreement on any of the Consolidated Assets owned by the Partnership or any Controlled Subsidiary which is permitted pursuant to Section 6.5(e) nor to the sale of Consolidated Assets

if such Consolidated Assets (valued at net book value) do not, together with Consolidated Assets previously or concurrently disposed of (other than in the ordinary course of business), exceed an amount equal to 7% of the net book value at which the tangible assets of the Partnership and the Controlled Subsidiaries would be shown on a consolidated balance sheet as of the proposed date of sale. For purposes of this Section 6.5(b), sales of real property included in the Fred Meyer Real Estate Assets, or owned by a Controlled Subsidiary on which there is an existing store are not sales in the ordinary course of business.

(c) Acquire, construct or cause to be constructed, or permit any Controlled Subsidiary to acquire, construct or cause to be constructed, any assets other than (i) the Fred Meyer Real Estate Assets and improvements and additions thereto, (ii) real property, buildings, fixtures and leasehold improvements leased or to be leased to Acquisition, and (iii) such other real or personal property as the General Partner may judge necessary or advisable and incidental to the conduct of the business of the Partnership or the business of any Controlled Subsidiary.

(d) Enter into any transaction, including, without limitation, the purchase, sale or exchange of property or the rendering of any service, with the General Partner or any affiliate thereof, except for (i) amounts payable pursuant to Section 12.4; (ii) loans to Acquisition pursuant to the Line of Credit Agreement; (iii) transactions described in the Allocation Agreement or the Right of First Refusal Agreement and (iv) transactions in the ordinary course of and pursuant to the reasonable requirements of the Partnership's business and upon fair and reasonable terms no less favorable to the Partnership than would obtain in a comparable arms-length transaction with a Person not the General Partner or an affiliate thereof.

(e) Borrow money or incur any indebtedness, or permit any Controlled Subsidiary to borrow money or incur any indebtedness, provided that the foregoing restriction shall not apply to:

(i) The borrowing, to finance the acquisition of assets permitted by Section 6.5(c), of up to 75% of the total cost of such acquisitions if such borrowing is secured only by the assets acquired (and any rentals thereon and incidental personal property, if any, used in connection therewith).

(ii) The borrowing of any amount secured by mortgages, deeds of trust or security interests on Consolidated Assets, so long as such amount, when added to the aggregate principal amount of any indebtedness then outstanding secured by mortgages, deeds of trust or security interests on Consolidated Assets, would not exceed 75% of the fair market value of the Consolidated Assets. For purposes of this Section 6.5(e)(ii) only, the fair market value of any parcel of real property included in the Consolidated Assets shall be determined prior to July 1, 1982 on the basis of a written appraisal thereof by an independent real estate appraiser or, if no such appraisal has yet been obtained for such parcel, on the basis of the cost thereof to the Partnership, and shall be determined thereafter solely by such a written appraisal.

(iii) The assumption of existing mortgage indebtedness in connection with the purchase of the Fred Meyer Real Estate Assets.

(iv) The guaranty by the Partnership of indebtedness assumed by Acquisition pursuant to Section 1.9 of the Asset Purchase Agreement, as designated in the Allocation Agreement.

(v) The leasing of real property to the Partnership or a Controlled Subsidiary otherwise permitted by this Agreement which, under applicable generally accepted accounting principles, must be accounted for as a capitalized lease.

(vi) The issuance of promissory notes in connection with the redemption of any Partnership interest pursuant to the Employee Subscription Agreements.

(vii) The incurring of the obligation to pay the amount set forth in Section 12.4(a).

(viii) The issuance of the Subordinated Notes in the aggregate principal amount of \$100,000,000 pursuant to the Note Purchase and Class B Agreement.

(ix) The borrowing of up to an additional \$10,000,000 on an unsecured basis or, subject to the limitations of Section 6.5(e)(ii), on a secured basis for general real estate working capital purposes.

Each borrowing otherwise permitted by Section 6.5(e)(i) or 6.5(e)(ii) shall, to the extent permitted by applicable law, be without recourse (including recourse by operation of law) to the borrower or to any assets other than those securing the borrowing.

(f) Amend in any material respect any Subordinated Note, the Note Purchase and Class B Agreement, the Line of Credit Agreement or any note issued thereunder; or amend the Allocation Agreement, the Right of First Refusal Agreement or any leases of the Fred Meyer Real Estate Assets to Acquisition, if such amendment would decrease the aggregate rent payable to the Partnership by Acquisition or would be materially adverse to the Partnership or any Partner.

6.6 Line of Credit Agreement.

(a) The principal amount of any loans made to Acquisition during any period pursuant to the Line of Credit Agreement shall be charged (i) first, to Supplemental Funds for such period if Supplemental Funds for such period, prior to such charge, is a positive number and then only up to such amount, and (ii) second, to Available Funds for such period.

(b) All collections by the Partnership during any period of principal of any loans previously made to Acquisition pursuant to the Line of Credit Agreement shall be credited (i) first, to Available Funds for such period, but only to the extent, if any, of the difference between the aggregate principal amount of all loans made under the Line of Credit Agreement previously charged to Available Funds and amounts previously credited to Available Funds under this Section 6.6(b)(i), and (ii) second, to Supplemental Funds for such period.

SECTION 7

DISSOLUTION, INSOLVENCY, WITHDRAWAL, DEATH, INCAPACITY OR REMOVAL OF THE GENERAL PARTNER

7.1 **Dissolution of General Partner.** Upon the dissolution, insolvency, withdrawal, death, incapacity or removal of the original or any successor General Partner, the Partnership will be dissolved and

each of the Limited Partners and the General Partner hereby agree for itself and any successor to form a new limited partnership to succeed to the assets and business of the Partnership, having a general partner approved by unanimous consent of the Limited Partners (which consent each Limited Partner agrees it will not unreasonably withhold if such a general partner is approved by Limited Partners whose aggregate Capital Contributions exceed 75% of the aggregate Capital Contributions of all the Limited Partners). Such new partnership shall be formed upon terms substantially the same as the terms in this Agreement, except that:

(a) any executory arrangement for management services or compensation between such new partnership and the prior General Partner of the Partnership shall be terminated,

(b) the prior General Partner of the Partnership and/or its estate or successor in interest shall have none of the powers of the General Partner under this Agreement or applicable law, but shall have only the rights and powers of a limited partner of such new partnership with the same rights to share in any partnership profits, losses, gains and distributions as it enjoyed as a Partner of the Partnership except that Sections 5.4 and 4.3(a)(ii) shall have no further effect,

(c) notwithstanding Section 5.4 or 4.3(a)(ii), all allocations of Gross Income to the General Partner for the Fiscal Period in which the Partnership is dissolved pursuant to this Section 7.1, and all distributions to the General Partner during such Fiscal Period pursuant to Section 5.4(a) or 5.4(b)(i) shall be reduced to an amount equal to the amount which would otherwise have been distributed to the General Partner pursuant to Section 5.4(a) or 5.4(b)(i) by the close of such Fiscal Period, multiplied by a fraction, the numerator of which is the number of days in such Fiscal Period prior to such dissolution, and the denominator of which is 365, and

(d) if the General Partner is removed for cause,

(i) its percentage right to share in the partnership profits, losses, gains and distributions of the new partnership shall be reduced by subtracting 1.00 therefrom wherever applicable, and

(ii) the Limited Partners shall use their best efforts to cause any new general partner to purchase such 1.00% General Partner's interest in the Partnership for a reasonable price and shall cause the proceeds of any such sale to be paid to the prior General Partner.

