state of Joaha	
Department of State.	
CERTIFICATE OF REGISTRATION OF PETCO LIMITED	
I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of an Application of For Registration in this State, duly signed and verified 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	
pursuant to the provisions of the Idaho Limited Partnership Act, have been received in this	
ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate	
to transact business in this State under the name	
and attach hereto a duplicate original of the Application	
for Registration. Dated December 27, 1983.	
and attach hereto a duplicate original of the Application for Registration. Dated December 27, 1983.	
SECRETARY OF STATE	

, T

3

CRLP 182

Limited Partnership

the Conntant of Casto	of the State of Idaho:	Lee 27 13 - 11 183
the Secretary of State Pursuant to the prov		ode, the undersigned Limited Partnership
		State, and for that purpose submits the
	ed partnership is <u>PETCO LIMIT</u>	
The name which it sh	all use in Idaho isPETCO_LIM	TED, limited partnership
It is organized under	the laws ofTexas	· · ·
The date of its format	tion isJune 17, 1983	•
		er country under the laws of which it is eckenridge, Texas 76024
	address of its proposed registered agen SYSTEM, 300 North 6th Stree	t in Idaho are et, Boise, Idaho 83701
The general character	of the business it proposes to transact	in Idaho is:
The Bellerar energy		
-	· -	
-	exploration and production	
Oil and gas (exploration and production	t be completed only if not included in the
<u>Oil and gas of</u> The names and busin	exploration and production	
Oil and gas of The names and busin certificate of limited p Name	exploration and production tess addresses of its partners are (mus partnership):	t be completed only if not included in the
Oil and gas of The names and busin certificate of limited p Name	exploration and production tess addresses of its partners are (mus partnership): General or Limited	t be completed only if not included in the
Oil and gas of The names and busin certificate of limited p Name	exploration and production tess addresses of its partners are (mus partnership): General or Limited	t be completed only if not included in the
Oil and gas of The names and busin certificate of limited p Name	exploration and production tess addresses of its partners are (mus partnership): General or Limited	t be completed only if not included in the
Oil and gas of The names and busin certificate of limited p Name	exploration and production tess addresses of its partners are (mus partnership): General or Limited	t be completed only if not included in the
Oil and gas of The names and busin certificate of limited p Name	exploration and production tess addresses of its partners are (mus partnership): General or Limited	t be completed only if not included in the
Oil and gas of The names and busin certificate of limited p Name	exploration and production tess addresses of its partners are (mus partnership): General or Limited	t be completed only if not included in the
Oil and gas of The names and busin certificate of limited p Name	exploration and production tess addresses of its partners are (mus partnership): General or Limited	t be completed only if not included in the
Oil and gas of The names and busin certificate of limited p Name	exploration and production tess addresses of its partners are (mus partnership): General or Limited	t be completed only if not included in the
Oil and gas of The names and busin certificate of limited p Name	exploration and production tess addresses of its partners are (mus partnership): General or Limited	t be completed only if not included in the
Oil and gas of The names and busin certificate of limited p Name	exploration and production tess addresses of its partners are (mus partnership): General or Limited	t be completed only if not included in the

. .

1 *****

.

di b

٠

.

4

1.4

· *.

•

			•
		t, t	
Name	General or Limited	Address	
(SEE ATTACHED	RIDER)		
		••••••••••••••••••••••••••••••••••••••	
	**************************************	4811	<u></u>
1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 -			
an a		en	
۴.	<u>angana ing ang ang ang ang ang ang ang ang ang a</u>		
an a			
		ennales anno 1995 anno 1997 an	
organized. ated8	, 19_8	f the state or country under the la	iwa di winch it is
	PETCO/LI	MITED	
	TY.	II Co.h	AP
	By Lester	te Clark	
	By JA	te Clark	fb
LATE OF TEXAS	By JA	te Clark	Ao
	By Lester (te Clark	fb
	By Lester (te Clark	£0
OUNTY OFSTEPHENS	By	Clark A General Partner	AP
OUNTY OFSTEPHENS	By	Clark A General Partner	
OUNTY OF STEPHENS I,	By	Clark A General Partner	sonally appeared
OUNTY OFSTEPHENS I,day o fore meLester Cla	By	Clark A General Partner , a notary public, do hereby ce ember, 19 <u>83</u> , pers , who being by me	sonally appeared first duly sworn,
OUNTY OFSTEPHENS I,day o fore meIester Cla	By	Clark A General Partner	sonally appeared first duly sworn,
OUNTY OFSTEPHENS I,day o fore meLester Cla	By Lester ()) ss:) ofDece ark rtner ofPETCO_LIMT	Clark A General Partner , a notary public, do hereby ce ember, 19 <u>83</u> , pers , who being by me	sonally appeared first duly sworn,
OUNTY OFSTEPHENS I,day o fore meIester Cla clared that he is a general par	By Lester ()) ss:) ofDece ark	Clark A General Partner , a notary public, do hereby ce <u>emberi</u> , 19 <u>83</u> , pers , who being by me TTED	sonally appeared first duly sworn,
OUNTY OFSTEPHENS I,day o fore meIester Cla clared that he is a general par at he signed the foregoing do	By Lester ()) ss:) sfDece ark rtner ofPETCO_LIMI ocument as a general par	Clark A General Partner , a notary public, do hereby ce <u>emberi</u> , 19_83, pers , who being by me TTED ther of the limited partnership ar	sonally appeared first duly sworn,
OUNTY OFSTEPHENS I,day o fore meIester Cla sclared that he is a general par	By Lester ()) ss:) sfDece ark rtner ofPETCO_LIMI ocument as a general par	Clark A General Partner , a notary public, do hereby ce <u>emberi</u> , 19 <u>83</u> , pers , who being by me TTED	sonally appeared first duly sworn, , nd that the state-

CENERAL PARTNERS - Petco Limited

BL 27 8 51 21 183

na la transmissiona de la seconda de la s La seconda de la seconda de

Lester Clark 304 N. Breckenridge (P.O. Box 752) Breckenridge, TX 76024

David L. Clark 304 N. Breckenridge Breckenridge, TX 76024

George E. Clark 8325 Walnut Hill Lane, Suite 225 Dallas, TX 75231

Fred F. Dueser 1501 Sycamore Breckenridge, TX 76024

J. L. McClymond 400 N. Harding Breckenridge, TX 76024

0. H. Reaugh 304 N. Harding Breckenridge, TX 76024

E. Bruce Street 1035 Normandy Graham, TX 76046

E. Bruce Street, Jr. 924 Kinter Graham, TX 76046

LEMITED PARTNERS

Dianne Reaugh Bauman 922 Schulze Drive Norman, OK 73071

Lester Clark P.O. Box 752 Breckenridge, TX 76024

David L. Clark P.O. Box 752 Breckenridge, TX 76024

George E. Clark 8325 Walnut Hill Lane, Suite 225 Dallas, TX 75231

Fred F. Dueser 1501 Sycamore Breckenridge, TX 76024

B. H. Estess, Jr. and Sandra Street Estess 5315 S. Dentwood Drive Dallas, TX 75220

J. L. McClymond 400 N. Harding Breckenridge, TX 76024

Harry Coleman Reaugh 3817 Santa Monica Abilene, TX 79604

O. H. Reaugh 304 N. Harding Breckenridge, TX 76024

Lee A. Smith and Virginia Street Smith 409 Rivercrest Drive Fort Worth, TX 76107

E. Bruce Street P.O. Box 1110 Graham, TX 76046

E. Bruce Street, Jr. and Alice Ann Street P.O. Box 37 Graham, TX 76046

M. Boyd Street P.O. Box 1110 Graham, TX 76046

Texas American Bank/Fort Worth, Trustee for the Lester Clark Grandchildren P.O. Box 2050 Fort Worth, TX 76113

