

# Certification of Copy

STATE OF NEVADA }  
COUNTY OF CLARK } ss.

I, PAUL E. HORN, the duly elected, qualified and acting Recorder of Clark County, in the State of Nevada, do hereby certify that the attached is a true, full and correct copy of the original Second Supplemental Indenture -  
between Southwest Gas Corporation and Union Bank & Trust  
Co. of Los Angeles, as Trustee. With the following  
Exceptions -- (See reverse side)

now on record in Book 121 of Official Records as  
Instrument No. 99921 in this office.

IN WITNESS WHEREOF, I have hereunto set my hand  
and affixed the seal of my office, in Las Vegas,  
Nevada, this Twenty - seventh day of  
January A.D. 19 64

PAUL E. HORN, County Recorder  
by Shirley Anne Darden  
Deputy

(SEAL)



EXCEPTIONS:

Cover Page - Top right corner of recorded copy has #7,  
attached copy has # 2X.

Page 9 - Notations in right margin not shown on recorded copy.

Page 10 - Notations in left margin not shown on recorded copy.

Page 11 - Notations in right margin not shown on recorded copy.

Page 12 - Notations in left margin not shown on recorded copy.

Page 13 - Notations in left margin not shown on recorded copy.

Page 15 - Notations in right margin not shown on recorded copy.

Page 16 - Notations in left margin and bottom of page not shown  
on recorded copy.

Page 17 - Notations in second paragraph, also those in right  
margin not shown on recorded copy.

Page 21 - Printed names do not appear under signatures on  
recorded copy.

#2X

This Indenture is, among other things, a mortgage of chattels.

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SOUTHWEST GAS CORPORATION

TO

UNION BANK & TRUST CO. OF LOS ANGELES,  
As TRUSTEE

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**Second Supplemental Indenture**

*Dated: November 1, 1956*

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Supplemental to Indenture of Mortgage and Deed of Trust  
Dated June 1, 1951.

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First Mortgage Bonds, 5% Series due 1961

**This Indenture is, among other things, a mortgage of chattels.**

**INDENTURE**, dated November 1, 1956, between **SOUTHWEST GAS CORPORATION** (formerly named Southwest Gas Corporation, Ltd.), a corporation duly organized and existing under the laws of the State of California (hereinafter called the "Company"), having its principal office at No. 522 South Figueroa Street, Los Angeles 17, State of California, party of the first part, and **UNION BANK & TRUST CO. OF LOS ANGELES**, a corporation organized and existing under the laws of the State of California, and authorized to accept and execute trusts (hereinafter called the "Trustee"), having its principal office at No. 760 South Hill Street, Los Angeles, California, as Trustee under the Indenture of Mortgage and Deed of Trust hereinafter mentioned, party of the second part,

**WHEREAS**, the Company heretofore executed and delivered its Indenture of Mortgage and Deed of Trust dated June 1, 1951, to Union Bank & Trust Co. of Los Angeles, as Trustee, to secure the payment of the principal of and the interest and premium (if any) on all Bonds at any time issued and outstanding thereunder, and to declare the terms and conditions upon which Bonds are to be issued thereunder, and has also executed and delivered an indenture supplemental thereto dated April 7, 1955; and

**WHEREAS**, Bonds in the aggregate principal amount of Four Hundred Thousand Dollars (\$400,000) have heretofore been issued under and in accordance with the terms of the Indenture (the term "Indenture" and other terms used herein having the meanings assigned thereto in said Indenture of Mortgage and Deed of Trust dated June 1, 1951, as heretofore and hereby amended), as an initial series designated "First Mortgage Bonds, 4% Series due 1973", herein sometimes called "1973 Series Bonds", of which Three Hundred Seventeen Thousand Dollars (\$317,000) in principal amount are outstanding at the date hereof; and

**WHEREAS**, the Indenture provides, and the Bonds recite, that subject to certain exceptions not presently relevant, if and to the extent authorized by the written consent of the holders for the time being of at least sixty-six and two-thirds per cent. (66 $\frac{2}{3}$ %) in principal amount of each series of the Bonds then outstanding under the Inden-

ture, such changes in or additions to the provisions of the Indenture may be made as such holders and the Company may deem necessary or advisable; and

WHEREAS, the Indenture further provides that the Company and the Trustee may enter into an indenture supplemental thereto to convey, transfer and assign unto the Trustee and to subject to the lien of the Indenture additional properties acquired by the Company, and to add to the covenants and agreements of the Company contained in the Indenture other covenants and agreements thereafter to be observed and to provide for the creation of any series of Bonds (other than 1973 Series Bonds); and

WHEREAS, the holders of all of the Bonds outstanding under the Indenture have authorized by their written consent the execution of this Supplemental Indenture and the changes in and additions to the provisions of the Indenture hereinafter set forth; and

WHEREAS, the Company has duly determined to create a second series of Bonds to be known as "First Mortgage Bonds, 5% Series due 1981"; herein sometimes called "1981 Series Bonds", all as herein provided; and

