

United States of America
~~State of Washington~~

DEPARTMENT



OF STATE

To all to whom these presents shall come

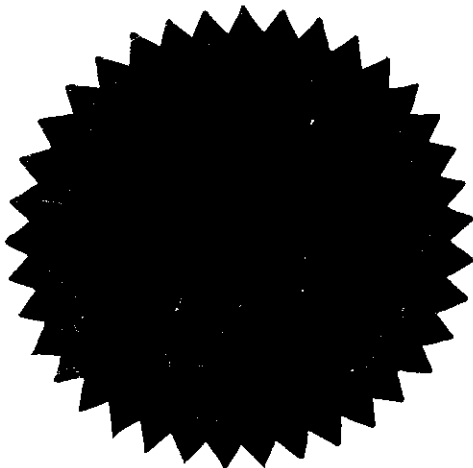
I,

VIC MEYERS

Secretary of State of the

State of Washington, and custodian of the Seal of said State, do hereby

certify that the annexed is a true and correct copy of the Merger Agreement between THE WASHINGTON WATER POWER COMPANY and SPOKANE NATURAL GAS COMPANY, whereby THE WASHINGTON WATER POWER COMPANY is the surviving corporation, as filed in this office on June 2, 1958; and I further certify that THE WASHINGTON WATER POWER COMPANY is in good standing with all annual license fees paid to July 1, 1958.



In Testimony Whereof, I have hereunto set my hand and affixed hereto the Seal of the State of Washington. Done at the Capitol, at Olympia,

this 2nd day of June A.D. 1958.

Vic A. Meyers

Secretary of State

Ray J. Geoman

Assistant Secretary of State

**APPROVED
AND FILED**

JUN 2 - 1958

VICTOR A. MEYERS
SECRETARY OF STATE

JOINT AGREEMENT OF MERGER

ASSISTANT SECRETARY OF STATE

THIS JOINT AGREEMENT OF MERGER, dated as of February 7, 1958 (hereinafter sometimes called the "Agreement"), between THE WASHINGTON WATER POWER COMPANY (hereinafter sometimes called "Washington"), a corporation organized under the laws of the State of Washington, and the directors thereof, and SPOKANE NATURAL GAS COMPANY (hereinafter sometimes called "Spokane"), a corporation organized under the laws of the State of Washington, and the directors thereof, (said corporations being hereinafter sometimes called the "Constituent Corporations"),

WITNESSETH :

WHEREAS, the authorized capital stock of Washington consists of 96,247 shares of \$6 Preferred Stock without nominal or par value, none of which shares are outstanding, and 5,000,000 shares of Common Stock without nominal or par value, of which 2,342,411 shares are outstanding; and

WHEREAS, the authorized capital stock of Spokane consists of 70,100 shares of \$2.75 Cumulative Preferred Stock of the par value of \$5 per share, none of which are outstanding, and 1,500,000 shares of Common Stock of the par value of \$1.00 per share, of which 569,259 shares are outstanding; and

WHEREAS, the Board of Directors of each of the Constituent Corporations deems it advisable that Spokane be merged into Washington;

Now, THEREFORE, in consideration of the premises and of the mutual agreements hereinafter set forth, it is hereby agreed by and between Washington and the directors thereof and Spokane and the directors thereof that Washington and Spokane shall be merged into

one corporation, namely, Washington, which shall survive the merger (Washington, as the corporation which shall survive the merger, being hereinafter sometimes called the "Surviving Corporation"), upon the terms and conditions hereinafter in this Agreement set forth, namely:

1. Representations and Warranties of Spokane. Spokane represents and warrants to Washington that:

(a) Spokane is a corporation duly organized, validly existing and in good standing under the laws of the State of Washington, is duly qualified to do business and is in good standing as a foreign corporation in the State of Idaho, and has full corporate power and authority to carry out the transactions contemplated by this Agreement.

