

THE STATE OF NEVADA



DEPARTMENT OF STATE

I, JOHN KOONTZ, the duly elected, qualified and acting Secretary of State of the State of Nevada, do hereby certify that the annexed is a true, full and correct transcript of

AGREEMENT OF MERGER

MERGING

NEVADA NORTHERN GAS COMPANY
(A Nevada Corporation)
INTO

SOUTHWEST GAS CORPORATION
(A California Corporation)

as the same appears on file and of record in this Department.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office in Carson City, Nevada, this 31ST day of DECEMBER A. D. 19 63.

John Koontz
Secretary of State

By *John F. Williams*
Deputy



AGREEMENT OF MERGER

This AGREEMENT OF MERGER, dated as of November 12, 1963, by and between Southwest Gas Corporation, a corporation organized and existing under the laws of the State of California, party of the first part, and Nevada Northern Gas Company, a corporation organized and existing under the laws of the State of Nevada, and a majority of the directors thereof, parties of the second part,

WITNESSETH:

Whenever used herein, the following terms shall have the meanings specified:

"Southwest"—Southwest Gas Corporation prior to the effective date of the merger.

"Nevada Northern"—Nevada Northern Gas Company prior to the effective date of the merger.

"the Surviving Corporation"—Southwest Gas Corporation after the effective date of the merger.

"the Constituent Corporations"—Southwest Gas Corporation and Nevada Northern Gas Company referred to collectively.

WHEREAS, Southwest has heretofore been duly incorporated and organized and is validly existing under and by virtue of the laws of the State of California, its Articles of Incorporation having originally been filed in the office of the Secretary of State of California on March 10, 1931; and

WHEREAS, Southwest has an authorized capital stock consisting of 96,818 shares of Prior Preferred Stock, of which ~~41,835~~ shares were outstanding at November 15, 1963; 19,806 shares of \$1.0 Dividend Cumulative Preferred Stock, of which no shares were outstanding at November 15, 1963; 278,050 shares of \$1 Dividend Convertible Preferred Stock, of which ~~267,779~~ shares were outstanding at November 15, 1963; and 2,000,000 shares of Common Stock, of which ~~572,584~~ shares were outstanding at November 15, 1963; and

WHEREAS, Nevada Northern has heretofore been duly incorporated and organized and is validly existing under and by virtue of the laws of the State of Nevada, its Articles of Incorporation having originally been filed in the office of the Nevada Secretary of State on February 17, 1955; and

WHEREAS, Nevada Northern has an authorized capital stock consisting of 150,000 shares of Preferred Stock, \$20 par value, of which 125,000 shares were issued and outstanding at November 15, 1963, all of which are owned beneficially and of record by Southwest; and 2,000,000 shares of Common Stock, \$1 par value, of which 210,000 shares were issued and outstanding at November 15, 1963; and

WHEREAS, the Board of Directors of each of the Constituent Corporations deems it advisable that Nevada Northern shall be merged into Southwest, as authorized by the statutes of the State of California and the State of Nevada, under and pursuant to the terms and conditions hereinafter set forth;

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained, it is hereby agreed between the parties hereto in accordance with the applicable laws of the States of California and Nevada that Nevada Northern is hereby merged into Southwest, which shall continue to exist and be governed by the laws of the State of California (except as to those matters subject to the jurisdiction of the respective regulatory commissions of other states), and that the terms and conditions of the merger hereby agreed upon and the mode of carrying the same into effect and the manner of converting shares of the Constituent Corporations into shares of the Surviving Corporation are and shall be as hereinafter set forth.