WHEREAS, the Company, in the exercise of the powers and authority conferred upon and reserved to it under the provisions of the Indenture and pursuant to appropriate resolutions of its Board of Directors, has duly resolved and determined to make, execute and deliver to the Trustee a Supplemental Indenture in the form hereof for the purposes herein provided; and

WHEREAS, all conditions and requirements necessary to make this Supplemental Indenture a valid, binding and legal instrument have been done, performed and fulfilled and the execution and delivery hereof have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That SOUTHWEST GAS CORPORATION, by way of further assurance and in consideration

of the premises and of the acceptance by the Trustee of the trusts hereby created and of One Dollar to it duly paid by the Trustee at or before the enrolling and delivery of these presents, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of and any premium which may be due and payable on and the interest on all Bonds at any time issued and outstanding under the Indenture, according to their tenor and effect, and the performance and observance by the Company of all the covenants and conditions therein contained, has granted, bargained, sold, warranted, aliened, remised, released, conveyed, assigned, transferred, mortgaged, pledged, set over and confirmed, and by these presents does grant, bargain, sell, warrant, alien, remise, release, convey, assign, transfer, mortgage, pledge, set over and confirm, unto the party of the second part, and to its successors in the trust, and to it and its assigns forever, all of the property, real, personal and mixed, now owned by the Company and situated in SAN BERNARDINO COUNTY, in the STATE OF CALIFORNIA (except property specifically excepted from the lien of the Indenture by the terms of the Indenture) and also all of the property, real, personal and mixed, hereafter acquired by the Company wherever situate (except property specifically excepted from the lien of the Indenture by the terms of the Indenture), including (without in any wise limiting or impairing by the enumeration of the same the scope and intent of the foregoing or of any general description contained in the Indenture) the following:

## I

All pipe lines of the Company, located in the State of California, including all transmission lines and lateral lines, together with all easements and rights of way for constructing, maintaining, replacing and operating the same, and all pipes, structures, valves, regulators, meters, machinery, fixtures, equipment and apparatus comprising or appurtenant to said transmission lines and lateral lines (except the property specifically excepted from the lien of the Indenture by the terms of the Indenture), including the following (without in any wise limiting or impairing by the enumeration of the same the scope and

intent of the foregoing or of any general description contained in the Indenture):

Barstow—Nebo Line

Centerline location of  $4\frac{1}{2}$ " O. D. gas pipeline lying in Sections 7, 8, 9, 10 and 18, Township 9 North, Range 1 West, San Bernardino Base and Meridian, in the County of San Bernardino, State of California, described as follows:

Commencing at North  $\frac{1}{4}$  Corner of Section 18, thence Easterly along North line of Section 18, 437.0 to point of beginning, thence North  $0^{\circ}08'10''$  East, 39.60' to the beginning of a curve concave easterly and having a radius of 2100', thence Southerly along said curve 641.41'; thence South  $17^{\circ}21'50''$  East, 722' to the Southerly terminus of this line. Also, commencing at South  $\frac{1}{4}$  corner Section 7, thence Easterly along South line of Section 7, 437.0' to point of beginning; thence North  $0^{\circ}08'10''$  East to a point, said point being 8' South of the North line of Section 7, and 388' Easterly from North and South centerline of Section 7, thence Easterly, parallel to and distant 8' South of the North line of Section 7, to the East line of Section 7; thence continuing Easterly, parallel to and distant 8' South of North line of Section 8 to a point 8' Easterly and 8' Southerly of the Northwest corner of Northeast  $\frac{1}{4}$  of Northeast  $\frac{1}{4}$  of Section 8; thence Southerly parallel to and distant 8' East of West line of said Northeast  $\frac{1}{4}$  of Northeast  $\frac{1}{4}$  to a point 8' Easterly and 8' Northerly of the Southwest corner of Northeast  $\frac{1}{4}$  of Northeast  $\frac{1}{4}$ ; thence Easterly, parallel to and distant 8' North of South line of Northeast  $\frac{1}{4}$  of Northeast  $\frac{1}{4}$  to a point, said point being 190' West of the East line of Section 8; thence Southeast  $240'$ , more or less, to a point on East line of Section 8, said point being Southerly 1516.85' from the Northeast corner of Section 8, thence bearing South  $63^{\circ}58'$  East from the West line of Section 9, 762.02'; thence bearing Right  $27^{\circ}27'$ , 510' more or less to a point 8' West of West line of Tract 2876 as recorded in Book 39 of Maps at page 74, records of San Bernardino County; thence Southerly; parallel to and distant 8' West of West line Tract 2876, as aforementioned, 223'; thence Southeasterly, parallel to and distant 572' from the Southerly line of Tract 2876 and its Southeasterly prolongation, to a point 8' East of the North and South centerline of Section 10; thence Northerly and parallel to said North and South centerline of

Section 10, 230', more or less, to a point, said point being 22.0' Southwesterly and normal to the South R/W line of U. S. Highway No. 66, said R/W being 80' in width; thence Southeasterly and parallel to said South R/W line of U. S. Highway No. 66, to the intersection with the East line of Section 10, said point being the most easterly terminus of this line.