(b) Spokane has good and marketable title to its properties and assets free and clear of all liens and encumbrances other than the lien (which is to be discharged and satisfied concurrently with or immediately following the Effective Date, as hereinafter defined, of the merger provided for herein) of the First Mortgage and Deed of Trust, dated as of September 1, 1957, of Spokane to J. P. Morgan & Co. Incorporated and Robert P. Howe, as Trustees, subject, however, to Permitted Encumbrances as defined therein and minor exceptions, and to minor defects usually occurring in properties of comparable nature and magnitude, which do not and will not materially affect the use of Spokane's properties and assets in the operation of the business of Spokane or any successor of Spokane.

(c) Spokane holds the certificates of public convenience and necessity and franchises described in Exhibit A annexed hereto permitting the construction and operation of natural gas transmission and distribution systems in Cheney, Colfax, Deer Park, Medical Lake, Millwood, Pullman, and Spokane, Washington, and Coeur d'Alene and Moscow, Idaho, said certificates of public convenience and necessity and franchises are valid and subsisting, give Spokane all necessary authority for the maintenance and operation of its properties and business as presently conducted and, except for an immaterial default in the case of its franchise to serve the City of Moscow, Idaho, Spokane is not in default thereunder,

and the Surviving Corporation may validly become the successor to Spokane under said certificates of public convenience and necessity and franchises without the approval of the grantors thereof or of any regulatory authority except such approvals or consents as shall have been obtained by Spokane prior to the Effective Date of the merger provided for herein.

(d) Spokane is a party to the contracts for the purchase of natural gas described in Exhibit B annexed hereto, said contracts are valid and subsisting and Spokane is not in default thereunder, and the Surviving Corporation may validly become the successor to Spokane under said contracts without the approval or consent of the other party or parties thereto or of any regulatory authority except such approvals or consents as shall have been obtained by Spokane prior to the Effective Date of the merger provided for herein.

(e) Spokane is a party to the contracts for the sale of natural gas described in Exhibit C annexed hereto, said contracts are valid and subsisting and Spokane is not in default thereunder, and the Surviving Corporation may validly become the successor to Spokane under said contracts without the approval or consent of the other party or parties thereto or of any regulatory authority except such approvals or consents as shall have been obtained by Spokane prior to the Effective Date of the merger provided for herein.

(f) The balance sheet of Spokane as of December 31, 1957, and the related statement of earnings of Spokane for the year ended December 31, 1957 and the month of December, 1957, including the notes thereto, copies of which have heretofore been delivered by Spokane to Washington, present fairly the financial condition of Spokane as of the date of said balance sheet and the results of its operations for the respective periods covered by said statement of earnings. Since December 31, 1957, there has been no materially adverse change in the business, properties or financial condition of Spokane, nor has Spokane since said date engaged in any activity, entered into any transaction or incurred any obligation (by contract or otherwise) except in the ordinary course of business or as may be contemplated by this Agreement.

(g) Spokane is not involved in any litigation or proceeding which, if it shall be resolved unfavorably to Spokane, will have a materially adverse effect upon its business, properties or financial condition, nor is it aware that any such litigation or proceeding is contemplated or threatened.

(h) Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby in the manner and at the times provided for herein will result in a material breach on the part of Spokane of, or a material default on the part of Spokane under, any provision of its Articles of Incorporation or By-laws, or of any indenture, agreement, decree, order or other instrument or document to which Spokane is a party or by which it is bound.

None of the foregoing representations and warranties of Spokane shall survive the Effective Date of the merger provided for herein.

2. Representations and Warranties of Washington. Washington represents and warrants to Spokane that:

(a) Washington is a corporation duly organized, validly existing and in good standing under the laws of the State of Washington, is duly qualified to do business and is in good standing as a foreign corporation in the states of Idaho and Montana, and has full corporate power and authority to carry out the transactions contemplated by this Agreement.