Texas American Bank/Fort Worth, Trustee for E. Bruce Street Children Trusts P.O. Box 2050 Fort Worth, TX 76113



ULC 27 8 50 AN 193 STATE STATE

The State of Texas SECRETARY OF STATE

The undersigned, as Secretary of State of the State of Texas, HEREBY CERTIFIES that the attached is a true and correct copy of the following described instruments on file in this office:

PETCO LIMITED

CERTIFICATE OF LIMITED PARTNERSHIP JUNE 17, 1983

IN TESTIMONY WHEREOF, I have hereunio signed my name officially and caused to be impressed hereon the Seal of State at my office in the City of Austin, this

15th day of ___ DECEMBER 83 ., A. D. 19

Secretary of State

Secretary of State of the CERTIFICATE OF LIMITED PARTNERSHIP OF PETCO LIMITED JUN 1 7 1983

The undersigned, desiring to form a limited partment of pursuant to The Texas Uniform Limited Partnership Act, being affection the members of such limited partnership and having signed and sworn to this Certificate of Limited Partnership of Petco Limited (herein called this "Certificate"), do hereby certify as follows:

A. <u>Certain Matters Regarding Formation and Partners.</u>

11

(i) In all places in this Certificate, the reference to specific sections and subsections of the Partnership Agreement shall be construed only in conjunction with the Partnership Agreement as a whole.

(11) Formation with Petco as a General Partner and as the Sole Limited Partner. The limited partnership for which this Certificate pertains (herein and in Exhibit "A" to this Certificate called the "Partnership") is being formed with Fred F. Dueser, J. L. McClymond, Lester Clark, E. Bruce Street, O. H. Reaugh, E. Bruce Street, Jr., David L. Clark and George E. Clark as general partners of the Partnership (such persons herein and in Exhibit "A" to this Certificate being collectively called the "General Partners" and individually called a "General Partner") and Petroleum Corporation of Texas, a Texas corporation (herein and in Exhibit "A" to this Certificate called "Petco"), as a general partner and the initial sole limited partner of the Partnership. The General Partners have each made the contribution to the Partnership described in Section 3.1 of Exhibit "A" to this Certificate and have acquired an interest in the Partnership as general partners as described in such section. Petco has made the contribution to the Partnership described in Section 3.2 of Exhibit "A" to this Certificate and has acquired an interest in the Partnership as a general partner and as the initial sole limited partner, respectively, as described in such section.

(iii) Assignment by Petco of its Partnership Interests; Withdrawal of Petco from Partnership. Immediately after the Filling of this Certificate with the Office of the Secretary of State of the State of Texas, Petco (a) is assigning its interest in the Partnership as a general partner to Fred F. Dueser, J. L. McClymond, Lester Clark, E. Bruce Street, O. H. Reaugh and E. Bruce Street, Jr. (such persons herein and in Exhibit "A" to this Certificate called the "SH General Partners") pursuant to Section 1.8(a) of Exhibit "A" to this Certificate; (b) is assigning its interest in the Partnership as a limited partner to those persons (excluding the General Partners) who own Common Stock (as defined in Section 2.1 of Exhibit "A" to this Certificate) in Petco as of even date herewith (such persons herein and in Exhibit "A" to this Certificate called the "LP Stockholders") pursuant to Section 1.8(a) of Exhibit "A" to this Certificate; and (c) is withdrawing from the Partnership both as a general partner and as the initial sole limited partner of the Partnership.

(iv) <u>Certain Other Transactions; Admission of Limited</u> <u>Partners.</u> Immediately after the filing of this Certificate and contemporaneously with the assignments described in subparagraph (iii) of this Paragraph A, (a) the transactions described in subsections (b) and (c) of Section 1.8 of Exhibit "A" to this Certificate will be consummated and (b) the LP Stockholders and the SH General Partners (such SH General Partners having converted a specific portion of their interests in the Partnership as general partners into interests as limited partners as discussed in Section 1.8(c) of Exhibit "A" to this Certificate) will be admitted to the Partnership as substituted limited partners in place of Petco (such persons herein and in Exhibit "A" to this Certificate being collectively called the "Limited Partners" and individually called a "Limited Partner"). C. <u>Character of Business</u>. The character of the business of the Partnership shall be to own, hold, maintain, renew the Partnership's interests in, operate and receive revenues attributable to the oil, gas and other mineral properties, interests and rights (including royalties and mineral classified lands) and certain other assets contributed to the Partnership by Petco and to take all such actions which may be incidental thereto as the General Partners (subject to the terms of the Agreement of Limited Partnership of the Partnership [herein called the "Partnership Agreement"]) may determine.

D. <u>Principal Place of Business and Address</u>. The location of business of the Partnership shall be 300 North Breckenridge Avenue, Breckenridge, Texas 76024, and the mailing address of the Partnership shall be P. O. Box 911, Breckenridge, Texas 76024. The General Partners, at any time and from time to time, may change the location of the Partnership's principal place of business and may establish such additional place or places of business of the Partnership as the General Partners shall determine to be necessary or desirable.

E. <u>Name and Places of Residences of Partners</u>. The names and places of residence of each of the General Partners of the Partnership are as follows:

Fred F. Dueser	J. L. McClymond		
1501 Sycamore	400 N. Harding Breckenridge, Texas 76024		
Breckenridge, Texas 76024			
Lester Clark	E. Bruce Street		
1100 E. Connell	1035 Normandy		
Breckenridge, Texas 76024	Graham, Texas 76046		
O. H. Reaugh	E. Bruce Street, Jr.		
304 N. Harding	924 Kinter		
Breckenridge, Texas 76024	Graham, Texas 76046		
David L. Clark	George E, Clark		
Chaparral Lane	4456 Belfort		
Breckenridge, Texas 76024	Dallas, Texas 75205		

As discussed in Paragraph A of this Certificate, Petco is initially both a general partner and the sole limited partner of the Partnership. Petco's place of residence is 300 North Breckenridge Avenue, Breckenridge, Texas 76024. Reference is herein made to subparagraphs (iii) and (iv) of Paragraph A of this Certificate which pertain to (i) the assignment by Petco of its interest in the Partnership as a general partner and as the sole limited partner, respectively, (ii) the withdrawal of Petco both as a general partner and as the sole limited partner of the Partnership and (iii) the admission of certain persons as substituted limited partners in place of Petco. Accordingly, the names and places of residence of each of the Limited Partners are as set forth in Exhibit "B" to this Certificate.