#### Hawes—Victorville Line

Beginning at a point 1500' South and 2400' West of the Northeast corner of Section 25, Township 10 North, Range 5 West, San Bernardino Base and Meridian, thence Southeasterly to a point lying on the East line and 100' North of the South line, of said Section 25; thence continuing Southeasterly to a point on the "Harper Lake Road" said road lying along and 200 feet West of the East line of Section 31, Township 10 North, Range 4 West, San Bernardino Base and Meridian, thence Southerly 50,160 feet more or less along the Easterly right of way of Harper Lake Road to the East West centerline of Section 19, Township 8 North, Range 4 West, San Bernardino Base and Meridian; thence Westerly to the West  $\frac{1}{4}$  corner of said Section 19; thence Southerly to the Southwest corner of Section 31, Township 8 North, Range 4 West, San Bernardino Base and Meridian; thence Southwesterly to a point lying on the West line, and 1000' South of the North line, of Section 12, Township 7 North, Range 5 West, San Bernardino Base and Meridian; thence Southerly 51,800' more or less to a point 100' North of the Southwest corner of Section 25, Township 6 North, Range 5 West, San Bernardino Base and Meridian; thence Easterly along the county road to U. S. Highway No. 66; thence Southeasterly along the Westerly Right of Way of said U. S. Highway No. 66 to the centerline of First Street in the Town of Victor as recorded in Map Book 8 at Page 35, records of San Bernardino County, State of California, to the terminus of this Right of Way.

#### II

All gas distribution and gas transmission systems of the Company, all buildings, erections, structures, generating and purifying apparatus, holders, engines, boilers, benches, retorts, tanks, pipe lines, connections, service pipes, meters, regulators, conduits, tools, instru-



ments, appliances, apparatus, facilities, machinery, fixtures, and all other property used or provided for use in the construction, maintenance, repair or operation of such distribution and transmission systems, together with all the certificates, rights, privileges, rights of way, franchises, licenses, easements, grants, liberties, immunities, permits of the Company, howsoever conferred or acquired, under, over, or upon any private property or any public streets or highways within as well as without the corporate limits of any municipal corporation (except the property specifically excepted from the Lien of the Indenture by the terms of the Indenture).

Without limiting the generality of the foregoing, there are expressly included the gas distribution and gas transmission systems in the County of San Bernardino, more specifically described as follows:

The distribution and transmission systems in Township 9 N. Range 1 E., Township 9 N. Range 1 W., Township 9 N. Range 2 W., Township 10 N. Range 1 W., Township 10 N. Range 2 W., Townships 5, 6, 7, 8, 9, 10 and 11 N. Range 4 W., Townships 5, 6, 7, 8, 9, 10 and 11 N. Range 5 W., Townships 4, and 5 N. Range 2 W., Townships 4 and 5 N., Range 3 W., Township 4 N. Range 1 W. and Township 4 N. Range 1 E., S.B. 3 & M., all in the County of San Bernardino, California.

### III

All gas generating plants, gas storage plants and gas manufacturing plants of the Company, all the buildings, erections, structures, generating and purifying apparatus, holders, engines, boilers, benches, retorts, tanks, instruments, appliances, apparatus, facilities, machinery, fixtures, and all other property used or provided for use in the generation, manufacturing and purifying of gas, together with the land on which the same are situated, and all other lands and easements, rights of way, permits, privileges, and sites forming a part of such plants or any of them or occupied, enjoyed or used in connection therewith (except the property specifically excepted from the lien of the Indenture by the terms of the Indenture).

Without limiting the generality of the foregoing, there is expressly included that certain Victorville office building of the Company and

the land upon which it is situated, more particularly described as follows:

That portion of Lot 199, Highway Addition, as per plat recorded in Book 23 of Maps, pages 45 and 46, records of said County, described as follows:

COMMENCING at the intersection of the centerline of Victor Street and the centerline of State Highway as shown on Map of Tract No. 3284 as recorded in Book 43 of Maps, pages 77 and 78, records of said County; thence North 34° 36' 45" East along the centerline of said State Highway 30.00 feet; thence along the arc of a tangent curve to the right with a radius of 750.00 feet through a central angle of 14° 57' 00" a distance of 195.70 feet; thence North 49° 33' 45" East 48.31 feet; thence South 40° 26' 15" East at right angles to said centerline of State Highway 50.00 feet to the true point of beginning; thence North 49° 33' 45" East parallel with said centerline of State Highway 130.00 feet; thence South 40° 26' 15" East 130.00 feet; thence South 49° 33' 45" West parallel with said centerline of State Highway 130.00 feet; thence North 40° 26' 15" West 130.00 feet to the true point of beginning and containing 0.388 acres, more or less.

IV

All and singular, the franchises, permits, certificates, grants, immunities, privileges and rights of the Company now owned and held by it or hereafter acquired, for the construction, maintenance, and operation of the gas plants and systems above described, as well as all franchises, permits, certificates, grants, immunities, privileges and rights of the Company used or useful in the operation of the property mortgaged hereunder.

V

All of the right, title and interest of the Company in and to all agreements, licenses or leases for the purchase of gas, entered into by it at or prior to the date of execution hereof or hereafter made, and any modification or alteration thereof or substitution therefor.