(b) The balance sheets of Washington as of December 31, 1956 and October 31, 1957, and the related summaries of earnings and statements of surplus of Washington for the five years ended December 31, 1956 and October 31, 1957, including the notes thereto, set forth in the Prospectuses, each dated January 8, 1958, relating to \$20,000,000 in principal amount of Washington's First Mortgage Bonds, 4 $\frac{1}{8}$ % Series due 1988, and \$10,000,000 in principal amount of its 4 $\frac{1}{2}$ % Sinking Fund Debentures due 1983, respectively, copies of which Prospectuses have heretofore been delivered

by Washington to Spokane, present fairly the financial condition of Washington as of the respective dates of said balance sheets and the results of its operations for the respective periods covered by said summaries of earnings and statements of surplus. Since October 31, 1957, there has been no materially adverse change in the business, properties or financial condition of Washington, nor has Washington since that date engaged in any activity, entered into any transaction or incurred any obligation (by contract or otherwise) except in the ordinary course of business or as may be set forth in or contemplated by said Prospectuses or this Agreement, and except that Washington has made certain borrowings under the Credit Agreement, dated August 12, 1957, between Washington and the banks named therein, pursuant to which a \$37,500,000 revolving credit is available to Washington.

(c) The statements made in the Prospectuses referred to in the immediately preceding subsection (b) fairly describe the business, properties and operations of Washington as of the date of said Prospectuses and, except for any changes which may occur in the ordinary course of business or as may be set forth in or contemplated by said Prospectuses or this Agreement, Washington does not have in contemplation any major change in its business, properties or operations from that described in said Prospectuses.

(d) Washington is not involved in any litigation or proceeding which, if it shall be resolved unfavorably to Washington, will have a materially adverse effect upon its business, properties or financial condition, nor is it aware that any such litigation is contemplated or threatened.

(e) Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby in the manner and at the times provided for herein will result in a material breach of, or a material default on the part of Washington under, any provision of its Articles of Incorporation or By-laws or of any indenture, agreement, decree, order or other instrument or document to which Washington is a party or by which it is bound.

None of the foregoing representations and warranties of Washington shall survive the Effective Date of the merger provided for herein.

3. Certain Covenants of Spokane. Spokane covenants and agrees with Washington as follows:

(a) Spokane will submit this Agreement to its stockholders for their approval and adoption at a meeting thereof to be held not later than May 9, 1958.

(b) Spokane will promptly apply (either alone or jointly with Washington) to the Washington Public Service Commission, the Idaho Public Utilities Commission and any other regulatory authority having jurisdiction in the premises for authority on the part of Spokane to consummate the transactions contemplated by this Agreement, and will use its best efforts to obtain all regulatory approvals, authorizations or consents which may be required to be obtained on its part in order to permit the consummation of the transactions contemplated by this Agreement.

(c) From and after the date of this Agreement and until the Effective Date of the merger provided for herein, Spokane will not, without the written consent of Washington (1) issue or sell, or issue rights or options to subscribe for or purchase, or subdivide or otherwise change, any shares of its capital stock, (2) declare any dividends on or make any distributions in respect of any shares of its capital stock; or (3) purchase or acquire for value any shares of its capital stock.

(d) From and after the date of this Agreement and until the Effective Date of the merger provided for herein, Spokane will not, without the written consent of Washington, engage in any activity, enter into any transaction or incur any obligation (by contract or otherwise) except in the ordinary course of business or as may be contemplated by this Agreement, and except that Spokane may borrow up to a maximum amount of \$200,000 for use in connection with Spokane's 1958 expansion and construction program, the details of which program shall be submitted to Washington. In the event negotiations for such borrowings shall be undertaken prior to the consummation of the merger provided for herein, Spokane shall notify Washington thereof in writing setting

forth the terms and provisions under which such borrowings are available to Spokane, and Washington shall have the option, exercisable within ten days thereafter by notice in writing to Spokane, to provide the funds required upon the same terms and provisions. If after receiving such notice Washington does not exercise such option, Spokane shall be free to enter into binding commitments providing for such borrowings and may make borrowings under any such commitments.