7.2 Winding-Up of Partnership upon Failure to Form New Partnership. In the event that, upon the dissolution, insolvency, withdrawal, death, incapacity or removal of the original or any successor General Partner, the Limited Partners shall not form a new partnership as provided in Section 7.1 within a reasonable time, the Partnership shall be wound-up as provided in Section 11.1.

7.3 Removal of General Partner. The General Partner may be removed at any time, with or without cause, upon the written vote of Limited Partners whose aggregate Capital Contributions exceed 65% of the aggregate Capital Contributions of all the Limited Partners.

SECTION 8

TRANSFER OF PARTNERSHIP INTERESTS

8.1 Restrictions on Transfer of General Partner's Interest.

The General Partner shall not sell, transfer, assign or otherwise dispose of its interest in the Partnership without the written consent of Limited Partners whose aggregate Capital Contributions exceed 75% of the aggregate Capital Contributions of all the Limited Partners, which consent may be given or withheld, with or without cause, in the sole discretion of each Limited Partner.

8.2 Restrictions on Transfer of Limited Partner's Interest.

Except as provided in Section 8.3, no Limited Partner may sell, transfer, assign or otherwise dispose of its Partnership interest except upon compliance with the following provisions:

(a) If a Limited Partner shall desire to dispose of all or any part of its interest in the Partnership (herein an "Offering Partner"), it shall, prior to making any such disposition, offer to

negotiate with all the other Limited Partners with respect to their possible purchase thereof by sending to the General Partner, by registered or certified mail, a notice of such offer. Within 10 days of the receipt of such offer, the General Partner shall send a copy thereof by registered or certified mail to each Limited Partner. If within 15 days after the General Partner has sent such notice the Offering Partner has received written notice from one or more Limited Partners that they desire to negotiate with the Offering Partner with respect to such possible purchase, the Offering Partner shall negotiate with such Limited Partners in good faith. If the Offering Partner does not receive any such notices within such 15-day period, or if, within 30 days after receipt of such notice from any Limited Partner, it has been unable to reach an agreement with such Limited Partner, then the Offering Partner shall be free to dispose of its interest to a non-Partner for a period of 90 days thereafter.

(b) If a proposed sale, transfer, assignment or other disposition is consummated after compliance with Section 8.2(a), the transferee shall become a Substituted Limited Partner only upon compliance with the following provisions:

(i) The General Partner and Limited Partners whose aggregate Capital Contributions exceed 75% of the aggregate Capital Contributions of all the Limited Partners shall have consented thereto. Such consent may be given or withheld, with or without cause, in the Limited Partners' and General Partner's sole discretion.

(ii) A certified copy of the instrument of transfer and a written certificate or other proof of age and financial responsibility in form satisfactory to the General Partner shall have been filed with the Partnership.

(iii) The transferee shall have executed such instruments as the General Partner may reasonably deem necessary or desirable to admit such transferee as a Substituted Limited Partner (including the execution of an amendment to this Agreement for filing as required by law).

(iv) The transferor shall have paid or caused to have been paid to the Partnership a transfer fee sufficient to cover all its reasonable expenses connected with such assignment or other transfer and substitution (including but not limited to the reasonable legal and accounting fees of the Partnership).

8.3 Exceptions to Restrictions.

(a) Any Limited Partner may transfer all its interest in the Partnership directly or in trust (with or without consideration) to or for the benefit of any Person controlled by it or by which it is controlled or which is under common control with it. A Limited Partner seeking to rely upon this Section 8.3(a) may do so only upon providing the General Partner with an opinion of counsel satisfactory to the General Partner (with respect to an institution, it may be its internal counsel) to the effect that such transfer is in compliance with all applicable laws. Any such transferee shall become a Substituted Limited Partner only upon compliance with the requirements of Section 8.2(b).

(b) Upon compliance with Section 8.2(a), a Limited Partner may acquire the Partnership interest of any other Limited Partner, and, upon compliance with Section 8.2(b)(iii), shall become a Substituted Limited Partner with respect to such Partnership interest.

(c) The Class A Option (the "Class A Option") issued by Acquisition to Metropolitan Life Insurance Company (the "Initial Holder") on the date this Agreement became effective pursuant to Section 11.1(b), permitting the Initial Holder to purchase the Partnership interest of Acquisition, may be exercised by the Initial Holder without compliance with Section 8.2(a). Upon exercise of the Class A Option:

(i) If the Initial Holder is at the time a Limited Partner, it shall become a Substituted Limited Partner with respect to such Partnership interest upon compliance with Section 8.2(b)(iii).

(ii) If the Initial Holder is not a Limited Partner at the time, it shall become a Substituted Limited Partner with respect to such Partnership interest only upon compliance with Section 8.2(b). If the Initial Holder shall not become a Substituted Limited Partner, it shall be deemed to have received an assignment from Acquisition

of such Partnership interest and shall have the rights with respect thereto specified in Section 8.3(h).

(d) As provided in the Class A Option, the Initial Holder (or any subsequent holder) may sell, transfer, assign or otherwise dispose of the Class A Option to a new holder upon compliance with Section 8.2(a) (assuming for this purpose that the Class A Option is a Partnership interest). Upon such compliance with Section 8.2(a), the new holder shall be entitled to exercise the Class A Option. Upon exercise of the Class A Option, the new holder shall be entitled to become a Substituted Limited Partner with respect to all or a percentage of such Partnership interest upon compliance with Section 8.2(b)(iii), if, in connection with such disposition to the new holder, the Initial Holder (or any subsequent holder) and the new holder shall have complied with Sections 8.2(b)(i), 8.2(b)(ii) and 8.2(b)(iv) (assuming for this purpose that the Class A Option is a Partnership interest). Upon any such exercise of the Class A Option, if the new holder shall not become a Substituted Limited Partner with respect to all or a percentage of such Partnership interest, it shall be deemed to have received an assignment from Acquisition of all or such percentage of such Partnership interest and shall have the rights with respect thereto specified in Section 8.3(h).

(e) The original Grantee under the Security Agreement (the "Security Agreement") between Acquisition and Metropolitan Life Insurance Company entered into on the date this Agreement became effective pursuant to Section 11.1(b), pursuant to which Acquisition granted a security interest in its Partnership interest to the Grantee to secure its obligations under its 17% Subordinated Notes due December 31, 1996 (the "Acquisition Subordinated Notes"), may acquire such Partnership interest upon any foreclosure under the Security Agreement without compliance with Section 8.2(a). Upon any such acquisition:

(i) If the original Grantee is at the time a Limited Partner, it shall become a Substituted Limited Partner with respect to such Partnership interest upon compliance with Section 8.2(b)(iii).

(ii) If the original Grantee is not a Limited Partner at the time, it shall become a Substituted Limited Partner with respect to such Partnership interest only upon compliance with Section 8.2(b). If the original Grantee shall not become a Substituted Limited Partner, it shall be deemed to have received an assignment

from Acquisition of such Partnership interest and shall have the rights with respect thereto specified in Section 8.3(h).