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances belonging or in any wise appertaining to the aforesaid property, or any part thereof, with the reversion and reversions, remainder and remainders, rents, issues, income and profits thereof, and all the estate, rights, title, interest and claim whatsoever, at law or in equity, which the Company now has or which it may hereafter acquire in and to the aforesaid property and every part and parcel thereof,

TO HAVE AND TO HOLD the property and franchises hereby conveyed and assigned, or intended so to be, unto the Trustee and its successors in the trust forever;

Subject, however, as to property hereby conveyed, to Permitted Encumbrances;

BUT IN TRUST NEVERTHELESS, under and subject to the terms and conditions hereinafter set forth, for the equal pro rata benefit and security of each and every the persons and corporations who may be or become the holders of the Bonds and coupons hereby secured, without preference, priority or distinction as to lien or otherwise of one Bond or coupon over or from the others by reason of priority in the issue or negotiation thereof, or by reason of the date of maturity thereof, or otherwise (except as any sinking, amortization, improvement, renewal or other analogous fund, established in accordance with the provisions of the Indenture, may afford additional security for the Bonds of any particular series and except as provided in § 12.01 of the Indenture), and for securing the observance and performance of all the terms, provisions and conditions of the Indenture.

THIS INDENTURE FURTHER WITNESSETH, that the Company has agreed and covenanted, and hereby does agree and covenant with the Trustee and its successors and assigns and with the respective holders from time to time of the Bonds and coupons, or any thereof, as follows:

ARTICLE I

Certain Amendments of Indenture.

The Indenture as heretofore amended be and it hereby is further amended in the following respects, the section numbers specified below being the sections of the Indenture in which such amendments occur:

§ 1.01. The following be and it hereby is added, immediately after the definition of the term "1973 Series Bonds" in § 1.01:

"The term '1981 Series Bonds' shall mean one of the First Mortgage Bonds, 5% Series due 1981, issued hereunder."

AMENDED 3

§ 1.09. The words and figures "or the Sinking Fund for the 1981 Series Bonds" be and they hereby are added immediately after the words and figures "the Sinking Fund for the 1973 Series Bonds", appearing twice in § 1.09.

AMENDED 3

§ 1.10. The date "December 31, 1950", appearing twice in § 1.10, be and it hereby is amended to read "September 1, 1956".

The words "provisions for depreciation and obsolescence in amounts not less than those actually deducted on the books of the Company, and not less than the amount certified pursuant to § 9.07A as the Renewal and Replacement Obligation", in § 1.10, be and they hereby are amended to read as follows:

6

"and provisions for depreciation and obsolescence in amounts actually deducted on the books of the Company but not less than 4% of gross depreciable property".

The following paragraph be and it hereby is added at the end of § 1.10:

"If depreciation and obsolescence claimed for Federal income tax purposes exceed depreciation and obsolescence required by the foregoing provisions of this § 1.10, the Company shall charge the immediate tax reduction to expense and credit a reserve for deferred income taxes, and shall in the years following the period of tax reduction, charge the reserve for deferred Federal income taxes and credit expenses."

AMENDED  
3

§ 3.01. The following paragraph be and it hereby is added at the end of § 3.01:

“Upon the execution and delivery of the Second Supplemental Indenture dated November 1, 1956, and upon delivery to the Trustee at any time or from time to time thereafter of all or any part of One Million Two Hundred Thousand Dollars (\$1,200,000) principal amount of 1981 Series Bonds executed by the Company, the Trustee shall, without awaiting the filing or recording of said Second Supplemental Indenture but only after receiving the documents and/or cash otherwise required by Articles V, VI, or VII of the Indenture, whichever may be applicable, in respect of the issue of such Bonds, authenticate such Bonds and deliver them to or upon the Written Order of the Company, *provided* that any Certificate of the Company delivered pursuant to § 5.01 B in respect of the authentication and issue of the first Four Hundred Fifty Thousand Dollars (\$450,000) principal amount of 1981 Series Bonds need not be signed by an Independent Engineer. If such Certificate of the Company is not so signed by an Independent Engineer, the Company covenants that it will deliver to the Trustee before making any application for the authentication of additional Bonds of any series, and in any event not later than December 31, 1957, a certificate of an Independent Engineer stating the Fair Value to the Company, in the opinion of the signer, of all Property Additions described in Clause (1) of said Certificate of the Company delivered pursuant to § 5.01 B, and will thereafter deem and treat as Funded Property an amount of Property Additions equal to the amount, if any, by which the Fair Value stated in said Certificate of the Company exceeds the Fair Value stated in said certificate of an Independent Engineer.

“The 1981 Series Bonds shall be in all respects as described in § 2.1 of said Second Supplemental Indenture.”

§ 4.02. The second paragraph of § 4.02 be and it hereby is amended to read as follows:

“Such additional Bonds may be Bonds of any Series, as determined by the Company, but shall not be Bonds of any series then outstanding without the consent in writing of the holders of all then outstanding Bonds of the series in question.”