(e) Spokane will, after the adoption of this Agreement by the requisite vote of the stockholders of each of the Constituent Corporations and the obtaining of all regulatory approvals, authorizations and consents which shall be a prerequisite to the consummation of the transactions contemplated hereby, give all such notices as may be required to permit the payment on the Effective Date of the merger provided for herein of (1) all 6% Notes due October 1, 1960 of Spokane at the time outstanding under the Loan Agreement, dated as of October 1, 1957, between Spokane and First Security Bank of Utah; (2) all 6% Notes due October 1, 1960, of Spokane at the time outstanding under the Loan Agreement, dated as of October 1, 1957, between Spokane and Pacific Northwest Pipeline Corporation; and (3) all 4½% and 5% Notes due March 1, 1962 of Spokane at the time outstanding under the Credit Agreement, dated February 24, 1956, between Spokane and the banks named therein, and the Credit Agreement, dated as of September 1, 1957, between Spokane and the banks named therein, and secured by the First Mortgage and Deed of Trust, dated as of September 1, 1957, from Spokane to J. P. Morgan & Co. Incorporated and Robert P. Howe, as Trustees (which Notes, together with the Notes described in the immediately following subsection (f) hereof, are hereinafter sometimes collectively called the "Notes", and which First Mortgage and Deed of Trust is hereinafter sometimes called the "Mortgage").

(f) Spokane has been given assurances by the holders of its 5% Subordinated Notes due March 15, 1958 that said holders will agree to extend the maturity of said Notes to the Effective Date

of the merger provided for herein or June 17, 1958, whichever shall be the earlier, and Spokane will, on or before March 15, 1958, duly enter into appropriate agreements or supplemental agreements or duly obtain appropriate waivers for the purpose of bringing about such result. After the adoption of this Agreement by the requisite vote of the stockholders of each of the Constituent Corporations and the obtaining of all regulatory approvals, authorizations or consents which shall be a prerequisite to the consummation of the transactions contemplated hereby, Spokane will take all such action and give any required notices which may be required to permit the payment of said Notes in cash on the Effective Date of the merger provided for herein.

4. Certain Covenants of Washington. Washington covenants and agrees with Spokane as follows:

(a) Washington will submit this Agreement to its stockholders for approval and adoption at the regular annual meeting thereof to be held on May 9, 1958.

(b) Washington will promptly apply (either alone or jointly with Spokane) to the Washington Public Service Commission, the Idaho Public Utilities Commission and any other regulatory authority having jurisdiction in the premises for authority on the part of Washington to consummate the transactions contemplated by this Agreement, and will use its best efforts to obtain all regulatory approvals, authorizations or consents which may be required to be obtained on its part in order to permit the consummation of the transactions contemplated by this Agreement.

(c) From and after the date of this Agreement and until the Effective Date of the merger provided for herein, Washington will not, without the written consent of Spokane (1) issue or sell, or issue rights or options to subscribe for or purchase, or subdivide or otherwise change, any shares of its capital stock; (2) declare or pay any dividends on or make any distributions in respect of any shares of its capital stock, except that Washington may in each quarter pay quarterly dividends in an amount not exceeding \$.50 per share on its Common Stock; or (3) purchase or acquire for value any shares of its capital stock.

(d) From and after the date of this Agreement and until the consummation of the merger provided for herein, Washington will not, without the written consent of Spokane, engage in any activity, enter into any transaction or incur any obligation (by contract or otherwise) except in the ordinary course of business or as may be contemplated by this Agreement, and except that (1) Washington may make borrowings from time to time under the Credit Agreement, dated August 12, 1957, between Washington and the banks named therein, pursuant to which a \$37,500,000 revolving credit is available to Washington; (2) may enter into, and make borrowings under, a new credit agreement providing for the borrowing by Washington of amounts sufficient to pay on the Effective Date of the merger provided for herein, or to redeem in the manner set forth in the immediately following subsection (e), all notes of Spokane outstanding on the Effective Date of the merger provided for herein and to be assumed by Washington as a result of such merger; and (3) may continue to engage, either through its subsidiary, Pacific Northwest Power Company, or otherwise, in activities looking toward the development of hydro-electric sites on the Snake River between Oregon and Idaho.