F. Term. The term for which the Partnership is to exist is the period (i) commencing with the filing of this Certificate and (ii) continuing until the dissolution of the Partnership upon the occurrence of any of the events set forth in Section 9.1 of Exhibit "A" to this Certificate. The Partnership will terminate only after its affairs have been wound up and its assets distributed and liquidated as provided in Section 9.2 of Exhibit "A" to this certificate.

G. <u>Capital Contribution</u>. Petco has made the contribution to the Partnership described in Section 3.2 of Exhibit "A" to this Certificate which has an agreed value equal to \$9,130,000. A precise description of the property contributed to the Partnership is set forth in Exhibit "C" to this Certificate.

H. <u>Additional Contributions</u>. The Limited Partners have not agreed to make any additional contributions to this Partnership.

I. <u>Return of Contributions</u>. There is no agreed time when the contributions of the Limited Partners are to be returned; -2-

• 《福志 .

provided, however, that distributions will be made to the Limited Partners (i) pursuant to the expressed terms of the Partnership Agreement and (ii) upon dissolution and liquidation of the Partnership, and then only to the extent expressly provided for in the Partnership Agreement.

J. <u>Share of Profits or Other Compensation</u>. The share of (i) the profits or other compensation by way of Partnership income and (ii) income, gains, losses, deductions and credits will, by reason of the Limited Partners' contributions to the Partnership be allocated as set forth in Sections 4.1, 4.2 and 9.2 of Exhibit "A" to this Certificate. For purposes of Section 4.1 of Exhibit "A" to this Certificate and the defined term "Sharing Ratio" used therein, the "Partnership Interest" (as defined in Section 2.1 of Exhibit "A" to this Certificate) of each General Partner and Limited Partner is set forth in Exhibit "D" to this Certificate.

K. <u>Substitution of an Assignee of a Limited Partner</u>. A Limited Partner does not have the right to substitute an assignee in his place as a Limited Partner of the Partnership. The assignment by a Limited Partner of his limited partnership interest in the Partnership and the substitution of an assignee of a Limited Partner's limited partnership interest in the Partnership are governed exclusively by Section 8.1 of Exhibit "A" to this Certificate.

L. <u>Admission of an Additional Limited Partner</u>. Except for the admission of a substituted Limited Partner as set forth in Section 8.1 of Exhibit "A" to this Certificate, the Partnership Agreement does not confer any right upon the General Partners and the Limited Partners to admit additional limited partners to the Partnership.

M. Property as to Contributions or Compensation. None of the Limited Partners shall have any priority over any other Limited Partner as to contributions or as to compensation by way of income.

N. <u>Right of General Partners to Continue Business</u>. The right of the remaining General Partners to continue the business of the Partnership on the death, retirement or insanity of a General Partner is described in Sections 9.1(a)(ii) and 5.3(c) of Exhibit "A" to this Certificate.

O. <u>Right of Limited Partner to Demand Property</u>. No Limited Partner has the right to demand and receive property other than cash in return for his contribution except to the extent provided in Section 9.2 of Exhibit "A" to this Certificate.

P. Execution of Certificate by Petco. Petco is executing this Certificate (i) as a general partner, (ii) as the initial sole limited partner of the Partnership and (iii) in connection with the assignment of its interest in the Partnership (as discussed in Paragraph A of this Certificate), its withdrawal from the Partnership and the admission to the Partnership of the Limited Partners.

PP. <u>Power of Attorney</u>. J. L. McClymond, one of the General Partners of the Partnership executes, this Certificate as attorney-in-fact for the Limited Partners. Section 10.2 of the Partnership Agreement provides that each Limited Partner, by execution of the Partnership Agreement, irrevocably constitutes and appoints each of the General Partners, with full power of substitution, as such Limited Partner's agent and attorney-infact in the name, place and stead of such Limited Partner to execute, swear to, certify, acknowledge, deliver, file and record in the appropriate public offices all certificates and other instruments thereof which the General Partners deem appropriate or necessary to qualify the Partnership as a limited partnership in all jurisdictions in which the Partnership may conduct business.

W

4 999 9 4 4

<u>, e</u>

naling naling tangan sa ang nasang nasa tang na Q. Exhibits. Attached to this Certificate as Exhibit "A" are the following sections of the Partnership Agreement: 1.8(a), 1.8(b), 1.8(c), 3.1, 3.2, 4.1, 4.2, 5.3(c), 8.1, 9.1 and 9.2, each of which is incorporated into this Certificate for all purposes. Reference to sections, subsections and other subdivisions of Exhibit "A" to this Certificate refer to corresponding sections, subsections and other subdivisions of Exhibit "A" to this Certificate refer to to corresponding sections, subsections and other subdivisions of Exhibit "A" to this Certificate and/or the Partnership Agreement unless expressly provided otherwise. All of the aforementioned sections are identical to the sections contained in the Partnership Agreement, except that certain definitions contained in Section 2.1 of the Partnership Agreement not material to this Certificate have been deleted from Section 2.1 of Exhibit "A" to this Certificate. Also attached to this Certificate are Exhibits "B", "C" and "D", each of which is incorporated into this Certificate for all purposes.

GEORGE Æ. CLARK

PETROLEUM CORPORATION OF TEXAS

L. McClymond, Attorney-in-Fact the Limited Partners listed fo‡

in Exhibit "B"

THE STATE OF TEXAS

COUNTY OF STEPHENS)

I. a Notary Public, do hereby certify that on this 27^{44} day of 1983, personally appeared before me FRED F. DUESER, J. L. McCLYMOND, LESTER CLARK and O. H. REAUGH, and known to me to be the persons whose names are subscribed to the foregoing instrument, and swore and acknowledged to me that they executed the same for the purposes and in the capacity therein expressed, and that the statements contained therein are true and correct.

eleca Kall

(SEAL)

Nótary Public, State of Texas

My Commission Expires: ELLEEN HALL, Notary Public State of Tenes Commission expires 10/6/84

THE STATE OF TEXAS)

COUNTY OF YOUNG)

I, a Notary Public, do hereby certify that on this 18 day of June, 1983, personally appeared before me E. BRUCE STREET and E. BRUCE STREET, JR., and known to me to be the persons whose names are subscribed to the foregoing instrument, and swore and acknowledged to me that they executed the same for the purposes and in the capacity therein expressed, and that the statements contained therein are true and correct.

(SEAL)

12.12.1

(SEAL)

(SEAL)

() < ()

56

Morean Cook Notary Public, State of Texas My Commission Expires: 7/3/84

THE STATE OF TEXAS)

COUNTY OF STEPHENS)

I, a Notary Public, do hereby certify that on this $\exists n \lambda day$ of June, 1983, personally appeared before me DAVID L. CLARK, and known to me to be the person whose names is subscribed to the foregoing instrument, and swore and acknowledged to me that he executed the same for the purposes and in the capacity therein expressed, and that the statements contained therein are true and correct.

Notany Public, State of Texas My Commission Expires: July 31. 1984

THE STATE OF TEXAS) COUNTY OF DALLAS)

I, a Notary Public, do hereby certify that on this <u>ist</u> day of June, 1983, personally appeared before me GEORGE³ CLARK, and known to me to be the person whose names is subscribed to the foregoing instrument, and swore and acknowledged to me that he executed the same for the purposes and in the capacity therein expressed, and that the statements contained therein are true and correct.