(f) A holder of Acquisition Subordinated Notes may sell, transfer, assign or otherwise dispose of its Acquisition Subordinated Notes to a new holder upon compliance with Section 8.2(a) (assuming for this purpose that such Acquisition Subordinated Notes are a Partnership interest). Upon compliance with Section 8.2(a), the new holder of Acquisition Subordinated Notes shall be entitled to acquire such Partnership interest upon any foreclosure under the Security Agreement. In the event the new holder shall acquire such Partnership interest upon foreclosure, it shall be entitled to become a Substituted Limited Partner with respect to such Partnership interest upon compliance with Section 8.2(b)(iii), if, in connection with such disposition to the new holder, its predecessor and the new holder shall have complied with Sections 8.2(b)(i), 8.2(b)(ii) and 8.2(b)(iv) (assuming for this purpose that such Acquisition Subordinated Notes are a Partnership interest). Upon any such foreclosure, if the new holder shall not become a Substituted Limited Partner, the new holder shall be deemed to have received an assignment from Acquisition of such Partnership interest and shall have the rights with respect thereto specified in Section 8.3(h). The original Grantee or the new holder may sell such Partnership interest upon any foreclosure under the Security Agreement without compliance with Section 8.2(a), so long as the original Grantee or the new holder gives at least ten days' notice to the General Partner, by registered or certified mail, of such proposed sale (promptly after receipt of any such notice, the General Partner shall send a copy thereof by registered or certified mail to each Limited Partner). If the purchaser of such Partnership interest in any such sale is not a Limited Partner, it shall become a Substituted Limited Partner with respect to such Partnership interest only upon compliance with Section 8.2(b). If such purchaser shall not become a Substituted Limited Partner, it shall be deemed to have received an assignment from Acquisition of such Partnership interest and shall have the rights with respect thereto specified in Section 8.3(h).

(g) Acquisition may issue the Class A Option to the Initial Holder and may grant a security interest in its Partnership interest to the original Grantee pursuant to the Security Agreement.

(h) If a proposed sale, transfer, assignment or other disposition of a Partnership interest is consummated after compliance with Section

8.2(a) or pursuant to Section 8.3(a), but the transferee shall not become a Substituted Limited Partner pursuant to Section 8.2(b), or if the Initial Holder, a new holder, the original Grantee or a new holder (or purchaser) shall not become a Substituted Limited Partner as contemplated by Section 8.3(c), 8.3(d), 8.3(e) or 8.3(f), respectively, then such transferee shall be deemed to have been given only an assignment of the transferring Limited Partner's interest in profits, losses and capital of the Partnership and shall have no other rights of a Limited Partner therein, such as rights to any information, inspections of books or records of the Partnership or voting as a Limited Partner on matters set forth herein or by law.

8.4 Non-Compliance with Restrictions. Any purported sale, transfer, assignment or other disposition by the General Partner or any Limited Partner (including by an assignee) of any interest in the Partnership not made strictly in accordance with the provisions of this Section 8 or otherwise permitted by this Agreement shall be entirely null and void.

8.5 Status of Substituted Limited Partner. Any Substituted Limited Partner admitted to the Partnership pursuant to this Section 8 shall succeed to all the rights and be subject to all the obligations of the transferring Limited Partner in respect of the interest as to which it was substituted, other than obligations under the Promissory Notes as defined in Section 4.1(b).

SECTION 9

INDEMNIFICATION

The Partnership shall, to the full extent permitted by applicable law, indemnify and hold harmless the General Partner against liabilities incurred by it while acting on behalf of the Partnership or its interest; provided, however, that nothing contained in this Section is intended or shall be construed to obligate any Limited Partner to pay to the Partnership or to the General Partner any amount; and provided, further, that the foregoing indemnification shall not include or apply to any liability arising by reason of any act or omission of the General Partner which has been finally determined by a court of competent jurisdiction to have been negligent, fraudulent or a willful violation of law or to have constituted bad faith.

SECTION 10

BOOKS OF ACCOUNT

10.1 Maintenance of Books, Right to Inspect, Reports

(a) The Partnership shall maintain its books of account on an accrual basis in accordance with generally accepted accounting principles consistently applied and sound business practices. Such books, in which shall be entered the transactions of the Partnership, shall be kept by the Partnership at an office of the Partnership (or at such other place as the General Partner shall advise the Limited Partners in writing), and such books shall at all times be open to the inspection of the Limited Partners. To the extent practicable, the books and records of the Partnership shall be maintained consistently for both tax and financial reporting purposes.

(b) All accounting calculations hereunder, including all calculations of Available Funds, FM Net Income or Loss, Gross Income, Operating Losses, Operating Profits, Profits and Losses, Supplemental Funds and Supplemental Net Income or Loss for any period, and the amount of Dissolution Sale Loss or Dissolution Sale Profit, shall be determined by the Partnership on an accrual basis in accordance with generally accepted accounting principles consistently applied and sound business practices, under such accounting and depreciation methods as the General Partner, in its sole but reasonable discretion, shall select; provided, however, that (i) real property shall be depreciated on the straight line method; (ii) if a transaction or event occurs which would require an item to be reported as a direct charge to the equity of the Partnership, such item shall nevertheless be included in determining Profits and Losses for purposes of this Agreement; and (iii) the Partnership will not adopt or elect any accounting principle which would permit a write up of its assets in excess of the net book value thereof (after deducting related depreciation, obsolescence, amortization, valuation and other proper reserves) after the purchase of the Fred Meyer Real Estate Assets; and (iv) all calculations of Available Funds, FM Net Income or Loss, Supplemental Funds and Supplemental Net Income or Loss shall be made based on separate financial statements of the Partnership in which investments in subsidiary or affiliated companies are accounted for on a cost or equity basis as appropriate in accordance with generally accepted accounting principles consistently applied.

(c) The firm of Deloitte Haskins & Sells (or such comparable, nationally recognized accounting firm as the General Partner in its sole but reasonable discretion may select) shall serve as the independent certified public accountants for the Partnership. Financial statements shall be prepared in accordance with generally accepted accounting principles consistently applied, showing the financial condition of the Partnership at the end of each fiscal year of the Partnership and the results of its operations for such fiscal year, and shall be accompanied by the opinion of the Partnership's independent certified public accountants with respect to such statements. Such financial statements and the accompanying accountant's opinion shall be mailed to each Limited Partner within 90 days after the end of each fiscal year. A similar but unaudited report as of the end of each calendar quarter showing quarterly and year-to-date results of operations of the Partnership shall be mailed to each Limited Partner within 45 days after the end of each calendar quarter other than the last quarter of each fiscal year. Each Limited Partner shall also be provided with such operating and other information reports as are regularly prepared by the Partnership for distribution to its major creditors.

(d) In addition to the year end report, the Partnership shall also provide to each Limited Partner such information as shall enable each Limited Partner to prepare its respective city, state and federal income tax returns, including, but not limited to, Internal Revenue Service Schedule "K-1", a statement of each Partner's Capital Account at the end of such fiscal year and a copy of the Partnership's United States Partnership Return of Income. The Partnership shall also provide to each Limited Partner, with reasonable promptness, such other data and information as from time to time may reasonably be requested.

(e) The General Partner in its sole but reasonable discretion shall exercise any election for income tax reporting purposes not otherwise provided for in this Agreement; provided, however, that real property shall be depreciated on the straight line method.

10.2 Fiscal Year. The fiscal year of the Partnership shall be the calendar year.

10.3 Income Tax Election. The General Partner shall make the election under Section 754 of the Internal Revenue Code of 1954, as amended, in order to allow the adjustments to the tax basis of partner-

ship assets described in Section 743 thereof. Notwithstanding Section 4.6, all items of income, gain, loss, deduction or credit attributable to any such adjustment shall, as is required by Section 1.743-1(b) of the Regulations thereunder, be allocated for federal income tax purposes to the transferee Partner in respect of whom such adjustment was made. Nothing contained in this Section 10.3 shall affect the Capital Account of any Partner.

SECTION 11

DURATION AND TERMINATION OF PARTNERSHIP

11.1 Term.

(a) The existence of the Partnership commenced on September 24, 1981 and shall continue until the first to occur of the following (whereupon the Partnership shall be dissolved):

- (i) The sale or other disposition of all or substantially all of the Assets;
- (ii) December 31, 1996; or
- (iii) The events described in Section 7.

(b) This Restated Partnership Agreement shall become effective on the Closing Date (as such term is defined in the Class A Subscription Agreements described in Section 4.1(c)).