(e) On the Effective Date of the merger provided for herein, or immediately following such Effective Date, the Surviving Corporation

(1) will pay all Notes (as defined in Section 3(e) hereof) of Spokane at the time outstanding, and will do or cause to be done any and all such other acts and things as may be required to be done to cause the Trustees under the Mortgage securing certain of the Notes forthwith to acknowledge the satisfaction and discharge of the Mortgage; and

(2) will (i) either give appropriate notice of its intention to redeem, on a date to be fixed by the Surviving Corporation, all 5¾% Subordinate Interim Notes due January 31, 1962 of Spokane at the time outstanding under the Indenture, dated as of February 1, 1956, from Spokane to The First National City Bank of New York, as Trustee, and furnish proof satisfactory to the Trustee that such a notice of redemption has been given,

or make provision satisfactory to said Trustee for the giving of such a notice, (ii) deposit with said Trustee an amount sufficient to redeem all of said Notes on the date so fixed for redemption, including all unpaid interest thereon to the date so fixed for redemption, and (iii) do or cause to be done any and all such other acts and things as may be required to cause said Trustee forthwith to acknowledge the satisfaction and discharge of said Indenture, all of the action to be taken under this clause (2) to be taken in the manner required by said Indenture.

5. Effective Date of Merger. This Agreement shall be submitted to the stockholders of each of the Constituent Corporations as contemplated hereby and as provided by law and, if adopted by the holders of not less than two-thirds of the voting power of each of the Constituent Corporations, it shall be certified, executed, acknowledged and filed in the manner provided by law, such filing to be made on such date, prior to any termination of this Agreement, as shall be fixed by Washington and be satisfactory to Spokane. The time when the merger provided for in this Agreement shall become effective (herein sometimes called the "Effective Date") shall be the time when the filing of this Agreement in the office of the Secretary of State of the State of Washington, as contemplated by Section 23.40.050 of Chapter 23.40 of Title 23 of the Revised Code of Washington, shall have been completed.

6. Effect of Merger. On the Effective Date of the merger provided for herein,

(a) Washington and Spokane shall be one corporation, namely, Washington, which shall survive the merger; and the separate existence of Spokane shall cease.

(b) The Surviving Corporation shall possess all the rights, privileges and franchises possessed by each of the Constituent Corporations, except that the Surviving Corporation shall not thereby acquire authority to engage in any business or exercise any right in which a corporation may not be formed under the pro-

visions of Title 23 of the Revised Code of Washington to engage or to exercise.

(c) All the property, real, personal and mixed, of each of the Constituent Corporations, and all debts due on whatever account to any of them, including subscriptions for shares and other choses in action belonging to any of them, shall be taken and be deemed to be transferred to and invested in the Surviving Corporation, without further act or deed.

(d) The Surviving Corporation shall be responsible for all the liabilities and obligations of each of the Constituent Corporations, in the same manner as if the Surviving Corporation had itself incurred such liabilities or obligations; but the liabilities of the Constituent Corporations or of their shareholders, directors, or officers shall not be affected, nor shall the rights of the creditors thereof, or of any persons dealing with such corporations be impaired by such merger, and any claim existing or action or proceeding pending by or against either of the Constituent Corporations may be prosecuted to judgment as if such merger had not taken place, or the Surviving Corporation may be proceeded against or substituted in its place.

7. Articles of Incorporation and By-laws of Surviving Corporation. The Articles of Incorporation and By-laws of Washington as in effect on the Effective Date of the merger provided for herein shall be and become the Articles of Incorporation and By-laws, respectively, of the Surviving Corporation until altered or amended as provided therein.