Public, State of Texas

My Commission Expires: Deg. 20, 1984

THE STATE OF TEXAS)

COUNTY OF STEPHENS)

Before me, the undersigned authority, on this day personally appeared J. L. McCLYMOND, known to me to be the person whose name is subscribed to the foregoing instrument, as President of PETROLEUM CORPORATION OF TEXAS, a corporation, sworn and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the $\frac{27^{44}}{100}$ day of May, 1983.

(SEAL)

Public, State of Texas Notary

My Commission Expires EILEEN HALL, Notary Public <u>State of Texas</u> Commission expires 10/6/84

THE STATE OF TEXAS)

COUNTY OF STEPHENS)

Before me, the undersigned as notary public, on this day personally appeared J. L. McCLYMOND, known to me to be the person and Attorney-in-Fact whose name is subscribed to the foregoing Certificate and sworn and acknowledged to me that the same was the act of the Limited Partners of PETCO LIMITED, and that he executed the same on behalf of such Limited Partners for the purposes and consideration therein expressed and in the capacity stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the $\frac{21^{44}}{100}$ day of May, 1983.

(SEAL)

Public, State of Texas Notary

My Commission Expires: EILEEN HALL, Notary Public State of Toxas Commission expires 10/6/84

EXHIBIT "A" to Certificate of Limited Partnership of Petco Limited

Section 1.8. <u>Contribution and Replacement of Petco as a</u> <u>Partner</u>.

(a) As provided in Section 3.2, Petco shall contribute and assign to the Partnership all of its undivided interest in certain oil, gas and other mineral properties, rights and interests (including royalties and mineral classified lands), as well as in certain of its other assets. In connection with the liquidation of Petco pursuant to its plan of complete liquidation, Petco shall assign (i) its interest in the Partnership as, a general partner to the SH General Partners (as herein defined) pro rata in accordance with the ratio that a SH General Partner's percentage ownership of the Common Stock of Petco as of the date of such assignment bears to the total percentage ownership of the Common Stock of Petco of all the SH General Partners as of the date of such assignment and (ii) its interest in the Partnership as a limited partner to the LP Stockholders (as herein defined) pro rata in accordance with the ratio that a LP Stockholder's percentage ownership of the Common Stock of Petco as of the date of such assignment bears to the total percentage ownership of the Common Stock of Petco of all the LP Stockholders as of the date of such assignment. Upon the consummation of the transactions described in this subsection (a), the interests of the Partners in the Partnership (both as a General Partner and as a Limited Partner) shall be as set forth in Exhibit 1.8(a) attached hereto and made a part hereof.

(b) Contemporaneously with the assignments described in subsection (a) above, the Partnership shall distribute \$100 to each of the SH General Partners in redemption of their respective pro rata shares of the Initial GP Interest (as herein defined). For purposes of the immediately preceding sentence, a SH General Partner's pro rata share of the Initial GP Interest shall be determined by dividing the amount contributed by such General Partner to the Partnership pursuant to Section 3.1 by the amount contributed by all General Partners to the Partnership pursuant to Section 3.1. Upon the foregoing redemption, the interest in the Partnership as a general partner of each of the SH General Partners shall be deemed to be increased by an amount equal to (i) the total amount redeemed, as described in the immediately preceding sentence, times (ii) a fraction, the numerator of which is the percentage ownership of the Common Stock of Petco as of the date of the assignment described in subsection (a) above owned by a SH General Partner divided by the total percentage ownership of the Common Stock of Petco of all the SH General Partners as of the date of such assignment. Upon the consummation of the transactions described in this subsection (b), the interests of the Partners in the Partnership (both as a General Partner and as a Limited Partner) shall be as set forth in Exhibit 1.8(b) attached hereto and made a part hereof.

(c) Upon the consummation of the transactions described in subsections (a) and (b) above, the Partners hereby agree that each of the SH General Partners shall convert a portion of his interest in the Partnership as a general partner into an interest in the Partnership as a limited partner in an amount equal to such SH General Partner's interest in the Partnership minus 1%. For purposes hereof, each SH General Partner shall become a Limited Partner with respect to the portion of his interest in the Partnership as a general partner which is converted into an interest in the Partnership as a limited partner in the manner described in the immediately preceding sentence. After the conversion described in the first sentence of this subsection (c), the interests of the Partners in the Partnership (both as a General Partner and as a Limited Partner) shall be as set forth in Exhibit 1.8(c) attached hereto and made a part hereof. Section 2.1. <u>Defined Terms</u>. When used in this Agreement and unless the context otherwise requires, the following terms shall have the respective meanings set forth below:

"Affiliate" shall mean with respect to another person (a) any person directly or indirectly owning, controlling or holding with power to vote 1% or more of the outstanding voting securities of such other person, (b) any person 1% or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote by such other person, (c) any person directly or indirectly controlling, controlled by or under common control with such other person, (d) any officer, director or partner of such other person, and (e) any person" related to such other person by blood, adoption or marriage up to and including the degree equivalent of a second cousin. Notwithstanding the foregoing, the term "Affiliate" shall not mean with respect to another person any person whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote by such other person if such outstanding voting securities are publicly listed on an exchange and such other person is not actively involved in the management of such person by virtue of being an officer, director or partner.

"Agreement" shall mean this Agreement of Limited Partnership, as amended from time to time.

"Common Stock" shall mean (a) shares of the class designated as Common Stock of Petco, without par value, and (b) shares of the class designated as Class A Common Stock of Petco, without par value.

"GP Percentage" shall mean a percentage amount equal to the total percentage ownership of the Common Stock of Petco owned by the General Partners as of the date of this Agreement.

"Initial GP Interest" shall mean the interest in the Partnership as general partners owned collectively by the General Partners upon their respective contributions to the Partnership pursuant to Section 3.1, which shall be an amount equal to .0001.

"LP Percentage" shall mean a percentage amount equal to the total percentage ownership of the Common Stock of Petco owned by those persons (excluding any General Partners) who are to become Limited Partners in connection with the liquidation of Petco, as described more particularly in Section 1.8(a).

"LP Sharing Ratio" shall mean for any Limited Partner the proportion that the amount of his interest in the Partnership as a limited partner bears to the total interest in the Partnership of all Limited Partners as limited partners.

"Majority in Interest" of the Limited Partners, as to any agreement or vote of the Partners shall mean, one or more Limited Partners whose total LP Sharing Ratios exceed 50%.

"Mineral Properties" shall have the meaning assigned to it in Section 3.2.

"Partners" shall mean the General Partners and the Limited Partners of the Partnership.

"Partnership Interest" shall mean the total interest in the Partnership owned by a Partner, whether as a General Partner, a Limited Partner, or both.

a "person" shall include an individual, a corporation, a partnership, an association, a joint stock company and a trust.

المرازية الارتباع والمعروب ومحرفا فالمراجعة ومعاملات والتراب والأراب والمراجع والمراجع والمروح فالمراجع والمراجع

a b

. .

"Sharing Ratio" shall mean for any Partner the proportion that the amount of his Partnership Interest bears to the total of the Partnership Interests of all Partners.

