

Hobart

AFTER RECORDING, RETURN TO:
Donohoe, Jameon & Carroll, P.C.
Attn: M. Suzanne Beghtel
3400 Renaissance Tower
1201 Elm Street
Dallas, TX 75270-2120

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FIRST AMENDMENT TO OPTION AND PUT AGREEMENT

95069317

THIS FIRST AMENDMENT TO OPTION AND PUT AGREEMENT (this "Amendment"), dated effective as of September 15, 1995, is entered by and between ARIZONA FUNDING CORPORATION, a Delaware corporation ("Owner"), and PETS^MMART, INC., a Delaware corporation ("Company").

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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD
95 NOV 14 AM 8:40
LAKE COUNTY RECORDER

Owner and Company have entered into that certain Option and Put Agreement dated as of February 22, 1995, which is filed of record in the office of the County Recorder of Lake County, Indiana, under instrument number 95014982 (as modified, amended, supplemented, extended or restated from time to time, the "Option Agreement"; the terms defined in the Option Agreement and not otherwise defined herein shall be used herein as defined in the Option Agreement).

NOW, THEREFORE, in consideration of the covenants, conditions and agreements hereafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are all hereby acknowledged, Owner and Company covenant and agree as follows:

1. AMENDMENTS TO OPTION AGREEMENT. Upon the satisfaction of the conditions of effectiveness set forth in Section 3 of this Amendment the following provisions of the Option Agreement shall be amended as set forth below:

(a) The first two paragraphs following "Witnesseth:" are hereby amended to read in their entirety as follows:

WHEREAS, pursuant to an Agency Agreement dated as of June 17, 1994, as amended and restated by that certain First Amended and Restated Agency Agreement between Owner and Company, dated September 15, 1995 (as modified, amended, supplemented, extended or restated from time to time, the "Agency Agreement"), Owner shall purchase parcels of real property (the "Leased Properties") which are located by Company, and Company shall thereafter construct certain improvements thereon;

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CR# 12088 + 12085

WHEREAS, pursuant to a Lease dated as of June 17, 1994, as amended and restated by that certain First Amended and Restated Lease between Owner and Company, dated September 15, 1995 (as modified, amended, supplemented, extended or restated from time to time, the "Lease"), the Leased Properties will be leased by Company from Owner;

(b) The definition of Expiration Date set forth in Section 1.1 is hereby amended to read in its entirety as follows:

Expiration Date: July 6, 1997.

2. REPRESENTATIONS AND WARRANTIES TRUE; NO EVENT OF DEFAULT. By its execution and delivery hereof, Company represents and warrants that, as of the date hereof and after giving effect to the amendment contemplated by the foregoing Section 1:

(a) Company has full power and authority to execute and deliver this Amendment, and this Amendment and the Option Agreement, as amended hereby, constitute the legal, valid and binding obligations of Company, enforceable in accordance with their respective terms, except as enforceability may be limited by applicable debtor relief law and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and except as rights to indemnity may be limited by federal or state securities laws; and

(b) no authorization, approval, consent, or other action by, notice to, or filing with, any governmental authority or other person, is required for the execution, delivery or performance by Owner of this Amendment.

3. REFERENCE TO THE OPTION AGREEMENT.

(a) Upon the effectiveness of this Amendment, each reference in the Option Agreement to "this Agreement", "hereunder", or words of like import shall mean and be a reference to the Option Agreement, as affected and amended by this Amendment.

(b) The Option Agreement, as amended by this Amendment, shall remain in full force and effect and is hereby ratified and confirmed.

4. EXECUTION IN COUNTERPARTS. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

5. GOVERNING LAW; BINDING EFFECT. This Amendment shall be governed by and construed in accordance with the laws of the State of Texas and shall be binding upon Owner and Company and their respective successors and assigns.

6. **HEADINGS.** Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

7. **ENTIRE AGREEMENT.** THE OPTION AGREEMENT, AS AMENDED BY THIS AMENDMENT, REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES.

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK



IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the date first above written.

OWNER:

ARIZONA FUNDING CORPORATION, a Delaware corporation

WITNESSES:

Laurie A. Sullivan

LAURIE A. SULLIVAN
ASSISTANT SECRETARY

[SEAL]

By: *Jeffrey R. Gray*
Jeffrey R. Gray
Vice President

Document is ANY:

NOT OFFICIAL!