8. Manner of Converting Shares. Shares of the Constituent Corporations shall be converted into shares of the Surviving Corporation to the extent and in the manner set forth below:

(a) The shares of Common Stock without nominal or par value of Washington which shall be issued and outstanding on the Effective Date of the merger provided for herein shall not be converted as a result of the merger provided for herein but each share of Common Stock without nominal or par value of Washington

which shall be issued and outstanding on the Effective Date of this Agreement shall continue to be one share of Common Stock without nominal or par value of the Surviving Corporation.

(b) The manner of converting shares of Spokane into shares of the Surviving Corporation shall be as follows:

(1) Each share of the Common Stock of the par value of \$1.00 per share of Spokane which shall be issued and outstanding on the Effective Date of the merger provided for herein shall be converted on such date, automatically and without any action on the part of the holder thereof, into .2174 of one fully paid and non-assessable share of the Common Stock without nominal or par value of the Surviving Corporation. Subject to the provisions of subsection (2) below relating to the payment of dividends and subsection (3) below relating to fractional shares, each outstanding certificate theretofore representing shares of Common Stock of Spokane shall thereupon be deemed for all corporate purposes to evidence the ownership of the number of fully paid and non-assessable shares of Common Stock of Washington into which such shares of Common Stock of Spokane shall have been converted as aforesaid.

(2) After the Effective Date of the merger provided for herein, each holder of an outstanding certificate theretofore representing shares of Common Stock of Spokane shall surrender the same to the Surviving Corporation and such holder shall thereupon be entitled to receive a certificate or certificates representing the number of full shares of Common Stock of the Surviving Corporation into which the shares of Common Stock of Spokane theretofore represented by the certificate or certificates so surrendered shall have been converted as aforesaid. Unless and until any such outstanding certificate which theretofore represented shares of Common Stock of Spokane shall have been so surrendered, no dividend payable to the holders of record of Common Stock of the Surviving Corporation as of any date subsequent to the Effective Date of the merger provided for herein shall be paid to the holders of such outstanding certificate or certificates, but upon the surrender of such outstanding certificate

or certificates there shall be paid to the person or persons in whose name a certificate or certificates representing full shares of Common Stock of the Surviving Corporation shall be issued therefor the amount of any dividends (but without interest thereon) which shall have theretofore become payable with respect to the number of full shares of Common Stock of the Surviving Corporation represented by the certificate or certificates so issued.

(3) No fractional shares of Common Stock of the Surviving Corporation will be issued by it in connection with the conversion of Common Stock of Spokane into shares of Common Stock of the Surviving Corporation. In lieu thereof, holders of Common Stock of Spokane who, by reason of the conversion of their shares into shares of the Surviving Corporation, would otherwise become entitled to receive fractional interests in shares of the Surviving Corporation, will be entitled, if they shall surrender their certificates for Common Stock of Spokane prior to the expiration of ninety days from the Effective Date of the merger provided for herein, to instruct City Bank Farmers Trust Company, New York, N. Y., to (i) sell their fractional interests for their account and remit the proceeds of such sale to them or (ii) to purchase for their account sufficient additional fractional interests to make up a full share of Common Stock of the Surviving Corporation and, upon the payment by them of the cost of any fractional interest so purchased, to increase by one the number of full shares to be represented by the certificate to be issued to them as a result of the conversion of their shares into shares of Common Stock of the Surviving Corporation or, if their holdings are such that they are entitled, as a result of the purchase of additional fractional interests, only to one full share of the Common Stock of the Surviving Corporation, to issue and deliver to them a certificate for such full share.