§ 6.01. The words and figures "Four Hundred Thousand Dollars (\$400,000)" in the last sentence of § 6.01 be and they hereby are amended to read:

"One Million Two Hundred Thousand Dollars (\$1,200,000)".

§ 7.01. Paragraph (b) of § 7.01 B (2) be and it hereby is amended to read as follows:

"(b) Any Bond purchased, paid, redeemed or otherwise retired through the operation of the Sinking Fund for the 1973 Series Bonds or the Sinking Fund for the 1981 Series Bonds, or any Bond delivered to the Trustee pursuant to the provisions of § 9.01 of the Indenture in satisfaction of any obligation in respect of the Sinking Fund for the 1973 Series Bonds or the Sinking Fund for the 1981 Series Bonds."

(AMENDED)  
3

§ 8.07. The words "a majority in principal amount of the 1973 Series Bonds then outstanding", in the third paragraph of § 8.07, be and they hereby are amended to read "a majority in principal amount of the 1973 Series Bonds then outstanding and of the 1981 Series Bonds then outstanding, taken as one class"

(AMENDED)  
3

§ 8.13. § 8.13 be and it hereby is amended to read as follows:

(Amended 3)

"§ 8.13. So long as any of the 1973 Series Bonds or the 1981 Series Bonds shall be outstanding the Company will not—

"A. Declare or pay any dividends on any of its stock;

"B. Directly or indirectly or through any Subsidiary purchase or agree to purchase, or redeem or retire or give notice of redemption or retirement of, any of its stock; or

"C. Make any distribution to its stockholders;

other than dividends, purchases, redemptions, retirements or distributions payable solely in common stock of the Company (such prohibited declarations or payments of dividends, purchases, agreements to purchase, redemptions, retirements or distributions referred to in the foregoing Paragraphs A, B, and C being herein collectively called "Stock Payments"), except that, so long as no Event of Default shall have happened and be continuing, nothing in this § 8.13 shall prohibit Stock Payments

if and to the extent that the amount of all Stock Payments for the period from September 1, 1956, to and including the date of the making of the Stock Payment in question will not be greater than the excess, if any, of

(a) the Net Earnings of the Company for such period, taken as one accounting period, plus \$100,000, over

(b) the amount, if any, by which Fixed Sinking Fund Payments made during such period in respect of the 1973 Series Bonds and the 1981 Series Bonds exceed the amount of depreciation reflected in the net earnings of the Company for such period.

"The Company may credit against Stock Payments of the character of purchases, redemptions and retirements of stock of the Company the excess of (a) the net cash consideration received upon the sale subsequent to November 1, 1956, of additional common stock of the Company over (b) \$150,000, and in the case of exchanges of common stock of the Company solely for other common stock of the Company, the stock retired through exchanges need not be considered a Stock Payment."

§ 9.01. The heading of Article IX and § 9.01 be and they hereby are amended to read as follows:

**"Sinking Fund for the 1973 Series Bonds.  
Sinking Fund for the 1981 Series Bonds.  
Renewal and Replacement Fund.**

"§ 9.01. A. The Company will maintain a Sinking Fund (herein called the "*Sinking Fund for the 1973 Series Bonds*") to be applied as hereinafter provided for the 1973 Series Bonds, and for that purpose will pay to the Trustee in cash on May 28, 1954, and thereafter annually on May 28 in each year an amount (herein called the "*Fixed Sinking Fund Payment*") in respect of the 1973 Series Bonds) equal to five per cent. (5%) of the maximum principal amount of the 1973 Series Bonds at any one time outstanding prior to the particular Sinking Fund Payment Date.

"B. The Company will maintain a Sinking Fund (herein called the "*Sinking Fund for the 1981 Series Bonds*") to be applied as hereinafter provided for the 1981 Series Bonds,

and for that purpose will pay to the Trustee in cash on October 28, 1958, and thereafter annually on October 28 in each year, Fifty Thousand Dollars (\$50,000), such payments being herein called the "Fixed Sinking Fund Payments" in respect of the 1981 Series Bonds.

"The dates upon which such payments are to be made are herein called "Sinking Fund Payment Dates".

"The amount payable pursuant to § 9.02 shall be paid concurrently with each of the foregoing payments.

"Nothing in this § 9.01 shall be deemed to require the Company to pay to the Trustee at any time in respect of principal of any series of Bonds a sum greater than the then unpaid principal amount of the Bonds of such series then outstanding.

"Except as expressly provided in this Indenture, the Company shall not be entitled to increase, or to anticipate, any payment in satisfaction of its obligations in respect of the Sinking Fund for any series of Bonds. The Company shall, however, have the right at its option to satisfy any obligation in respect of the Sinking Fund for any series of Bonds on any Sinking Fund Payment Date in whole or in part by delivering to the Trustee not earlier than one hundred twenty (120) days prior to such Sinking Fund Payment Date and not later than forty (40) days prior to such Sinking Fund Payment Date, any Bonds of such series theretofore authenticated and delivered hereunder which have not theretofore been used for any purpose of this Indenture, together with any unmatured coupons thereto appertaining and the Trustee shall credit the obligation in respect of the Sinking Fund for such series of Bonds with a payment equal to the principal amount of the Bonds so delivered.