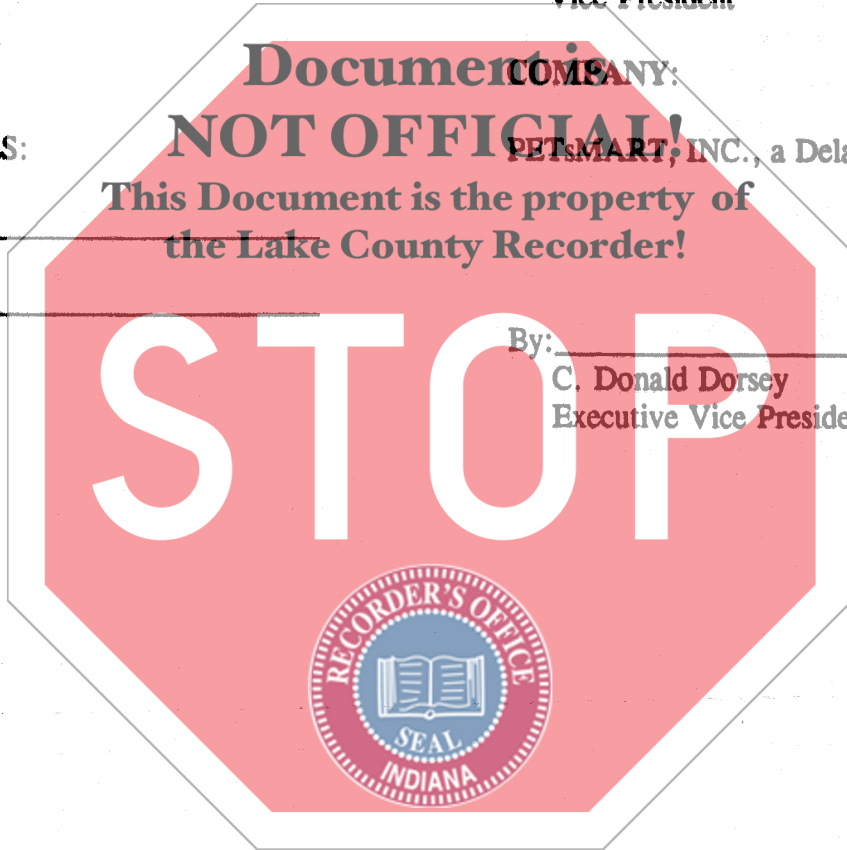
PETSMART, INC., a Delaware corporation

WITNESSES:

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[SEAL]

By: _____
C. Donald Dorsey
Executive Vice President



IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the date first above written.

OWNER:

WITNESSES:

**ARIZONA FUNDING CORPORATION, a
Delaware corporation**

By: _____
**Jeffrey R. Gray
Vice President**

[SEAL]

Document is COMPANY:

WITNESSES:


NOT OFFICIAL! PETS MART, INC., a Delaware corporation

Handwritten signature

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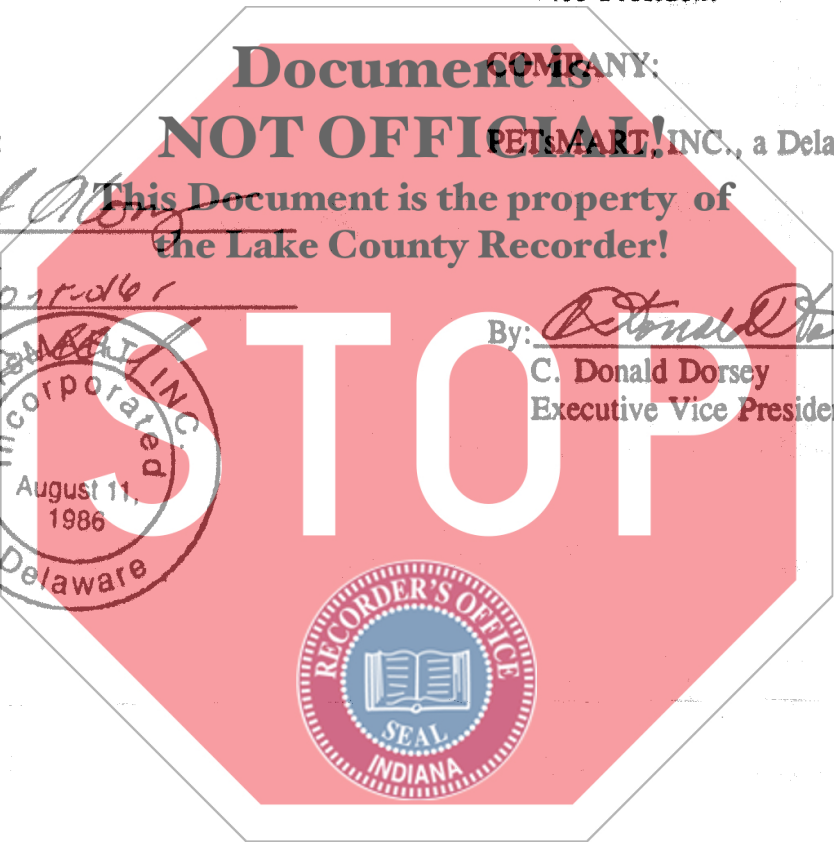
VP - Controller