ARTICLE I

Except as herein otherwise specifically set forth, the corporate identity, existence, purposes, powers, franchises, rights and entities of Southwest shall on and after the effective date of this agreement continue unaffected and unimpaired by the merger, and the separate existence of Nevada Northern shall cease and Nevada Northern shall be merged into Southwest in accordance with the provisions of this agreement. Southwest, a California corporation, shall then, as the Surviving Corporation, possess all the rights, privileges, powers, franchises and immunities as well of a public as of a private nature and all and singular the assets, rights, privileges, powers, franchises and immunities of Nevada Northern, and all property, real and personal, and all debts due to Nevada Northern on whatever account, as well for stock subscriptions as for all other things in action belonging to Nevada Northern, shall be vested in the Surviving Corporation; and all property, rights, privileges, powers and franchises and all and every other interest of Nevada Northern shall be hereafter effectually the property of the Surviving Corporation as they were of Nevada Northern, and the title to any real estate, vested by deed or otherwise under the laws of the State of Nevada or California or of any other State of the United States or elsewhere in either of the Constituent Corporations, shall not revert or be in any way impaired by reason of the merger or laws of the State of Nevada or of the State of California; provided, that all rights of creditors and all liens upon any property of each of the Constituent Corporations shall be preserved unimpaired, and all debts, liabilities and duties of Nevada Northern shall thenceforth attach to the Surviving Corporation and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred by it, or contracted by or imposed upon it. Southwest, as the Surviving Corporation, hereby agrees that it may be served with process in the State of Nevada in any proceeding for enforcement of any obligation of the Constituent Corporations, including any amount fixed by appraisers or the district court pursuant to the provisions of NRS 78.510, and does hereby irrevocably appoint the Nevada Secretary of State as its agent to accept service of process in an action for the enforcement of payment of any such obligation or any amount fixed by appraisers as aforesaid, and does hereby specify the following as the address to which any such process shall be mailed by the Nevada Secretary of State: Southwest Gas Corporation, 2011 Las Vegas Boulevard South, P. O. Box 1450, Las Vegas, Nevada.

ARTICLE II

The Articles of Incorporation, as amended to date, of Southwest Gas Corporation, the Surviving Corporation, shall, upon and after the effective date of this agreement, be deemed to be the Articles of Incorporation of the Surviving Corporation.

ARTICLE III

The By-Laws of Southwest, as they exist upon this agreement becoming effective, shall be and remain the By-Laws of the Surviving Corporation except as the same shall be inconsistent with any provision hereof, and the same shall be deemed to be altered, amended or repealed, as the case may be, by the provisions hereof.

ARTICLE IV

All persons who, upon the effective date of this agreement, are directors of either or both of the Constituent Corporations shall be directors of the Surviving Corporation and shall hold office from and after the effective date of this merger and until the first annual meeting of the shareholders of the Surviving Corporation and until their respective successors are chosen or appointed according to the By-Laws of the Surviving Corporation. If on the effective date of this agreement a vacancy shall exist in the Board of Directors of the Surviving Corporation, such vacancy may be filled by the Board of Directors as provided in the By-Laws of the Surviving Corporation.

All persons who, upon the effective date of this agreement, shall be the executive or administrative officers of Southwest shall be and serve as the officers of the Surviving Corporation at the pleasure of the

Board of Directors, and the Board of Directors of the Surviving Corporation shall elect or appoint such additional officers as it may deem appropriate.

ARTICLE V

The manner of converting the securities of the Constituent Corporations into securities of the Surviving Corporation shall be as set forth in this Article V.

(a) All First Mortgage Bonds of Southwest issued and outstanding immediately prior to the effective date hereof under that certain Indenture of Mortgage and Deed of Trust dated June 1, 1951 between Southwest and Bank of America National Trust and Savings Association and C. F. Felt, Trustees (successors to Union Bank & Trust Co. of Los Angeles, Trustee), as supplemented and amended, shall, at the effective date hereof, be and remain outstanding as First Mortgage Bonds of the Surviving Corporation under said Indenture.

(b) All First Mortgage Bonds of Nevada Northern issued and outstanding immediately prior to the effective date hereof under that certain Indenture of Mortgage and Deed of Trust dated November 1, 1962 between Nevada Northern and Bank of America National Trust and Savings Association and T. H. Holmes, Trustees, shall, at the effective date hereof, become and remain outstanding as First Mortgage Bonds of the Surviving Corporation under said Indenture; provided, however, that nothing contained in this agreement shall in any way limit the powers of the Surviving Corporation to consolidate the First Mortgage Bonds of each of the Constituent Corporations under a single indenture of the Surviving Corporation.

(c) All Debentures, 6% Series due 1978 of Southwest issued and outstanding under the Indenture dated February 1, 1958 between Southwest and Security First National Bank, Trustee, immediately prior to the effective date hereof shall, at the effective date hereof, be and remain outstanding under said Indenture as Debentures, 6% Series due 1978 of the Surviving Corporation.

(d) All 5½% Subordinated Sinking Fund Debentures due March 1, 1976 of Southwest issued and outstanding under the Indenture dated as of March 1, 1956 between Southwest and United California Bank, Trustee, immediately prior to the effective date hereof shall, at the effective date hereof, be outstanding under said Indenture as 5½% Subordinated Sinking Fund Debentures due 1976 of the Surviving Corporation.