"Any Bonds so delivered shall be accompanied by a Written Order of the Company instructing the Trustee to effect such credit."

§ 9.03, § 9.04, § 9.05 § 9.03, § 9.04 and § 9.05 be and they hereby are amended to read as follows:

"§ 9.03. Promptly after the fortieth day preceding each Sinking Fund Payment Date, the Trustee shall proceed to select for redemption, in the manner provided in Article X, a principal amount of Bonds of the series in respect of which the Fixed Sinking Fund Payment is to be made on such Sinking Fund Payment Date equal (to the next lowest multiple of \$1,000) to the



amount, if any, of the Fixed Sinking Fund Payment for the Bonds of such series required to be paid in cash on the next ensuing Sinking Fund Payment Date (after giving effect to the credit, if any, resulting from the delivery of Bonds pursuant to § 9.01).

"The Trustee, for and on behalf of and in the name of the Company, shall thereafter give notice by publication, mail, or both, as may be required by the provisions of Article X, of the redemption of the Bonds so selected on the next ensuing June 1st, in the case of Fixed Sinking Fund Payments in respect of the 1973 Series Bonds, and on the next ensuing November 1st, in the case of Fixed Sinking Fund Payments in respect of the 1981 Series Bonds, and a copy of such notice shall also be mailed to the Company. Such notice shall state that the redemption is for the appropriate Sinking Fund, in lieu of stating that the Company has elected to redeem the Bonds designated therein. Subject to the provisions of this Section, the redemption of such Bonds shall be effected in the manner and upon the terms provided in § 10.02, but the redemption price to be paid on Bonds so redeemed for the purposes of said Sinking Funds shall be the applicable redemption price specified in § 10.06.

"Notwithstanding the provisions of § 10.02, Bonds owned by the Company which have not theretofore been used for any purpose of this Indenture shall be considered to be outstanding and shall be included in connection with any designation by the Trustee of Bonds to be redeemed for any Sinking Fund.

"§ 9.04. All moneys paid to the Trustee pursuant to § 9.01 and § 9.02 shall be held by the Trustee in trust for the benefit of the respective holders of the Bonds which are to be redeemed (in whole or in part) and shall be paid to them as provided in Article X.

"Nothing contained in this Indenture or in any Bond or coupon shall be construed to imply any obligation upon the Trustee to make any payment except out of moneys deposited with it for such purpose by the Company.

"§ 9.05. All Bonds and coupons, if any, appurtenant thereto, redeemed and paid through the operation of any Sinking Fund (including any Bonds delivered to the Trustee pursuant to the provisions of § 9.01) shall, except as provided in § 10.02 (b), be cancelled by the Trustee, and all coupon Bonds and appurtenant coupons so cancelled shall be cremated by the Trustee.

§ 9.06. The first paragraph of § 9.06 be and it hereby is amended to read as follows:

“§ 9.06. The Company will maintain a ‘*Renewal and Replacement Fund*’ and in that connection, so long as any of the 1973 Series Bonds or 1981 Series Bonds shall be outstanding, the Company shall have a specific obligation for each calendar year beginning with the calendar year 1956 in respect of the renewal and replacement of, and additions to, the physical property owned by the Company, in an amount (herein called the ‘*Renewal and Replacement Obligation*’) equal to the excess of (a) depreciation in respect of the calendar year in question, at the rate charged on the books of the Company or at the rate of 4% per annum upon the gross depreciable property of the Company, whichever shall be the greater, over (b) the amount of the Fixed Sinking Fund Payments in respect of the 1973 Series Bonds and the 1981 Series Bonds, if any, made during the calendar year in question.”

The words and figures “the 1973 Series Sinking Fund Payment”, in the third from the last paragraph of § 9.06, be and they hereby are amended to read “the Fixed Sinking Fund Payments in respect of the 1973 Series Bonds and the 1981 Series Bonds”.

§ 10.03. The following paragraph be and it hereby is added at the end of § 10.03:

“Payment of the redemption price of a portion of any registered Bond without coupons may be made directly to the registered holder thereof without presentation or surrender thereof if there shall be filed with the Trustee a Certificate of the Company to the effect that such registered holder and the Company have entered into a written agreement that payment shall be so made, that such registered holder will promptly make notation of any such payment on such Bond, or on a paper attached thereto, of the portion so redeemed and will notify the Trustee in writing that such notation has been made, and that if such registered holder shall sell, transfer or otherwise dispose of such Bond, it will prior to delivery thereof surrender such Bond to the Trustee in exchange for a new Bond or Bonds for the unredeemed balance of the principal amount thereof, and

provided further that such arrangements as to the payment of the redemption price of a portion of any registered Bond without coupons without presentation or surrender thereof may be revoked or terminated by the Trustee at any time in respect of any registered holder in the event of the failure of such holder, to the knowledge of the Trustee, to observe and perform such agreement. The Trustee shall be under no duty to inspect or confirm any such notation made by anyone other than the Trustee."