11.2 **Winding-Up.** Upon dissolution of the Partnership as provided in Section 11.1, the Partnership shall be wound up and shall make distributions pursuant to Section 5.5.

11.3 **Liability for Return of Capital Contributions.** Any present or future Limited Partner, by its acceptance of this Agreement, agrees that all liability to such Limited Partner for the return of its Capital Contribution is limited to the Partnership and the Partnership Assets, and, in the event of an insufficiency of Assets to return to such Limited Partner in full the amount of its Capital Contribution, hereby waives any and all claim whatsoever which such Limited Partner might otherwise have against the General Partner individually (in the absence of negligence, bad faith, fraud or a willful violation of law by the General Partner).

SECTION 12

MISCELLANEOUS

12.1 Choice of Law. This Agreement shall be governed by and construed in accordance with Oregon law.

12.2 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Partners and, subject to Section 8, their respective successors, assigns, legal representatives, heirs and distributees. Except as provided in Section 3.6, nothing in this Agreement, express or implied, is intended or shall be construed to give any other Person any legal or equitable right, remedy or claim under or in respect of any agreement or provision contained herein.

12.3 Appointment of Attorney-in-Fact. Each Limited Partner hereby irrevocably constitutes and appoints the General Partner as its true and lawful attorney to make, execute, sign, acknowledge and file in its name, place and stead:

(a) a certificate of limited partnership under the laws of the State of Oregon;

(b) any other certificate or instrument which may be required to be filed by the Partnership under the laws of the State of Oregon;

(c) any and all amendments or modifications of the instruments described in Sections 12.3(a) and 12.3(b);

(d) all documents and instruments which may be required to effectuate the dissolution and termination of the Partnership and cancellation of its certificate of limited partnership, as from time to time amended; and

(e) such other document or documents or instrument or instruments as may be required under the laws of any state or of the United States or of any other jurisdiction.

The foregoing power-of-attorney shall be used only to carry out and effectuate actions authorized by this Agreement or by consent of the Limited Partners as provided in this Agreement.

12.4 Expenses of Organization.

(a) On the first business day of 1982, the Partnership shall pay up to \$4,500,000, together with interest on the amount paid at the rate of 17% per annum for the period from the date this Agreement shall become effective pursuant to Section 11.1(b) through the date of payment, to the General Partner or any affiliate thereof. Such payment shall be for services rendered in connection with the organization of the Partnership, the purchase of Fred Meyer Real Estate Assets, the financing related thereto and other related matters.

(b) The Partnership will pay all reasonable out-of-pocket expenses of the General Partner incurred in connection with the organization of the Partnership.

12.5 Amendment.

(a) This Agreement may not be modified or amended at any time except by the written consent of the General Partner and Limited Partners whose aggregate Capital Contributions exceed 75% of the aggregate Capital Contributions of all of the then Limited Partners; provided, however, that the General Partner, a transferor Limited Partner and its transferee may amend and supplement this Agreement and Schedule A to reflect substitutions in Limited Partners made in accordance with the provisions of this Agreement as permitted by Section 69.410 of the Oregon Uniform Limited Partnership Act. Notwithstanding the foregoing, (x) Section 10.1(e) may be amended only with the written consent of the General Partner and Class A Limited Partners whose aggregate Capital Contributions exceed 75% of the aggregate Capital Contributions of all of the Class A Limited Partners and (y) any amendment of Section 3.3, 3.4, 3.5, 4, 5, 7.1, 7.3, 8 or 11 or of this Section 12.5 (including the definition of any capitalized term as used in such Sections) shall require the written consent of all Partners.

(b) A Limited Partner which is a bank, insurance company, governmental investment fund or other financial institution shall be deemed to have given its written consent to any amendment proposed by the General Partner if (i) the General Partner proposes such an amendment by sending to each such Limited Partner a copy of such proposed amendment, which copy shall be sent by certified mail, return receipt requested, to the addresses set forth in Schedule A, and (ii)

within 90 days from the receipt of such proposed amendment, such Limited Partner shall not have accepted or rejected such request, which acceptance or rejection shall be in writing and sent to the General Partner by certified mail, return receipt requested; provided, that no such consent shall ever be deemed to have been given to any amendment which requires the written consent of all Partners pursuant to Section 12.5(a).

(c) A Limited Partner which is a bank, insurance company, governmental investment fund or other financial institution shall be deemed to have given its affirmative written vote or consent pursuant to Sections 7.3, 8.1 and 8.2(b)(i) if, within 90 days after the receipt of a written proposal given by a Limited Partner or the General Partner, as the case may be, sent by certified mail, return receipt requested, to take any of the actions specified in such Sections, such Limited Partner shall not have accepted or rejected such written proposal, which acceptance or rejection shall be in writing and sent to the sender of such proposal by certified mail, return receipt requested.

12.6 Confidentiality. The General Partner and each of the Limited Partners agrees for the benefit of the Partnership to preserve the confidentiality of all financial and other competitive information concerning the operations and business of the Partnership, and not to use such information in any manner which would be detrimental to the Partnership; provided, however, that any Partner may disclose confidential information (a) to any regulatory body having jurisdiction over such Partner or (b) in connection with the enforcement of any of such Partner's rights and remedies hereunder.

12.7 Interpretation. The use of the neuter herein shall be deemed to include the feminine and masculine genders. The use of either the singular or the plural includes the other unless the context clearly requires otherwise. The headings in this Agreement are for convenience of reference only, and shall not limit or otherwise affect the meaning hereof.

12.8 Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart shall for all purposes be deemed an original, and all such counterparts shall together constitute but one and the same agreement.

We, the undersigned, declare under the pains and penalties of perjury that we have examined this Amended and Restated Limited Partnership Agreement and Certificate of Limited Partnership, and to the best of our knowledge and belief, it is true, correct and complete.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first above written.

GENERAL PARTNER

FMGP ASSOCIATES

By: KKR Associates,
General Partner

By: *George R. Roberts*
General Partner

George R. Roberts

STATE OF California }
COUNTY OF San Francisco } ss.

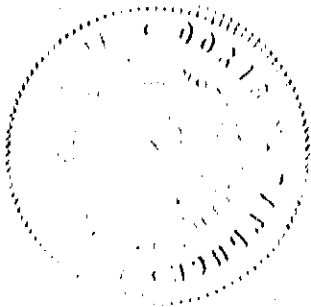
On this 2nd... day of December... 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared George R. Roberts known to me to be one of the partners of KKR Associates, known to me to be the general partner of FMGP Associates, the partnership that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the partnership therein named, and acknowledged to me that such partnership executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Doris M. Randuch
Notary Public

DORIS M. RANDUCH

My Commission Expires: September 13, 1985



(SEAL)



CLASS B LIMITED PARTNERS

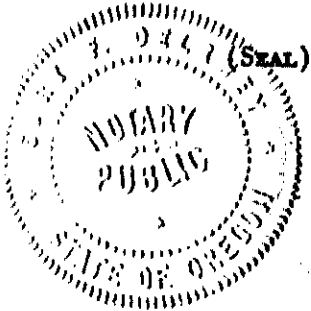
OREGON PUBLIC EMPLOYEES' RETIREMENT FUND

By James C. George
Name and Title:
Fur mgr

STATE OF OREGON }
COUNTY OF MARION } ss.

On this ...2... day of December..., 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared James C. George, known to me to be the person authorized to execute instruments on behalf of Oregon Public Employees' Retirement Fund, and known to me to be the person who executed the within instrument on behalf of said Oregon Public Employees' Retirement Fund, and acknowledged to me that such Oregon Public Employees' Retirement Fund executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.