(e) All 6% Subordinated Sinking Fund Debentures due January 1, 1977 of Southwest issued and outstanding under the Indenture dated as of January 1, 1957 between Southwest and United California Bank, Trustee, immediately prior to the effective date hereof shall, at the effective date hereof, be and remain outstanding under said Indenture as 6% Subordinated Sinking Fund Debentures due January 1, 1977 of the Surviving Corporation.

(f) Each of the shares of the Prior Preferred Stock of Southwest outstanding on the effective date of this agreement shall be and remain outstanding as a share of Prior Preferred Stock of the Surviving Corporation.

(g) Each of the shares of the \$1 Dividend Convertible Preferred Stock of Southwest outstanding on the effective date of this agreement shall be and remain outstanding as a share of \$1 Dividend Convertible Preferred Stock of the Surviving Corporation.

(h) Each of the shares of the Common Stock of Southwest outstanding on the effective date of this agreement shall be and remain outstanding as a share of Common Stock of the Surviving Corporation.

(i) All shares of the Preferred Stock (\$1.10 Dividend Cumulative Convertible, \$20 par value) of Nevada Northern shall, upon the effective date of this agreement, be deemed to be cancelled, and certificates therefor shall be surrendered for cancellation and extinguished.

(j) Each share of the Common Stock of Nevada Northern, forthwith upon the effective date of this agreement, shall be converted into 0.6 shares of the Common Stock of the Surviving Corporation, and each holder of a certificate or certificates of such Common Stock of Nevada Northern shall surrender his certificate or certificates therefor at the main Los Angeles office of Bank of America National Trust and Savings Association, transfer agent of the Surviving Corporation, and shall thereupon be entitled to receive a certificate or certificates according to the number of shares of stock of the Surviving Corporation to which he shall be entitled in accordance with the provisions of this Article V, and shall have no other rights with respect to the certificate or certificates so surrendered; provided, however, that no certificate for a fractional share of the Common Stock of the Surviving Corporation shall be issued, but whenever any holder of Nevada Northern Common Stock shall become entitled to receive a fractional part of a share of the Common Stock of the Surviving Corporation, the Surviving Corporation or its authorized agent, in lieu of delivering a certificate for any such fractional part of a share, shall deliver cash in an amount equal to the fractional part of a share of the Common Stock of the Surviving Corporation to which such holder of Nevada Northern Common Stock would otherwise be entitled multiplied by the mean of the bid and asked price for Southwest Common Stock on the Los Angeles over-the-counter market on the day prior to the effective date of the merger. The fractional interest so acquired by the Surviving Corporation shall be deemed to be treasury stock.

(k) The holder of any option to purchase shares of Common Stock of Nevada Northern issued and outstanding immediately prior to the effective date hereof shall, on and after the effective date of this agreement, have the right to purchase, on the terms set forth in such option, the number of shares of Common Stock of the Surviving Corporation for which the number of shares of such Common Stock of Nevada Northern theretofore issuable upon exercise of such option would have been exchangeable under this agreement if the holder of such option had exercised his option and the shares of Common Stock of Nevada Northern issuable upon exercise thereof had been issued and outstanding and such holder had been the holder of record of such shares of Common Stock of Nevada Northern prior to the effective date hereof.

(l) All shares of the Common Stock of the Surviving Corporation issuable in exchange for shares of Common Stock of Nevada Northern outstanding at the effective date of this agreement shall be deemed to be and to have been issued initially as of the effective date of this agreement, irrespective of whether or not the holders of Nevada Northern Common Stock exchangeable for Common Stock of the Surviving Corporation shall have surrendered their certificates in exchange therefor by said effective date.

(m) The manner of converting the shares of the Constituent Corporations into shares of the Surviving Corporation shall be as set forth in this Article V, whether or not the number of outstanding shares of the Constituent Corporations shall be decreased or increased subsequent to the date of this agreement and prior to the effective date hereof. All shares of stock of the Surviving Corporation, when issued pursuant to the provisions of this agreement, shall be deemed to be fully paid and non-assessable.