§ 10.05. The following paragraph be and it hereby is added at the end of § 10.05:

"The 1981 Series Bonds shall, upon compliance with the provisions of this Article X and in the manner and upon the terms therein provided, be redeemable, at the option of the Company, either as a whole at any time, or in any part being equal in aggregate principal amount to Fifty Thousand Dollars (\$50,000) or more, in multiples of One Thousand Dollars (\$1,000) from time to time, at the principal amount of the Bonds so to be redeemed, and accrued interest to the date fixed for redemption, together with a premium equal to a percentage of the principal amount thereof determined as set forth in the following table:

If Redeemed in the Sixty Months' Period Ending October 31	Premium (Percentage of Principal Amount)	If Redeemed in the Sixty Months' Period Ending October 31	Premium (Percentage of Principal Amount)
1961	5%	1976	2%
1966	4%	1981	1%
1971	3%		

"No prepayment of 1981 Series Bonds shall be made prior to November 1, 1961 as part of any refunding operation or anticipated refunding operation."

§ 10.06. § 10.06 be and it hereby is amended to read as follows:

"§ 10.06. In case of the redemption of 1973 Series Bonds or 1981 Series Bonds pursuant to the provisions of Article IX, such 1973 Series Bonds or 1981 Series Bonds shall, upon com-

ADDITIONS  
3

Amendment

pliance with the provisions of this Article X, be redeemable either as a whole at any time, or in part from time to time, at the principal amount thereof, together, in each case, with interest accrued to the date fixed for redemption, without premium."

§ 11.02. The words and figures "maturing not more than ten years after the date of such deposit and not later than January 1, 1973" appearing in § 11.02C (ii) (1) be and they hereby are amended to read "maturing not more than ten years after the date of such deposit and not later than January 1, 1973, so long as any of the 1973 Series Bonds shall be outstanding, and thereafter, not later than January 1, 1981, so long as any of the 1981 Series Bonds shall be outstanding,"

[Amended]  
3

§ 11.08. The words and figures "or the 1981 Series Bonds" be and they hereby are added immediately after the words and figures "the 1973 Series Bonds", appearing twice in the first paragraph of § 11.08.

[Amended]  
3

The words and figures "the redemption price of the 1973 Series Bonds shall be the applicable price" in the second paragraph of § 11.08 be and they hereby are amended to read: "the redemption price of the 1973 Series Bonds and the 1981 Series Bonds shall be the respectively applicable prices".

§ 11.13. The words and figures "the redemption price of the 1973 Series Bonds shall be the applicable price" appearing three times in § 11.13A be and they hereby are amended to read: "the redemption price of the 1973 Series Bonds and the 1981 Series Bonds shall be the respectively applicable prices".

[Amended]  
2, 3

**ARTICLE II.**

**1981 Series Bonds.**

§ 2.1. There shall be a second series of Bonds, known as and entitled "First Mortgage Bonds, 5% Series due 1981" (herein called the "1981 Series Bonds"), and the form thereof shall contain suitable

provisions with respect to the matters hereinafter in this Section specified and shall in other respects be substantially as set forth in the preambles to the Indenture, with suitable variations.

The 1981 Series Bonds shall bear interest at the rate of five per cent. (5%) per annum and shall mature November 1, 1981. The commencement of the first interest period for the 1981 Series Bonds shall be November 1, 1956.

The 1981 Series Bonds shall be coupon Bonds of the denomination of One Thousand Dollars (\$1,000) and registered Bonds without coupons of the denominations of One Thousand Dollars (\$1,000) and any multiple thereof. The coupon Bonds of the 1981 Series Bonds shall be dated as of November 1, 1956. The registered Bonds of the 1981 Series Bonds without coupons shall be dated as provided in § 2.08 of the Indenture. All 1981 Series Bonds shall bear interest from their respective dates, such interest to be payable semi-annually on the first day of November and May in each year, the first interest payment date being May 1, 1957. Both the principal of and the interest on the 1981 Series Bonds shall be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, or, at the option of the holder, at the principal office of the Trustee in the City of Los Angeles, California, in any coin or currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts. The 1981 Series Bonds shall be subject to redemption at the option of the Company in the manner provided in § 10.06 of the Indenture.

The coupon 1981 Series Bonds shall be numbered from MB-1 upward, and the registered 1981 Series Bonds shall be numbered from RB-1 upward.

1981 Series Bonds shall be entitled to the benefits of, and shall be subject to redemption through the operation of, a Renewal and Replacement Fund and a Sinking Fund, all as provided in Article IX of the Indenture.

The definitive 1981 Series Bonds may be issued in the form of engraved Bonds or Bonds printed or lithographed on steel engraved borders. Subject to the foregoing provisions of this Section and to the

provisions of § 2.08 of the Indenture, all definitive 1981 Series Bonds shall be fully interchangeable for other Bonds of the same series, of like aggregate principal amounts, and, upon surrender to the Trustee at its principal office, shall be exchangeable for other Bonds of the same series of a different authorized form and/or denomination or denominations, as requested by the holder surrendering the same, to the full extent that 1973 Series Bonds are so interchangeable and exchangeable for other 1973 Series Bonds, and the provisions of § 2.08 of the Indenture with respect to the interchange and exchange of 1973 Series Bonds shall be fully applicable to the interchange and exchange of 1981 Series Bonds. The Company will execute, and the Trustee shall authenticate and deliver, coupon Bonds and/or registered Bonds without coupons, whenever the same shall be required for any such exchange.