Section 3.1. <u>Contributions of the General Partners</u>. Contemporaneously with executing this Agreement, the General Partners shall each contribute in cash to the Partnership an amount equal to \$100, and initially shall own in the total an interest in the Partnership as general partners equal to the Initial GP Interest. Notwithstanding that each of the General Partners may be personally liable under applicable law for the debts and obligations of the Partnership, all such debts and obligations shall be paid or discharged first with the assets of the Partnership (including insurance proceeds) before any of the General Partners shall be obligated to pay such debts or obligations with his personal assets.

Section 3.2. <u>Contribution of Petco</u>. Contemporaneously with executing this Agreement, Petco, in its capacity as both a general partner and the initial sole limited partner of the Partnership, shall contribute and assign its entire undivided interest in those certain oil, gas and other mineral properties, interests and rights (including royalties and mineral classified lands), as well as in certain other assets, all of which are more particularly described in that certain Deed, Conveyance and Assignment of even date herewith. Upon such contribution, Petco shall own (a) an interest in the Partnership as a general partner equal to the GP Percentage minus the Initial GP Interest and (b) an interest in the Partnership as a limited partner equal to the LP Percentage. In certain instances the oil, gas and other mineral classified lands) to be contributed and assigned to the Partnership hereunder by Petco shall be herein called the "Mineral Properties". In certain instances, the assets other than the Mineral Properties to be contributed and assigned to the Partnership hereunder by Petco shall be herein called the "Mineral Properties". In certain instances, the assets other than the Mineral Properties to be contributed and assigned to the Partnership hereunder by Petco shall be herein called the "Other Properties".

Section 4.1. <u>Allocation Among the Partners</u>. Upon the consummation of all the various transactions described in Section 1.8, all distributions and all Partnership costs, expenditures and revenues, and all Partnership items of income, gain, loss, deduction (other than depletion and windfall profit tax deductions) and credit for federal income tax purposes shall be allocated, charged, or credited to the Partners in accordance with their respective Sharing Ratios at the time such items are respectively allocated, charged, or credited.

Section 4.2. <u>Depletion</u>. Cost and percentage depletion deductions and the gain or loss on the sale or other disposition of property the production from which is subject to depletion (herein sometimes called "depletable property") shall be computed separately by the Partners rather than by the Partnership. For the purposes of Section 613A(c)(7)(D) of the Internal Revenue Code, the Partnership's adjusted basis in each depletable property shall be allocated to the Partners in proportion to each Partner's respective share of Partnership income at the time of acquisition of such property and each Partner's allocable share of such basis shall reflect any adjustments resulting under Section 743 of the Internal Revenue Code.

Section 5.3. <u>Duties and Services of General Partners;</u> <u>Administrator</u>.

(c) The General Partners shall meet on a regular basis (not less than quarterly) and on such other times as those General Partners whose total Partnership Interests exceed 50% of an amount equal to the total of the Partnership Interests of

all General Partners shall request to review the operations of the Partnership and the performance of the administrator, to make decisions concerning future activities of the Partnership and to otherwise determine how to perform their duties and obligations hereunder. Such meetings shall be at a time and place mutually agreed upon by the General Partners and shall be conducted pursuant to certain rules and procedures to be adopted by the General Partners at the first of such meetings; provided, however, that notwithstanding any rules or procedures adopted by the General Partners (i) except as otherwise provided herein, each General Partner shall always have a vote on all matters which are presented to the General Partners for their consideration at a meeting, (ii) the approval of any matter before the General Partners shall require the affirmative vote of those General Partners whose total Partnership Interests exceed 50% of an amount equal to the total of the Partnership Interests of all General Partners, and (iii) the General Partners shall keep written minutes of each of their meetings; provided, further, and without limiting clause (ii) of this subsection (c), if one of the events described in Section 9.1(a)(ii) occurs with respect to a General Partner and the remaining General Partners must therefore elect whether or not to continue the business of the Partnership, the affirmative vote of those remaining General Partners whose total Partnership Interests exceed 50% of an amount equal to the total of the Partnership Interests of all remaining General Partners shall constitute an election by the remaining General Partners to continue the business of the Partnership and shall be binding on all of the remaining General Partners; provided, further, and notwithstanding clause (ii) of this subsection (c), in those instances enumerated herein (which include, but shall not be limited to, Sections 5.8, 8.1(c)(ii), 8.1(c)(iv), 9.1(a)(vi) and 9.2(e)) requiring the affirmative vote of those General Partners whose total Partnership Interests exceed a certain specified percentage amount of the total Partnership Interests of all General Partners (or a group of such General Partners qualified to vote hereunder), the affirmative vote of those General Partners whose total Partnership Interests exceed the percentage amount so specified must be obtained. In addition, at the first of the meetings of the General Partners, the General Partners shall select three of the General Partners who shall have the power to execute on behalf of the Partnership any and all instruments, contracts, agreements and other documents. The signatures of at least two of the General Partners shall be The required on any instrument, contract, agreement or other document (except those for which the General Partners have granted a power-of-attorney to the administrator and those for which the TM Partner (as defined in Section 5.9) is authorized to execute pursuant to Section 5.9)) in order to bind the Partnership in respect thereof, and no third party need look to the authority to act or require joinder of any other party.

Section 8.1. Transfers by the Limited Partners.

(a) No Limited Partner shall have the right to transfer his interest in the Partnership as a limited partner, unless the terms, conditions and limitations set forth below in subsections (b) through (f) of this Section 8.1 are fully complied with. As used in this Article VIII, the term "transfer" shall mean a sale, assignment, gift, exchange or other disposition.

(b) Except in the case of a transfer pursuant to the terms of a will, applicable intestacy law, or as described in subsection (c)(v) below, any transfer by a Limited Partner must be of his entire interest in the Partnership as a limited partner (and subject to the terms, of this Article VIII and other applicable provisions of this Agreement);

-4-

Ì.

(c) In the event a Limited Partner (in this Section 8.1(c) called the "Selling Limited Partner") desires to transfer his interest in the Partnership as a limited partner (in this Section 8.1(c) called the "Offered Interest"), he shall, as a condition precedent to his right to do so, first fully comply with the following provisions:

(i) The Selling Limited Partner shall by written notice inform the General Partners of his intention to transfer the Offered Interest. Such notice shall (A) set forth the price and all other terms, conditions and provisions upon which the Selling Limited Partner proposes to dispose of the Offered Interest (including the name of the person to whom the Selling Limited Partner proposes to transfer the Offered Interest) and (B) offer to the Partnership the Offered Interest at the same price and upon the exact same terms, conditions and provisions as are so set forth.

(ii) If those "qualified General Partners" whose combined Partnership Interests exceed 75% of an amount equal to the total of the Partnership Interests of all qualified General Partners vote in favor of the Partnership acquiring the Offered Interest, the administrator, at the direction and on behalf of the General Partners, shall, within 30 days after receiving the notice given pursuant to (i) above of this subsection (c), give written notice of acceptance to the Selling Limited Partner. As used in this Section 8.1(c), "qualified General Partners" shall mean all General Partners, excluding a General Partner who is the Selling Limited Partner involved or an Affiliate of such Selling Limited Partner.