ARTICLE VI

(a) This agreement shall be submitted to the stockholders of Nevada Northern for consideration in accordance with and in the manner provided by Section 78.470, Nevada Revised Statutes, and to the stockholders of Southwest in accordance with and in the manner provided by the General Corporation Law of the State of California. If this agreement shall be adopted and approved by the vote of holders of the Preferred Stock of Nevada Northern representing not fewer than two-thirds of the total number of shares of said Preferred Stock outstanding, by the vote of not fewer than a majority of the issued and outstanding shares of the Common Stock of Nevada Northern and by the vote of the holders of not fewer than two-thirds of the issued and outstanding shares of each class of Southwest stock, and if the holders of Nevada Northern's and Southwest's outstanding First Mortgage Bonds shall consent to the merger herein provided, then this agreement, when certified, signed, sealed and acknowledged in the manner required by law, filed in the office of the Secretary of State of California and the office of the Secretary of State of

Nevada as required by law, shall become effective and shall thence be and be deemed to be the act of merger of Nevada Northern into Southwest, which shall be the Surviving Corporation under the name of Southwest Gas Corporation.

(b) If this agreement of merger should become effective, the Surviving Corporation shall pay all the expenses of carrying this agreement into effect and of accomplishing the merger. If this agreement of merger shall not become effective, each of the Constituent Corporations shall pay the expenses incurred by it in connection with the proceedings taken with respect to this agreement and related proceedings.

(c) Prior to the date this merger becomes effective or is abandoned, neither Southwest nor Nevada Northern shall issue any class or declare or pay any dividends, whether in money, stock or property, or make any other distribution or purchase shares of any class of stock without the prior written consent of the other, except as follows:

(1) Nevada Northern may continue to declare and pay dividends on its outstanding Preferred Stock at the current rates on any regular payment date or dates, and may, in addition, declare and pay a short dividend on its Preferred Stock to cover the dividends accrued thereon from the last regular dividend payment date prior to the effective date of the merger to but not including the effective date of the merger.

(2) Southwest may continue to declare and pay dividends on all of its outstanding stock of all classes at the current rates on any regular payment date or dates.

(3) Southwest may continue to issue shares of its Common Stock upon tender, for conversion, of any outstanding shares of its Prior Preferred Stock and/or \$1 Dividend Convertible Preferred Stock at the respective conversion prices from time to time in effect with respect thereto.

(4) Nevada Northern may issue shares of its Common Stock upon tender, for conversion, of any outstanding shares of its Preferred Stock at the conversion price in effect at the date of any such tender.

(5) Nevada Northern may issue not to exceed 5,682 shares of its Common Stock in exchange for all of the outstanding stock of Elko Gas Utilities, Inc., a Nevada corporation.

(6) Either Southwest or Nevada Northern may issue shares of any class of stock pursuant to the exercise of any option or options covering any such shares according to the terms thereof.

(d) Nevada Northern hereby agrees that from time to time, as and when requested by the Surviving Corporation or by its successors or assigns, the proper officers of Nevada Northern shall and will execute and deliver all such deeds and other instruments and will take or cause to be taken such further or other actions as the Surviving Corporation may deem necessary or desirable in order to vest or perfect in, or confirm of record or otherwise to, the Surviving Corporation title to and possession of all the property, rights, privileges, powers and franchises of Nevada Northern, and otherwise to carry out the purposes of this agreement.

(e) This agreement of merger shall in no case become effective until the required approvals of all security holders of the Constituent Corporations and of all regulatory authorities having jurisdiction in the premises shall have been obtained; provided, however, that this agreement of merger may be terminated or abandoned by the Board of Directors of either of the Constituent Corporations if, prior to the merger becoming effective, the merger becomes inadvisable or impracticable in the opinion of either such Board of Directors by reason of the entry of an order by a regulatory commission having jurisdiction in the premises containing a provision or provisions onerous or unacceptable to either of the Constituent Corporations, or by reason of the institution or threat of litigation or proceedings against either of the Constituent Corporations.

(f) For the convenience of the parties and to facilitate the filing of this agreement, any number of counterparts hereof may be executed, and each such executed counterpart shall be deemed to be an original instrument.

IN WITNESS WHEREOF, Southwest Gas Corporation has caused this agreement to be signed in its corporate name by its president or vice president and its secretary or assistant secretary, and its corporate seal to be hereunto affixed, and Nevada Northern Gas Company has caused this agreement to be signed by a majority of its Board of Directors, and its corporate seal to be hereunto affixed and attested by its secretary or assistant secretary, all as of the day and year first above written.