Gary F. Delaney
Notary Public
My Commission Expires: 9/25/83

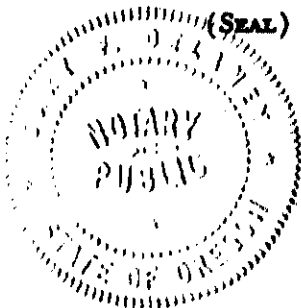
OREGON INDUSTRIAL ACCIDENT FUND

By James C. George
Name and Title:
Fur mgr

STATE OF OREGON }
COUNTY OF MARION } ss.

On this2. day of ..December., 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared James C. George, known to me to be the person authorized to execute instruments on behalf of Oregon Industrial Accident Fund, and known to me to be the person who executed the within instrument on behalf of said Oregon Industrial Accident Fund, and acknowledged to me that such Oregon Industrial Accident Fund executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.



Gary F. Delaney
Notary Public
My Commission Expires: 9/25/83

CLASS A LIMITED PARTNERS

METROPOLITAN LIFE INSURANCE COMPANY

By Gerald Clark
Name and Title:
Vice President

STATE OF Calif. }
COUNTY OF Orange } ss.

On this 7th day of Dec., 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Gerald Clark, known to me to be the Vice Pres. of Metropolitan Life Insurance Company, the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its by-laws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Diane Goodwin
Notary Public

My Commission Expires: 4-1-83



(SEAL)

FMI ACQUISITION CORPORATION

By *Michael W. Michelson VP*
Name and Title:

STATE OF California }
COUNTY OF San Francisco } ss.

Michael W. Michelson
Vice President

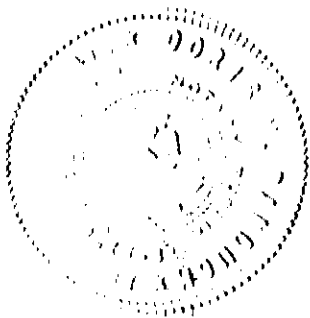
On this 2nd day of December, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Michael N. Michelson known to me to be the Vice President of FMI Acquisition Corporation, the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its by-laws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Doris M. Randuch
Notary Public

DORIS M. RANDUCH

My Commission Expires: September 13, 1985



(SEAL)



Oran B. Robertson
Oran B. Robertson

STATE OF Oregon
COUNTY OF Multnomah ss.

On this 2nd day of Dec, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Oran B. Robertson, known to me to be the person whose name is subscribed to the within instrument, and subscribed and swore to such instrument and acknowledged that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

(SEAL)

Thomas J. Kennedy
Notary Public

My Commission Expires: 4-6-82

Cyril K. Green
Cyril K. Green

STATE OF Oregon
COUNTY OF Multnomah ss.

On this 2nd day of Dec, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Cyril K. Green, known to me to be the person whose name is subscribed to the within instrument, and subscribed and swore to such instrument and acknowledged that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

(SEAL)

Thomas J. Kennedy
Notary Public

My Commission Expires: 4-6-82

Virgil Campbell
Virgil Campbell

STATE OF Oregon
COUNTY OF Multnomah ss.

On this 2nd day of Dec, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Virgil Campbell, known to me to be the person whose name is subscribed to the within instrument, and subscribed and swore to such instrument and acknowledged that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

(SEAL)

Thomas J. Kennedy
Notary Public

My Commission Expires: 4-6-82

C. Dale Warman

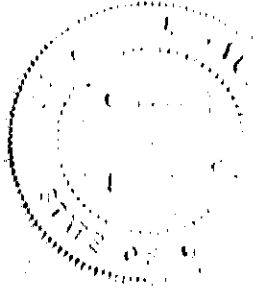
C. Dale Warman

STATE OF
COUNTY OF

} ss.

On this 2 day of December, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared C. Dale Warman, known to me to be the person whose name is subscribed to the within instrument, and subscribed and swore to such instrument and acknowledged that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.



(SEAL)

Stephen L. Dale
Notary Public

My Commission Expires: 11-9-85

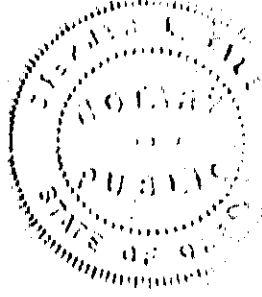
Jerry Sadis
Jerry Sadis

STATE OF
COUNTY OF

} ss.

On this 2 day of December, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Jerry Sadis, known to me to be the person whose name is subscribed to the within instrument, and subscribed and swore to such instrument and acknowledged that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.



(SEAL)

Stephen L. Dale
Notary Public

My Commission Expires: 11-9-85

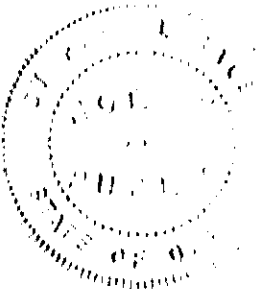
Gary L. Baker
Gary L. Baker

STATE OF
COUNTY OF

} ss.

On this 2 day of December, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Gary L. Baker, known to me to be the person whose name is subscribed to the within instrument, and subscribed and swore to such instrument and acknowledged that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.



(SEAL)

Stephen L. Dale
Notary Public

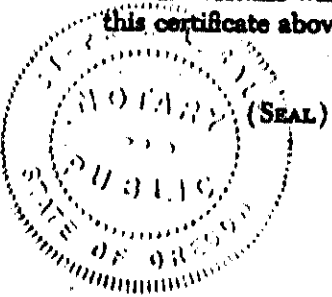
My Commission Expires: 11-9-85

Alan D. Ferguson
Alan D. Ferguson

STATE OF
COUNTY OF 3 ss.

On this 3 day of Dec, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Alan D. Ferguson, known to me to be the person whose name is subscribed to the within instrument, and subscribed and swore to such instrument and acknowledged that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.



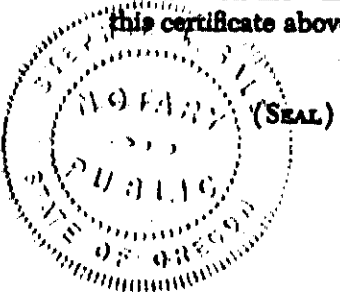
Stephen L. Dale
Notary Public
My Commission Expires: 11-9-85

Larry R. Ofstedahl
Larry R. Ofstedahl

STATE OF
COUNTY OF 3 ss.

On this 3 day of Dec, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Larry R. Ofstedahl, known to me to be the person whose name is subscribed to the within instrument, and subscribed and swore to such instrument and acknowledged that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.



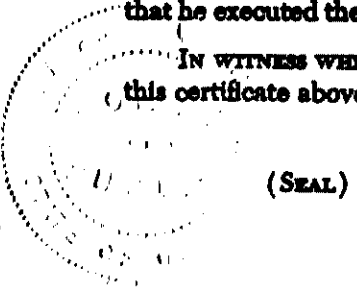
Stephen L. Dale
Notary Public
My Commission Expires: 11-9-85

Donald E. Tripp
Donald E. Tripp

STATE OF
COUNTY OF 3 ss.

On this 3 day of Dec, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Donald E. Tripp, known to me to be the person whose name is subscribed to the within instrument, and subscribed and swore to such instrument and acknowledged that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.



Stephen L. Dale
Notary Public
My Commission Expires: 11-9-85

AVA PARTNERS

By Howard L. Clark Jr.
Name and Title:

By S.D. Medhus
Name and Title:

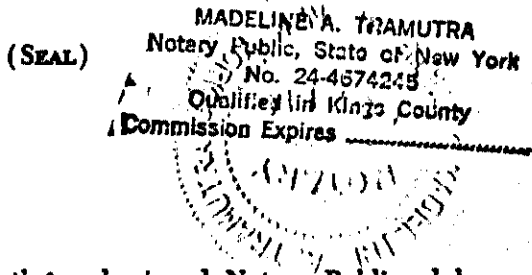
STATE OF New York
COUNTY OF New York } ss.