(iii) If the qualified General Partners determine that the Partnership shall not acquire the Offered Interest for the price and on the terms, conditions and provisions offered, the Selling Limited Partner may transfer the Offered Interest, provided that: (A) any such transfer to a third party must be effected at a price and upon terms, conditions and provisions which are no less favorable than those available to the Partnership as set forth in the notice described in (i) above of this subsection (c) (and the Selling Limited Partner must furnish the General Partners a sworn affidavit setting forth the price and the terms, conditions and provisions of such transfer); (B) the transfer must be expressly made subject to all provisions of this Agreement; (C) if the transfer contemplates that the transferee will become a substituted Limited Partner, such transferee assumes in writing all of the obligations of the Selling Limited Partner under this Agreement (including the execution of the power-of-attorney to the General Partner provided for in Section 10.2); (D) the Selling Limited Partner or transferee delivers to the General Partners an opinion of counsel acceptable to them stating that such transfer does not violate the provisions of any federal or state securities laws; (E) the transfer is effected within 60 days after receipt of the notice described in (i) above of this subsection (c); and (F) the provisions contained in subsections (d) through (f) of this Section 8.1 are complied with.

(iv) In connection with the purchase by the Partnership of an Offered Interest pursuant to this Section 8.1(c), the qualified General Partners shall have the authority to cause the Partnership to borrow funds and to mortgage, pledge or assign in trust Partnership properties as security therefor; provided, however, that the decision to take any of such actions shall require the affirmative vote of those qualified General Partners whose total Partnership Interests exceed 75% of an amount equal to the

-5-

total of the Partnership Interests of all qualified General Partners.

(v) The option of the Partnership to exercise its right of first refusal pursuant to this Section 8.1(c) shall not apply to any transfer (including any transfer pursuant to the terms of a will or under applicable intestacy law) by a Limited Partner of his interest in the Partnership as a limited partner to any member of his "immediate family". As used in the preceding sentence, the term "immediate family" shall mean a Limited Partner's spouse or any of his lineal descendents (whether natural or adopted) who have the capacity to contract on the date of transfer or, if such persons do not have the capacity to contract on the date of transfer, a trust created in favor of any such person or a custodian for any such person (which custodian (or any successor) must be acceptable to the General Partners and must have irrevocable custodial powers until such person reaches legal age or at such time as the disability is removed, if a later date).

(d) Any transfer by a Limited Partner of his interest in the Partnership as a limited partner under this Section 8.1, shall not be valid until the following terms, conditions and limitations are fully complied with:

(1) The "qualified General Partners" (meaning all General Partners excluding any General Partner who is also the Limited Partner (or an Affiliate of such Limited Partner) seeking to transfer his interest in the Partnership as a limited partner) shall have given their prior written consent to such transfer, with the grant or denial of such consent to be in the sole and absolute discretion of the qualified General Partners;

(ii) No transfer shall be made which, in the opinion of counsel to the Partnership, would result in the Partnership's being considered to have thereby been terminated for purposes of Section 708 of the Internal Revenue Code;

(iii) No transfer shall be made if, in the opinion of counsel to the Partnership, such transfer (A) may not be effected without registration pursuant to the Securities Act of 1933, as amended, or (B) would result in the violation of the Texas Securities Act or any other applicable state securities law;

(iv) The Partnership shall not be required to recognize the transfer of any interest therein until the instrument conveying such interest has been delivered to the General Partners for recordation on the books of the Partnership;

(v) Unless a transferee becomes a substituted Limited Partner in accordance with the provisions set forth below, such transferee shall not be entitled to any of the rights granted to a Limited Partner pursuant to this Agreement, except the right to receive all or a part of the share of the profits, losses, cash distributions or returns of capital to which the transferor would otherwise have been entitled; further, the power of attorney granted by the transferor in favor of the General Partners pursuant to Section 10.2 shall not be affected and shall remain in full force and effect; and

(vi) The Limited Partner desiring to transfer an interest in the Partnership shall (1) have paid to the Partnership all costs and expenses incurred in connection with such transfer, which costs and expenses shall include

-6-

. •

without limitation all legal and accounting fees and expenses incurred by the Partnership or its counsel, and (2) agree to pay to the Partnership all additional costs and expenses (including, without limitation, accounting costs) which may be subsequently incurred in connection with or arising from such transfer.

(e) A transferee of the interest of a Limited Partner in the Partnership as a limited partner may become a substituted Limited Partner subject to the following terms, conditions and limitations:

(i) The transferor shall have given the transferee the right to become a substituted Limited Partner;

(ii) The "qualified General Partners" (meaning all General Partners excluding any General Partner who is also the transferor (or an Affiliate of such transferor)) shall have previously given their written consent to the substitution of the transferee as a Limited Partner, with the grant or denial of such consent to be in the sole and absolute discretion of the qualified General Partners;

(iii) The transferee shall (A) have paid to the Partnership all costs and expenses incurred in connection with such transferee's substitution as a Limited Partner, which costs and expenses shall include without limitation all legal and accounting fees and expenses incurred by the Partnership or its counsel, and (B) agree to pay to the Partnership all additional costs and expenses (including, without limitation, accounting costs) which may be subsequently incurred in connection with or arising from such transferee's substitution as a Limited Partner; and

(iv) The transferee shall have executed and delivered such instrument and documents, in form and content satisfactory to the General Partners, as the General Partners may deem necessary to effect the substitution of such transferee as a Limited Partner and to confirm the agreement of such transferee to be bound by all of the terms, conditions and provisions of this Agreement.

The Partnership and the General Partners shall be (f) entitled to consider the record owner of any interest in the Partnership as the absolute owner thereof for all purposes. Neither the Partnership nor the General Partners will incur any liability for distributions of cash or other property made in good faith to the record owner of an interest in the Partnership until such time as a written assignment or other instrument of conveyance of such interest has been received and accepted by the General Partners and recorded on the books of the Partnership. No Limited Partner shall under any circumstances transfer any interest in the Partnership to a minor or incompetent or any other person not qualified to become a Limited Partner pursuant to this Agreement (except in the instance described in subsection (c)(v) when a transfer is made to a trust created in favor of, or a custodian for, a person who lacks the capacity to contract on the date of transfer) and, in the event any such transfer should be attempted, such will be null, void and ineffectual and will not bind the Partnership or the General Partners. If a Limited Partner transfers all or a part of his interest in the Partnership as a limited partner in accordance with this Agreement to Affiliates of such Limited Partner, the General Partners shall have the right to (i) require the Limited Partner's Affiliates (or, if applicable, the Limited Partner and his Affiliates) to pay any additional costs or expenses (including, without limitation, accounting and reporting costs and expenses) associated with there being multiple parties with respect to the interest transferred and/or (ii) require the

-7-

Limited Partner's Affiliates (or, if applicable, the Limited Partner and his Affiliates) to appoint from amongst themselves a single representative to receive distributions and notices hereunder on the part of the group and otherwise to deal with the General Partners with respect to matters arising under this Agreement.

Section 9.1. Dissolution and Reconstitution.

(a) The Partnership shall be dissolved upon the occurrence of any of the following:

(i) The occurrence of December 31, 2022.