SOUTHWEST GAS CORPORATION

NEVADA NORTHERN GAS COMPANY

By H. G. LAUB
H. G. Laub, President
and C. H. McCREA
C. H. McCrea, Secretary

DWIGHT C. BAUM
Dwight C. Baum
E. J. EVANS
E. J. Evans

Corporate Seal

R. B. GRIFFITH
R. B. Griffith
JOHN L. HOLLERAN
John L. Holleran

H. G. LAUB
H. G. Laub

W. M. LAUB
W. M. Laub

P. P. STATHAS
P. P. Stathas

HOWARD WELLS
Howard Wells

J. W. WELLS
J. W. Wells

A majority of Directors of Nevada Northern Gas Company

Attest:
C. H. McCREA
C. H. McCrea, Secretary

Corporate Seal

STATE OF NEVADA }
COUNTY OF CLARK } ss.

On this 12th day of November, 1963, personally appeared before me, a notary public in and for Clark County, H. G. Laub and C. H. McCrea, known to me to be the president and secretary, respectively, of Southwest Gas Corporation, one of the corporations that executed the foregoing instrument, and upon oath did depose that they are the officers of said corporation as above designated; that they are acquainted with the seal of said corporation and that the seal affixed to the instrument is the corporate seal of said corporation; that the signatures to the instrument were made by officers of the corporation as indicated after the respective signatures; and that the corporation executed the instrument freely and voluntarily and for the uses and purposes therein mentioned.

JUDITH A. FORD

My Commission expires June 4, 1967

STATE OF NEVADA }
COUNTY OF CLARK } ss.

On this 12th day of November, 1963, personally appeared before me, a notary public in and for Clark County, C. H. McCrea, known to me to be the secretary of Nevada Northern Gas Company, one of the corporations that executed the foregoing instrument, and upon oath did depose that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation and that the seal affixed to the instrument is the corporate seal of said corporation; that the signatures to the instrument were made by directors of the corporation as indicated after the respective signatures; and that the corporation executed the instrument freely and voluntarily and for the uses and purposes therein mentioned.

JUDITH A. FORD

My Commission expires June 4, 1967

CERTIFICATE OF SECRETARY
OF NEVADA NORTHERN GAS COMPANY

Pursuant to Section 78.470 N. R. S.

I, C. H. McCrea, Secretary of Nevada Northern Gas Company, a corporation organized and existing under the laws of the State of Nevada, hereby certify, as Secretary of said corporation and under the seal thereof:

- 1) That the agreement of merger to which this certificate is attached, after having been first duly signed on behalf of Nevada Northern Gas Company by a majority of the directors thereof, was duly submitted to the stockholders of said corporation at a special meeting of said stockholders duly called and held at 10:00 A. M. on December 20, 1963, after not less than ten nor more than sixty days notice by United States mail, postage prepaid, to each stockholder of record of each class of stock of said corporation at the close of business on November 15, 1963, at his address as it appeared upon the records of said corporation, for the purpose of considering and taking action upon said agreement of merger;
- 2) That on said record date there were issued and outstanding 125,000 shares of the Preferred Stock of said corporation and 210,000 shares of the Common Stock of said corporation;
- 3) That no shares of any other class of stock of said corporation were outstanding on said date;
- 4) That the holders of not fewer than two-thirds of the outstanding share of the Preferred Stock of said corporation voted by ballot in person or by proxy in favor of the proposed merger, and the holders of not fewer than a majority of the outstanding shares of the Common Stock of said corporation voted in favor of the proposed merger;
- 5) That pursuant to the vote of all of the stockholders of all classes of stock of said corporation entitled to vote as aforesaid, the agreement of merger was at said meeting duly adopted as the act of the stockholders of said corporation and as the duly adopted agreement of said corporation.

WITNESS my hand and the seal of Nevada Northern Gas Company this 20th day of December, 1963.

/s/ C. H. McCrea
C. H. McCrea, Secretary
Nevada Northern Gas Company

(Corporate Seal)

FILE NO. 39536

Filed for record at the request of Southwest Gas Corporation

Jan. 16, 1964, at 13 minutes past 11 A. M. Recorded in

Book 2 of Official Records, pages 368-377, Records of EUREKA

COUNTY, NEVADA.

Fee \$ 7.⁸⁵

William A. DePaul, Recorder.

COPY