On this 3rd day of December, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Howard L. Clark Jr., known to me to be ^{an authorized} ~~one of~~ ^{signatory for} ~~the partners of~~ AVA Partners, the partnership that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the partnership therein named, and acknowledged to me that such partnership executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Madelini Q. Tramutra
Notary Public

My Commission Expires: 3/30/82



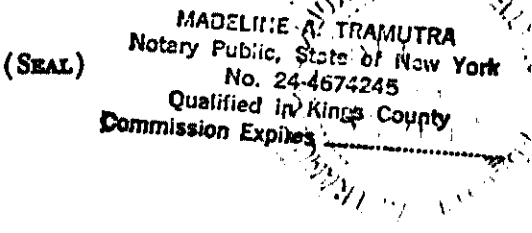
STATE OF New York
COUNTY OF New York } ss.

On this 3rd day of December, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared S.D. Medhus, known to me to be ^{an authorized} ~~one of~~ ^{signatory for} ~~the partners of~~ AVA Partners, the partnership that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the partnership therein named, and acknowledged to me that such partnership executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Madelini Q. Tramutra
Notary Public

My Commission Expires: 3/30/82



BESSEMER SECURITIES CORPORATION

By Paul Bancroft III

Name and Title:

Paul Bancroft III, President

STATE OF New York }
COUNTY OF New York } ss.

On this 4th day of December, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Paul Bancroft III, known to me to be the President of Bessemer Securities Corporation, the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its by-laws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Marilyn P. O'Leary

Notary Public

My Commission Expires: _____

MARILYN P. O'LEARY
Notary Public, State of New York
No. 41-8210035, Qual. in Queens Co.
(SEAL) Certificate filed in New York County
Commission Expires March 30, 1982



CITIBANK, N.A., as trustee

By Robert Harwood
Name and Title:

STATE OF New York }
COUNTY OF New York } ss.

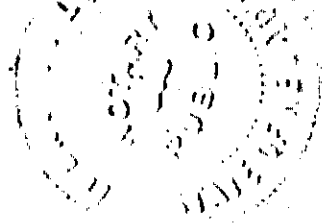
On this 3rd day of December, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Robert Harwood, known to me to be the Vice President of Citibank, N.A., the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its by-laws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Irene T. Lang
Notary Public

My Commission Expires March 30, 1983

IRENE T. LANG
Notary Public, State of New York
No. 52-2355870
Qualified in Suffolk County
(SEAL) Commission Expires March 30, 1983



CONTINENTAL ILLINOIS EQUITY CORPORATION

By *Richard L. Perreault*
Name and Title: *Second Vice President*

STATE OF *Illinois* }
COUNTY OF *Cook* } ss.

On this *2nd* day of *December*, 1981, before me the undersigned Notary Public, duly commissioned and sworn, personally appeared *Richard L. Perreault*, known to me to be the *Second Vice President* of Continental Illinois Equity Corporation, the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its by-laws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Edna H. Frederick
Notary Public
My Commission Expires June 9, 1985
My Commission Expires: _____

(SEAL)




ELECTRA HOLDINGS, INC.

By M. E. Walton
Name and Title
President

GREAT BRITAIN AND NORTHERN IRELAND)
LONDON, ENGLAND) SS.
EMBASSY OF THE UNITED STATES OF AMERICA)

On this 4th day of December 1981, before me, the undersigned Consul, duly commissioned and sworn, personally appeared MICHAEL EDWARD D'ARCY WALTON who swears he is the PRESIDENT of Electra Holdings, Inc., the corporation that executed the within instrument, and also swears he is the person who executed the within instrument of behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its by-laws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.


Robert S. Ayling
Consul of the United States of America
London, England.

FIRST CHICAGO INVESTMENT CORPORATION

By J. E. Daverman V.P.
Name and Title:

STATE OF ILLINOIS }
COUNTY OF COOK } ss.

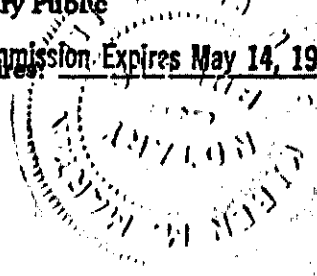
On this 2nd. day of December, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared James E. Daverman known to me to be the Vice President of First Chicago Investment Corporation, the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its by-laws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Karen M. Martin
Notary Public

My Commission Expires May 14, 1984

(SEAL)



FOSTER INVESTMENT COMPANY

By

Milton Porter

Name and Title:

Milton Porter, President

STATE OF Penna. }
COUNTY OF Allegheny } ss.

On this 2nd day of Dec., 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Milton Porter, known to me to be the President of Foster Investment Company, the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its by-laws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

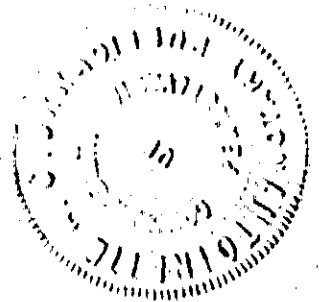
Antoinette M. Ciorra

Notary Public

My Commission Expires: _____

ANTOINETTE M. CIORRA, NOTARY PUBLIC
GREEN TREE BORO, ALLEGHENY COUNTY
MY COMMISSION EXPIRES JAN. 28, 1985
Member, Pennsylvania Association of Notaries

(SEAL)



GTC ACQUISITION CORPORATION

By Carl D. Thomas, Pres

Name and Title:

STATE OF Illinois }
COUNTY OF Cook } ss.

On this 3rd day of December 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Carl D. Thomas, known to me to be the President of GTC Acquisition Corporation, the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its by-laws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

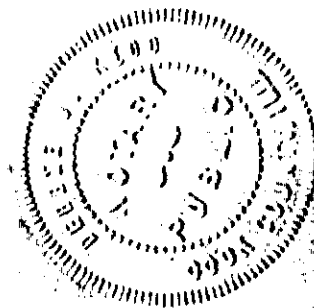
Debbie J. Kidd

Notary Public

My Commission Expires: _____

My Commission Expires April 22, 1985

(SEAL)



LIBERTY LIFE INSURANCE COMPANY

By Porter B. Rose

Name and Title:
Porter B. Rose, Senior Vice President

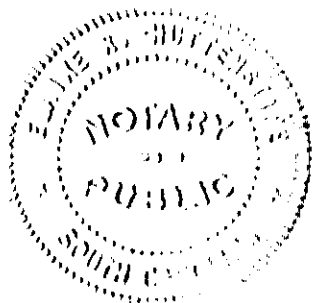
STATE OF South Carolina }
COUNTY OF Greenville } ss.

On this 3 day of Dec., 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Porter B. Rose, known to me to be the Senior Vice President of Liberty Life Insurance Company, the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its by-laws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Elaine R. Nuttall
Notary Public

My Commission Expires: May 18, 1988



(SEAL)

PENN MUTUAL LIFE INSURANCE COMPANY

By

[Handwritten Signature]

Name and Title:

STATE OF PENNSYLVANIA }
COUNTY OF PHILADELPHIA }

ss.