(ii) The death, insanity, legal disability, withdrawal, bankruptcy, insolvency of a General Partner or the occurrence of any other event which would permit a trustee or receiver to acquire control of the property or affairs of such General Partner, unless the remaining General Partners vote to continue the business of the Partnership or the Partnership is reconstituted by the Limited Partners pursuant to this Section 9.1.

(iii) The adjudication of insolvency or bankruptcy of the Partnership, or an assignment by the Partnership for the benefit of creditors.

(iv) The failure of the Partnership for any calendar year to realize gross income in excess of \$100,000.

(v) The occurrence of any event under United States federal securities laws which would require the Partnership to register the limited partnership interests in the Partnership by filing a registration statement with the Securities and Exchange Commission or any successor agency.

(vi) The vote of those General Partners whose total Partnership Interests exceed 75% of an amount equal to the total of the Partnership Interests of all General Partners.

(vii) Except as otherwise provided herein, the occurrence of any event which, under the laws of the State of Texas, causes the dissolution of a limited partnership.

The death, retirement, insanity, legal disability, bankruptcy, insolvency, dissolution or withdrawal of any Limited Partner will not result in the dissolution or termination of the Partnership; and, upon the occurrence of any such event, the estate, personal representative, guardian or other successor in interest of any such Limited Partner or the Limited Partner, as the case may be, (A) will continue to be liable for all of the debts and obligations of such Limited Partner pursuant to this Agreement, (B) may transfer the interest in the Partnership of such Limited Partner as a limited partner only pursuant to the provisions of Article VIII hereof and (C) will not have any right to withdraw Partnership property except as expressly set forth in Section 9.2 of this Agreement. In addition, if one of the events described in (ii) of this subsection (a) occurs, in no event shall any trustee or receiver who acquires control of the property or affairs of a General Partner become a general partner of the Partnership.

(b) If either (i) one of the events described in Section 9.1(a)(ii) occurs with respect to a General Partner and the remaining General Partners do not elect to continue the business of the Partnership, or (ii) the last General Partner withdraws or retires from the Partnership (directly or as a result of death, insanity, bankruptcy or similar event), the Limited Partners shall be entitled to reconstitute the Partnership with a new General Partner or General Partners upon

. .

the affirmative vote of a Majority in Interest. In such event, the interest(s) in the Partnership as a general partner of each of the remaining General Partners or the withdrawn or retired General Partner, as appropriate, shall be converted into and shall thereafter be treated as the Partnership interest of a Limited Partner and, pursuant thereto, each of the remaining General Partners or the withdrawn or retired General Partner (or the estate, personal representative, guardian or other successor in interest of such withdrawn or retired General Partner, or the withdrawn or retired General Partner, as the case may be) shall become a Limited Partner. At the election of any Limited Partner, the Limited Partners will not be entitled to reconstitute the Partnership upon either the withdrawal of a General Partner and the determination of the remaining General Partners to not continue the business of the Partnership or the withdrawal or retirement of the last General Partner from the Partnership until such time as (A) either (1) a court of competent jurisdiction shall have determined, in an action for declaratory judgment or similar relief brought on behalf of the Limited Partners, that neither the grant nor the exercise of the powers described in this Section 9.1(b) to reconstitute the Partnership will result in the loss of any Limited Partner's limited liability, or (2) counsel for the Limited Partners shall have delivered to the Partnership an opinion to the same effect; and (B) either (1) a favorable ruling shall have been received by the Partnership from the Internal Revenue Service to the effect that neither the grant nor the exercise of the powers described in this Section 9.1(b) to reconstitute the Partnership will cause the Partnership to be taxed as an association and not as a partnership, or (2) counsel for the Limited Partners shall have delivered to the Partnership an opinion to the same effect. Counsel for the Limited Partners shall be other than counsel for the General Partner(s) and such counsel must be acceptable to a Majority in Interest of the Limited Partners.

Section 9.2. Liquidation and Termination. Upon dissolution of the Partnership (unless it is reconstituted or continued in accordance with Section 9.1), the General Partners shall act as liquidators or may appoint in writing one or more liquidators (who may be General Partners) who shall have full authority to wind up the affairs of the Partnership and make final distribution as provided herein; provided, however, that if one of the events specified in Section 9.1(a)(ii) has occurred with respect to the last remaining General Partner, the liquidator shall be a person selected in writing by a Majority in Interest of the Limited Partners. The liquidator shall proceed diligently to wind up the affairs of the Partnership and make final distribution as provided herein. Until final distribution, the liquidator shall continue to operate the Partnership properties with all of the power and authority of a General Partner. The steps to be accomplished by the liquidator are as follows:

(a) As promptly as possible after dissolution, the liquidator shall cause a proper accounting to be made of the Partnership's assets, liabilities and operations through the last day of the month in which the dissolution occurs.

(b) The liquidator shall pay all of the debts and liabilities of the Partnership (including all expenses incurred in liquidation) or otherwise make adequate provision therefor (including but not limited to the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may determine). To the extent cash required for this purpose is not otherwise available, the liquidator may (subject to subsection (e) below) sell assets of the Partnership for cash. (c) Subject to subsections (d) and (e) below, the liquidator shall sell all remaining property of the Partnership at the best cash price available therefor. All of the cash received from such sale and any other cash remaining on hand shall be allocated to the Partners in accordance with the respective percentages by which income and revenues are allocated and credited to the Partners pursuant to Section 4.1.

(d) Notwithstanding subsection (c) above, if on dissolution of the Partnership the liquidator determines that an immediate sale of part of all of the Partnership's assets would be impractical or would cause undue loss to the Partners, the liquidator may, in its absolute discretion, either defer for a reasonable time (not to exceed a period of three years from the date of dissolution of the Partnership) a liquidation of any assets except those necessary to satisfy liabilities of the Partnership (except those which may be due the Partners) or distribute to the Partners, in lieu of cash, as tenants in common and in accordance with their respective percentages by which income and revenues are allocated and credited to the Partnership assets as the liquidator in good faith deems not suitable for liquidation. Any distribution in kind shall be subject to such conditions relating to the disposition and management thereof as the liquidator deems reasonable and equitable.

In connection with the sale by the liquidator of the (e) assets of the Partnership, no Mineral Properties may be sold, transferred or otherwise disposed of to a Partner or an Affiliate thereof except upon the terms of this subsection If the liquidator receives an offer to purchase and/or (e). proposes to sell, transfer or otherwise dispose of any of the Mineral Properties (such Mineral Properties in this Section 9.2(e) being called the "Bid Properties"), the liquidator shall give written notice thereof to all Partners (which notice shall include the material terms of any offer which the liquidator has received for the Bid Properties). If a Partner or an Affiliate of a Partner desires to make an offer to purchase such Bid Properties, such Partner or Affiliate shall so notify the liquidator in writing within 10 days from the date of the aforementioned notice. If a Partner or an Affiliate thereof fails to give timely notice to the liquidator, the liquidator may sell such Bid Properties to a third party not a Partner or an Affiliate thereof, provided such sale is effected within 60 days from the expiration of the 10-day period mentioned in the sentence immediately preceding. If (i) a Partner or an Affiliate thereof gives timely notice to the liquidator, or (ii) a Partner or an Affiliate thereof was the person who initially made an offer to purchase the Bid Properties, therefore precipitating the notification given to all Partners as described above, the General Partners shall, within 15 days from the expiration of the 10-day period mentioned in the second sentence immediately preceding and upon the affirmative vote of those "qualified General Partners" whose total Partnership Interests exceed 75% of an amount equal to the total of the Partnership Interests of all qualified General Partners, select a banking institution which has capital, surplus and undivided profits of at least \$100,000,000 to serve as trustee for the purposes described below (such banking institution in this Section 9.2(e) being called the "Trustee Bank"). As promptly as possible, but in no event later than 5 days after the selection of the Trustee Bank, the liquidator shall commence to use his best efforts to solicit sealed bids with respect to the purchase of the Bid Properties. All sealed bids shall be mailed to and held in the possession of the Trustee Bank. To be eligible, such sealed bids must be received by the Trustee Bank no later than 60 days after the date on which the liquidator commenced to solicit sealed bids with respect to the Bid Properties, unless the liquidator in