The redemption prices of the 1981 Series Bonds for the purposes of § 11.08 and § 11.13A shall be the respectively applicable redemption prices set forth in § 10.05, as amended.

So long as any 1981 Series Bonds shall be outstanding, no Bonds of any other series shall be authenticated and delivered hereunder which either (i) shall have any provision for a sinking, amortization, improvement, renewal or other analogous fund, or which shall have serial maturities, if the effect of such fund or serial maturities would be to retire, in any twelve months' period, a larger percentage of the original principal amount of the Bonds of such other series than of the 1981 Series Bonds, or (ii) shall mature on any date earlier than December 1, 1981, except that, in the case of a series of Bonds having serial maturities only the final maturity date need be subsequent to December 1, 1981, if the plan of serial maturities complies with the requirements of the foregoing Clause (i).

### ARTICLE III

#### Miscellaneous

§ 3.1. The Company is lawfully seized and possessed of all the real estate, franchises and other property described or referred to in the Indenture as presently mortgaged, subject to the exceptions stated therein, such real estate, franchises and other property are free and

clear of any lien prior to the lien of the Indenture except as set forth in the Granting Clauses of the Indenture and the Company has good right and lawful authority to mortgage the same as provided in and by the Indenture.

§ 3.2. The Trustee assumes no duties, responsibilities or liabilities by reason of this Supplemental Indenture other than as set forth in the Indenture as heretofore amended, and this Supplemental Indenture is executed and accepted by the Trustee subject to all the terms and conditions of its acceptance of the trust under the Indenture, as heretofore amended, as fully as if said terms and conditions were herein set forth at length.

§ 3.3. The terms used in this Supplemental Indenture shall have the meanings assigned thereto in the Indenture. Reference by number in this Supplemental Indenture to Articles or Sections shall be construed as referring to Articles and Sections contained in the Indenture, unless otherwise stated.

§ 3.4. As amended and modified by this Supplemental Indenture, the Indenture is in all respects ratified and confirmed and the Indenture as heretofore amended and this Supplemental Indenture shall be read, taken and construed as one and the same instrument.

§ 3.5. This Supplemental Indenture may be simultaneously executed in any number of counterparts and all said counterparts executed and delivered each as an original shall constitute but one and the same instrument.

IN WITNESS WHEREOF, SOUTHWEST GAS CORPORATION, party of the first part, has caused these presents to be signed in its corporate name by its President or a Vice-President and its corporate seal to be hereunto affixed and attested by its Secretary or an Assistant Secretary and UNION BANK & TRUST Co. OF LOS ANGELES, the party of the second part, in evidence of its acceptance of the trust hereby created, has caused these presents to be signed in its corporate name by one of

its Vice Presidents or Assistant Vice Presidents and its corporate seal to be hereunto affixed and attested by one of its Assistant Secretaries.

SOUTHWEST GAS CORPORATION,

By *H. G. Laub*  
H. G. LAUB President.

Attest:

*W. M. Laub*  
W. M. LAUB Secretary.

Signed, sealed and delivered by the Company in the presence of:

*A. C. Leiby*  
A. C. Leiby

UNION BANK & TRUST CO. OF LOS ANGELES,

By *Robert E. Getz*  
Robert E. Getz Vice-President.

Attest:

*M. Morris*  
Assistant Secretary, M. Morris

Signed, sealed and delivered by the Trustee in the presence of:

*W. J. Gentry*  
*W. J. Gentry*



STATE OF CALIFORNIA }  
COUNTY OF LOS ANGELES } ss.:

On this 6<sup>th</sup> day of December, in the year 1956, before me DOROTHY BRILLHART, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared H. G. LAUB, known to me to be the President of SOUTHWEST GAS CORPORATION, one of the corporations that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

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

*Dorothy Brillhart*  
Notary Public

In and for the County of Los Angeles,  
State of California, My Commission  
Expires .. October .. 18, 1959 ..

STATE OF CALIFORNIA }  
COUNTY OF LOS ANGELES } ss.:

On this 6<sup>th</sup> day of December, in the year 1956, before me DOROTHY BRILLHART, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared ROBERT E. GETZ, known to me to be the Vice President of UNION BANK & TRUST CO. OF LOS ANGELES, one of the corporations that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

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

*Dorothy Brillhart*  
Notary Public

In and for the County of Los Angeles,  
State of California, My Commission  
Expires .. October .. 18, 1959 ..

FILE NO. 59559

Filed for record at the request of J. M. Miller  
Feb 3, 1961, at 29 minutes past 1 P. M. Recorded in  
Book 3 of Official Records, page 13-37, Records of EUREKA  
COUNTY, NEVADA.

Fee: \$ 24.75

Recorder