On this 17TH day of DECEMBER, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared P. KENT DUEY MOUTH, JR., known to me to be the ASSISTANT VICE PRESIDENT of Penn Mutual Life Insurance Company, the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its by-laws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

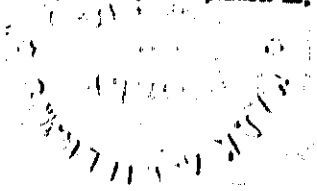
mark a williams

Notary Public Mark A. Williams
Notary Public

My Commission Expires: ~~Philadelphia, Philadelphia County~~
Pennsylvania

My Commission Expires September 20, 1982

(SEAL)



Wayne L. Prim

Wayne L. Prim

STATE OF California }
COUNTY OF San Mateo } ss.

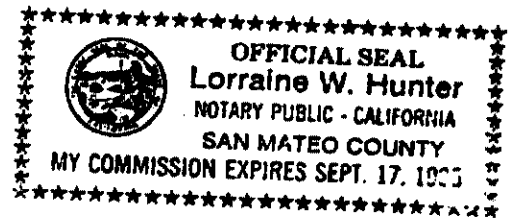
On this 2nd day of Dec., 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Wayne L. Prim, known to me to be the person whose name is subscribed to the within instrument, and subscribed and swore to such instrument and acknowledged that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Lorraine W. Hunter
Notary Public

My Commission Expires: Sept. 17, 1985

(SEAL)



SECURITY PACIFIC CAPITAL CORP.

By D. A. D.
Name and Title:
VICE PRESIDENT

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

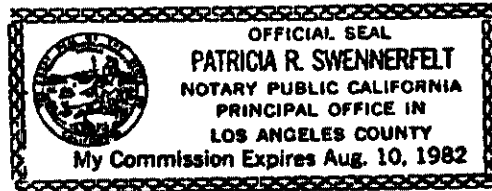
On this 2nd day of Dec., 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Dennis A. D., known to me to be the Vice President of Security Pacific Capital Corp., the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its by-laws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Patricia R. Swennerfelt
Notary Public

My Commission Expires: Aug 10, 1982

(SEAL)



ALPHA CHALLENGER, INC.

By Darlene Clarke
Name and Title: Vice-President

STATE OF DELAWARE }
COUNTY OF NEW CASTLE } ss.

On this 2nd day of DEC., 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared DARLENE CLARKE, known to me to be the VICE PRESIDENT of Alpha Challenger, Inc., the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its by-laws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Ruth J. Eskridge
Notary Public

My Commission Expires: 6/15/83

(SEAL)



HILLMAN FM PROPERTIES PARTNERSHIP

By

Henry L. Hillman

Name and Title:

Henry L. Hillman
Managing General Partner

Commonwealth of Pennsylvania

~~STATE OF~~

COUNTY OF Allegheny } ss.

On this 7 day of Dec., 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Henry L. Hillman, known to me to be one of the partners of Hillman FM Properties Partnership, the partnership that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the partnership therein named, and acknowledged to me that such partnership executed the same.

In WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Deborah A. Fitzgerald

Notary Public DEBORAH A. FITZGERALD, Notary Public
Allegheny County, PA

My Commission Expires: My Commission Expires August 23, 1982

(SEAL)

William Graham
William Graham

STATE OF Ill }
COUNTY OF Cook } ss.

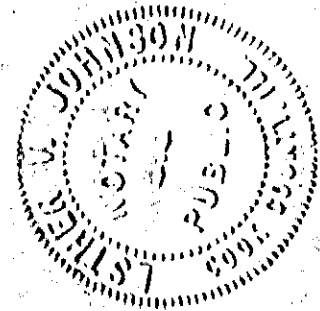
On this 2 day of Dec, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared William Graham, known to me to be the person whose name is subscribed to the within instrument, and subscribed and swore to such instrument and acknowledged that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Robert V. Johnson
Notary Public

My Commission Expires: 10/14/83

(SEAL)



GAYMARK ASSOCIATES

By

[Handwritten signature of Edwin Robbins]

Name and Title:

Edwin Robbins, General Partner

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.

On this 2nd day of December, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Edwin Robbins, known to me to be one of the partners of Gaymark Associates, the partnership that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the partnership therein named, and acknowledged to me that such partnership executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

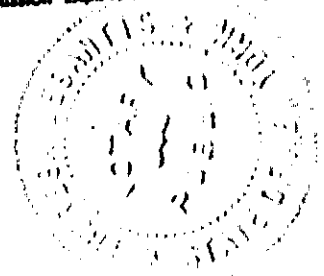
[Handwritten signature of Theresa Desantis]

Notary Public

My Commission Expires: _____

THERESA DESANTIS
Notary Public, State of New York
No. 43-5993820
Qualified in Richmond County
Commission Expires March 30, 1982

(SEAL)



Raymond F. Kravis
Raymond F. Kravis

STATE OF *Florida*
COUNTY OF *Palm Beach* } ss.

On this *7th* day of *December* 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Raymond F. Kravis, known to me to be the person whose name is subscribed to the within instrument, and subscribed and swore to such instrument and acknowledged that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Jo Ann Taintill
Notary Public

My Commission Expires: _____

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES MAY 14, 1985
BONDED THRU GENERAL INS. UNDERWRITERS

(SEAL)

Robert Reynolds
Robert Reynolds, Trustee

STATE OF *Illinois* }
COUNTY OF *Cook* } ss.

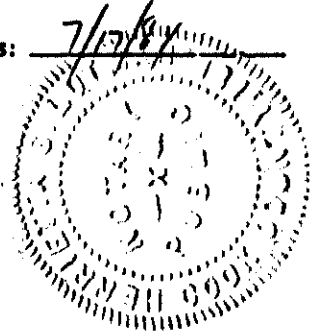
On this *7th* day of *December*, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Robert Reynolds, known to me to be a trustee of the Patricia R. Friedman Revocable Trust, and known to me to be the person whose name is subscribed to the within instrument, and subscribed and swore to such instrument and acknowledged that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Henrietta J. Luban
Notary Public

My Commission Expires: *7/17/84*

(SEAL)



[Handwritten Signature]

William S. Towne

STATE OF *California* }
COUNTY OF *San Francisco* } ss.

On this *2d* day of *Dec.*, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared William S. Towne, known to me to be the person whose name is subscribed to the within instrument, and subscribed and swore to such instrument and acknowledged that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Billie L. Strong
Notary Public

My Commission Expires: *Aug 5, 1983*

(SEAL)



KOHLBERG, KRAVIS, ROBERTS & Co.

By George R. Roberts
Name and Title:

George R. Roberts
General Partner

STATE OF California }
COUNTY OF San Francisco } ss.

On this 2nd day of Dec., 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared George R. Roberts, known to me to be one of the partners of Kohlberg, Kravis, Roberts & Co., the partnership that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the partnership therein named, and acknowledged to me that such partnership executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

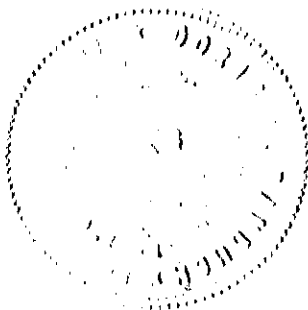
Doris M. Randuch

Notary Public

DORIS M. RANDUCH

My Commission Expires: September 13, 1985

(SEAL)



Harold E. Foreman, Jr.
Harold E. Foreman, Jr.

STATE OF ILLINOIS }
COUNTY OF COOK } ss.

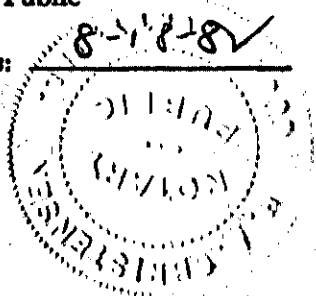
On this 2nd day of December, 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Harold E. Foreman, Jr., known to me to be the person whose name is subscribed to the within instrument, and subscribed and swore to such instrument and acknowledged that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

H. E. Foreman, Jr.
Notary Public

My Commission Expires: 8-18-82

(SEAL)



WITHDRAWING LIMITED PARTNER

George R. Roberts
George R. Roberts

STATE OF California }
COUNTY OF San Francisco } ss.