good faith determines that under the circumstances involved a longer period of time is appropriate. Within 5 days after the expiration of the aforementioned 60-day period (or, if such 60-day period is extended as provided in the preceding sentence, the period so extended), the Trustee Bank shall open the sealed bids and submit such bids to the qualified General Partners for their consideration. As promptly as possible, but in no event later than 10 days after receipt of the bids from the Trustee Bank, the qualified General Partners shall vote upon whether to accept any of the bids which have been submitted. If those qualified General Partners whose total Partnership Interests exceed 75% of an amount equal to the total of the Partnership Interests of all qualified General Partners vote to accept a bid, the Bid Properties shall be sold to the person who has submitted such bid on the terms and conditions set forth in such bid, notwithstanding the fact that such person may be a Partner or an Affiliate thereof. As used in this Section 9.2(e), "qualified General Partners" shall mean all General Partners, excluding a General Partner who has submitted a sealed bid to the Trustee Bank or is an Affiliate of the person who has submitted a sealed bid to the Trustee Bank. Notwithstanding the foregoing or anything else to the contrary herein, if the liquidator is a person other than the General Partners (or one or more of the General Partners appointed by the General Partners, if such is the case) (A) all sales of the property of the Partnership under this Section 9.2 (regardless of whether or not a sale of all or any part of the Mineral Properties is involved or a Partner or an Affiliate thereof desires to make an offer to purchase any such property) shall be by sealed bids and (B) all the terms and conditions set forth above in this subsection (e) with respect to the procedure by which the solicitation and acceptance of the sealed bids is to be made shall be applicable mutatis mutandis; provided, however, that if a Partner or an Affiliate thereof has not submitted a sealed bid with respect to a particular Partnership property for which other sealed bids have been submitted, the decision to accept a sealed bid shall require the affirmative vote of those General Partners whose Partnership Interests exceed 50% of an amount equal to the total of the Partnership Interests of all General Partners.

(f) The liquidator shall comply with any requirements of The Texas Uniform Limited Partnership Act and all other applicable laws pertaining to the winding up of the affairs of the Partnership and the final distribution of its assets. The distribution of property and/or cash to the Partners in accordance with the provisions of this Section 9.2 shall constitute a complete return to the Partners of their respective contributions to the capital of the Partnership and a complete distribution to the Partners of their respective interests in the Partnership and all Partnership property.

EXHIBIT "B" to Certificate of Limited Partnership of Petco Limited

Dianne Reauch Bauman

* 54 e

Lester Clark

Fred F. Dueser

B. H. Estess, Jr.

Sandra Street Estess

J. L. McClymond

Harry Coleman Reaugh

O. H. Reaugh

Lee A. Smith

Lee A. Smith and Virginia Street Smith

Virginia Street Smith

Alice Ann Street

E. Bruce Street

E. Bruce Street, Jr.

E. Bruce Street, Jr. and Alice Ann Street

M. Boyd Street

Texas American Bank/Fort Worth, Trustee for the Lester Clark Grandchildren

Texas American Bank/Fort Worth, Trustee for the E. Bruce Street Children Trusts 922 Schulze Drive Norman, Oklahoma 73071

1100 E. Connell Breckenridge, Texas 76024

1501 Sycamore Breckenridge, Texas 76024

5315 S. Dentwood Dr. Dallas, Texas 75220

5315 S. Dentwood Dr. Dallas, Texas 75220

400 N. Harding Breckenridge, Texas 76024

3817 Santa Monica Abilene, Texas 79604

304 N. Harding Breckenridge, Texas 76024

409 Rivercrest Drive Fort Worth, Texas 76107

409 Rivercrest Drive Fort Worth, Texas 76107

409 Rivercrest Drive Fort Worth, Texas 76107

924 Kinter Graham, Texas 76046

1035 Normandy Graham, Texas 76046

924 Kinter Graham, Texas 76046

924 Kinter Graham, Texas 76046

801 3rd St. Graham, Texas 76046

500 Throckmorton Fort Morth, Texas 76113

500 Throckmorton Fort North, Texas 76113

EXHIBIT "C" to Certificate of Limited Partnership of Petco Limited

The description of the property contributed to the Partnership is as follows:

The real estate, consisting of fee land, surface mineral, royalty and other interests, records, files, logs, file cabinets and storage facilities, geological data, capital stock of other corporations, capital credits and utility deposits, escrow accounts, claims, choses in action, and other rights, all as more fully described in that certain Deed, Conveyance and Assignment dated May 27, 1983, from Petroleum Corporation of Texas, to Petco Limited recorded, in full, in the public records of ______ County, Texas, in Book _____, Page ____, and in counterpart with extracted description or by recording reference in various counties and states in which said property is located.

Exhibit "D" to Certificate of Limited Partnership of Petco Limited

7 T

 $\left(\cdot \right)$

Partner	Interest as General Partner	Interest as Limited Partner	Total Interest in Partnership
Lester Clark	1.0000%	26.0982%	27.0982%
TAB/Ft. Worth (Street Children)	-0-	16.5358%	16.5358%
M. Boyd Street	-0-	11.7719%	11.7719%
Fred F. Dueser	1.0000%	5.5273%	6.5273%
J. L. McClymond	1.0000%	4.9328%	5.9328%
Sandra Street Estess	-0-	5.8187%	5.8187%
O. H. Reaugh	1.0000%	4.2367%	5.2367%
E. Bruce Street, Jr.	1.0000%	2.1261%	3.1261%
Virginia S. Smith	-0-	2.9279%	2.9279%
Harry C. Reaugh	-0-	2.4742%	2.4742%
Diane R. Bauman	-0-	2.4742%	2.4742%
E. B. Street	1.0000%	1.4576%	2.4576%
Lee Smith & Virginia Smith	-0-	1.8741%	1.8741%
E. Bruce Street, Jr. and Alice Street	-0-	1.8741%	1.8741%
TAB/Ft. Worth (Clark Grandchildren)	-0-	1.7474%	1.7474%
B. H. Estess	-0-	1.3237%	1.3237%
Alice Street	-0-	.4811%	.4811%
Lee Smith	-0-	.3157%	.3157%
David Clark	.00125%	-0-	.00125%
George Clark	.00125%	-0-	.00125%

R

.