Handwritten signature

[SEAL] 

By: *Handwritten signature*

**C. Donald Dorsey
Executive Vice President**

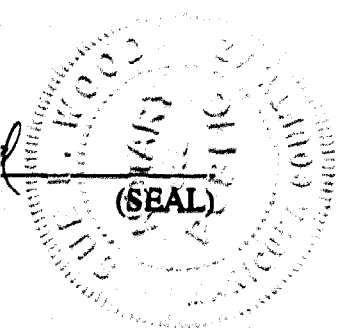


STATE OF ARIZONA

COUNTY OF MARICOPA

On this 4th day of OCTOBER, 1995, before me, the undersigned, a Notary Public in and for said County and State, personally appeared C. Donald Dorsey, the Executive Vice President of PETSMART, INC., and acknowledged the execution of the foregoing instrument, on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 4th day of OCTOBER, 1995.



Document is Sue E. Wood
Notary Public
NOT OFFICIAL!

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the Lake County Recorder!
EXPIRES AUG. 2, 1997

STATE OF _____

COUNTY OF _____

On this _____ day of _____, 1995, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Jeffrey R. Gray, the Vice President of Arizona Funding Corporation, and acknowledged the execution of the foregoing instrument, on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this _____ day of _____, 1995.



Notary Public

(SEAL)

36499.01
100-409

STATE OF _____

COUNTY OF _____

On this ____ day of _____, 1995, before me, the undersigned, a Notary Public in and for said County and State, personally appeared C. Donald Dorsey, the Executive Vice President of PETSMART, INC., and acknowledged the execution of the foregoing instrument, on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this ____ day of _____, 1995.

Document is NOT OFFICIAL!

Notary Public

(SEAL)

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STATE OF Massachusetts

COUNTY OF Suffolk

On this 5th day of October, 1995, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Jeffrey R. Gray, the Vice President of Arizona Funding Corporation, and acknowledged the execution of the foregoing instrument, on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 5th day of October, 1995.



[Signature]
Notary Public (SEAL)

My Commission Expires March 27, 1998

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EXHIBIT A

LEGAL DESCRIPTION (Arizona Funding Corporation)

PARCEL 1:

PART A OF LOT 2, IN THE RESUBDIVISION OF LOT 3 OF SOUTHLAKE PLAZA, AS RECORDED IN PLAT BOOK 77, PAGE 91 IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

PARCEL 2:

TOGETHER WITH THE RIGHT TO USE THE EASEMENTS FOR PARKING, UTILITY CROSSOVERS AND DRIVEWAYS CREATED BY THE EASEMENT AGREEMENT DATED NOVEMBER 25, 1992, AND RECORDED DECEMBER 8, 1992, AS DOCUMENT NO. 92077518, MADE BY AND BETWEEN NORTHERN INDIANA PUBLIC SERVICE COMPANY, AN INDIANA CORPORATION, AND FOCUS PARTNERSHIP I, AN INDIANA PARTNERSHIP, UPON THE TERMS, COVENANTS, CONDITIONS AND RESTRICTIONS AND OBLIGATIONS THEREIN PROVIDED, OVER THE FOLLOWING DESCRIBED REAL ESTATE:

PART B OF LOT 2, IN THE RESUBDIVISION OF LOT 3 OF SOUTHLAKE PLAZA, AS RECORDED IN PLAT BOOK 77, PAGE 91 IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

PARCEL 3:

PART C OF LOT 2, IN THE RESUBDIVISION OF LOT 3 OF SOUTHLAKE PLAZA, AS RECORDED IN PLAT BOOK 77, PAGE 91 IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

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STOP



Hobart, Lake County, Indiana