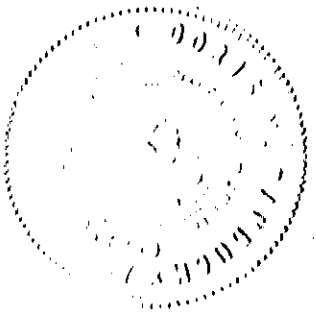
On this 2nd day of Dec., 1981, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared George R. Roberts, known to me to be the person whose name is subscribed to the within instrument, and subscribed and swore to such instrument and acknowledged that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Doris M. Randuch
Notary Public

DORIS M. RANDUCH
My Commission Expires: Sept. 13, 1985

(SEAL)



(i)

SCHEDULE A

<u>Name and Place of Residence</u>	<u>Capital Contribution</u>	
	<u>Cash Contribution</u>	<u>Promissory Note</u>
General Partner:		
FMGP Associates	\$ 1,000,000	\$ —
c/o Kohlberg, Kravis, Roberts & Co. 3 Embarcadero Center San Francisco, California 94111		
Limited Partners:		
<u>Class B Limited Partners</u>		
Oregon Public Employees' Retirement Fund	\$ 47,500,000	\$ —
c/o State Treasurer 156 Capitol Building Salem, Oregon 97310 Attn: James C. George		
Oregon Industrial Accident Fund	2,500,000	—
c/o State Treasurer 156 Capitol Building Salem, Oregon 97310 Attn: James C. George		
<u>Class A Limited Partners</u>		
Metropolitan Life Insurance Company	34,650,000	—
One Madison Avenue New York, New York 10010 Attention: Treasurer		
FMI Acquisition Corporation	17,332,000	—
c/o Kohlberg, Kravis, Roberts & Co. 3 Embarcadero Center San Francisco, California 94111		
Oran B. Robertson	357,000	238,000
7240 S.W. Burlingame Portland, Oregon 97219		

(ii)

<u>Name and Place of Residence</u>	<u>Capital Contribution</u>	
	<u>Cash Contribution</u>	<u>Promissory Note</u>
Cyril K. Green 5227 S.E. LaMesa Way Portland, Oregon	\$ 315,000	\$ 210,000
Virgil Campbell 1705 Maple Road S.W. Alderwood Manor, Washington 98503	273,000	182,000
C. Dale Warman 395 North Lotus Beach Drive Portland, Oregon 97217	262,500	175,000
Jerry Sadis 15606 N.W. Perimeter Place Beaverton, Oregon 97005	231,000	154,000
Gary L. Baker 17917 Upper Cherry Lane South Lake Oswego, Oregon 97034	189,000	126,000
Alan D. Ferguson 18006 Markham Court Oregon City, Oregon 97034	157,500	105,000
Larry R. Ofstedahl 7130 Valley View Drive Gladstone, Oregon 97027	157,500	105,000
Donald E. Tripp 12136 S.W. Orchard Hill Road Lake Oswego, Oregon 97034	157,500	105,000
AVA Partners c/o American Express Company 125 Broad Street New York, New York 10004	615,938	—
Bessemer Securities Corporation 630 Fifth Avenue 39th Floor New York, New York 10011	608,315	—
Citibank, N.A., as Trustee 153 East 53rd Street New York, New York 10043	405,544	—

(iii)

<u>Name and Place of Residence</u>	<u>Capital Contribution</u>	
	<u>Cash Contribution</u>	<u>Promissory Note</u>
Continental Illinois Equity Corporation Suite 1617 231 South La Salle Street Chicago, Illinois 60693	\$ 1,146,500	\$ —
Electra Holdings, Inc. Electra House, Temple Place Victoria Embankment London WC2E 3HP	506,167	—
First Chicago Investment Corporation Room 2628 One First National Plaza Chicago, Illinois 60670	3,465,000	—
Foster Investment Company 415 Holliday Drive Pittsburgh, Pennsylvania 15220	654,053	—
GTC Acquisition Corporation c/o Golder, Thoma & Co. 120 South La Salle Street Chicago, Illinois 60603	1,039,500	—
Liberty Life Insurance Company 2000 Wade Hampton Boulevard Greenville, South Carolina 29602	343,035	—
Penn Mutual Life Insurance Company 530 Walnut Street Philadelphia, Pennsylvania 19105	608,315	—
Mr. Wayne L. Prim 30 Cowell Lane Atherton, California 94025	280,526	—
Security Pacific Capital Corp. 333 South Hope Street Los Angeles, California 90071	989,465	—

(iv)

<u>Name and Place of Residence</u>	<u>Capital Contribution</u>	
	<u>Cash Contribution</u>	<u>Promissory Note</u>
Alpha Challenger, Inc. Suite 550 One Customs House Square Wilmington, Delaware 19801	\$ 3,976,157	\$ —
Hillman FM Properties Partnership 2000 Grant Building Pittsburgh, Pennsylvania 15289	2,079,000	—
Mr. William B. Graham 40 Devonshire Lane Kenilworth, Illinois 60043	61,147	—
Gaymark Associates 74 Westview Road Short Hills, New Jersey 07078	61,147	—
Raymond F. Kravis 2109 East 30th Place Tulsa, Oklahoma 74114	49,103	—
Mr. Robert Reynolds 1203 Spanish River Road Boca Raton, Florida 33432	129,226	—
Mr. William S. Towne 97 Seaview Avenue Piedmont, California 94611	34,650	—
Kohlberg, Kravis, Roberts & Co. 645 Madison Avenue New York, New York 10022	415,800	—
Harold E. Foreman, Jr. 899 Skokia Boulevard Northbrook, Illinois	346,500	—
Total for Limited Partners	<u>\$121,897,088</u>	<u>\$ 1,400,000</u>

FRED MEYER REAL ESTATE PROPERTIES, LTD.

DEC 17

The following persons are appointed officers of Fred Meyer Real Estate Properties, Ltd., an Oregon limited partnership (hereinafter the "Company"), with the right and authority to act for, bind, and execute documents on behalf of, the Company, each to occupy the office set opposite his name until his successor shall have been appointed by the undersigned FMGP Associates, general partner of the Company:

President	Oran B. Robertson
Vice President	Cyril K. Greene
Vice President	Jerry Sadis
Vice President:	Roy M. Whitman

Dated: December 23, 1981

FRED MEYER REAL ESTATE PROPERTIES, LTD.

By: FMGP Associates, General Partner

By: KKR Associates, General Partner

By: George R. Roberts
George R. Roberts, General Partner

STATE OF CALIFORNIA

CITY AND COUNTY OF SAN FRANCISCO

On this 23rd day of December, 1981, before me, the undersigned, a Notary Public in and for the City and County of San Francisco, State of California, duly commissioned and sworn, personally appeared George R. Roberts, known to me to be one of the general partners of KKR Associates, known to me to be the general partner of FMGP Associates, known to me to be the general partner of Fred Meyer Real Estate Properties, Ltd., the partnership that executed the within instrument, and he acknowledged to me that he executed the within instrument as one of the general partners of KKR Associates, that said partnership executed the within instrument as the general partner of FMGP Associates, the general partner of Fred Meyer Real Estate Properties, Ltd., and that Fred Meyer Real Estate Properties, Ltd. executed the within instrument.

Doris M. Randuch
Doris M. Randuch
Notary Public
City and County of San Francisco
State of California

My commission expires: September 13, 1985.