As promptly as may be practicable after the expiration of a period of ninety days from the Effective Date of the merger provided for herein, all shares of Common Stock of the Surviving Corporation held to cover fractional interests for which buy or sell instructions shall not theretofore have been received will

be sold for the account of the holders of such fractional interests. Thereafter, holders of certificates for shares of Common Stock of Spokane shall, upon the surrender of their respective stock certificates, be entitled only to receive either from City Bank Farmers Trust Company or from the Surviving Corporation an amount equivalent to their pro rata share of the proceeds of such sale.

In carrying out instructions to buy or sell, City Bank Farmers Trust Company may match buy and sell orders on the basis of prevailing market prices, as determined by it in its discretion. No brokerage commissions, transfer taxes or service charges will be made for the services of City Bank Farmers Trust Company, as the Surviving Corporation will reimburse said Company for the cost thereof. All purchases and sales contemplated by the foregoing provisions of this subsection will be for the account of the respective holders of certificates for Common Stock of Spokane.

(4) For the purposes of this Section 8, upon proper showing to the Surviving Corporation, any bank, trust company, broker, custodian or other record holder who holds shares of Common Stock of Spokane for more than one beneficial owner will, for a period of ninety days from the Effective Date of the merger provided for herein, be treated as a separate holder with respect to each such beneficial owner.

9. Conditions of Spokane's Obligations. The obligation of Spokane to consummate the merger provided for herein shall be subject to the continued accuracy in all material respects, immediately prior to the Effective Date and as if made at that time, of the representations and warranties of Washington contained in Section 2 hereof, to the performance by Washington in all material respects when and as required to be performed by it hereby of such of its obligations as are to be performed by it hereunder on or prior to the Effective Date (and Washington shall have delivered to Spokane, immediately prior to the Effective Date, a satisfactory certificate or certificates of an appropriate executive officer or officers of Washington as to the compliance by Washington with the foregoing conditions), and to the obtaining of

all regulatory approvals, authorizations and consents which shall be required for the consummation of the transactions contemplated by this Agreement.

10. **Conditions of Washington's Obligations.** The obligation of Washington to consummate the merger provided for herein shall be subject to the continued accuracy in all material respects, immediately prior to the Effective Date and as if made at that time, of the representations and warranties of Spokane contained in Section 1 hereof, to the performance by Spokane in all material respects when and as required to be performed by it hereby of such of its obligations as are to be performed by it hereunder on or prior to the Effective Date (and Spokane shall have delivered to Washington, immediately prior to the Effective Date, a satisfactory certificate or certificates of an appropriate executive officer or officers of Spokane as to the compliance by Spokane with the foregoing conditions), and to the obtaining of all regulatory approvals, authorizations or consents which shall be required for the consummation of the transactions contemplated by this Agreement.

11. **Termination of Agreement.** Anything herein to the contrary notwithstanding, this Agreement may be terminated and the merger provided for herein abandoned, whether or not this Agreement shall have been acted upon at the time by the stockholders of the Constituent Corporations, or either of them, (a) by mutual consent of the Board of Directors of each of the Constituent Corporations at any time before the Effective Date of the merger provided for herein, and (b) by the Board of Directors of either of the Constituent Corporations if the merger provided for herein shall not have been consummated by June 17, 1958. In the event of any such termination of this Agreement, this Agreement shall be without any further force and effect whatever and there shall be no liability on the part of either Constituent Corporation, or its directors, officers or stockholders.

12. **Expenses.** All expenses incident to the merger provided for herein shall be paid by the Surviving Corporation; provided, however,

that if the merger provided for herein shall not be consummated for any reason, each Constituent Corporation shall pay the expenses incurred by it, respectively.

13. **Agreement For Exclusive Benefit of Washington, Spokane and Their Respective Stockholders.** Nothing in this Agreement is intended or shall be construed to give any person or corporation other than Washington, Spokane and their respective stockholders any rights hereunder, and all provisions and conditions hereof are intended to be for the sole and exclusive benefit of Washington, Spokane and their respective stockholders.

14. **Counterparts.** This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts.

IN WITNESS WHEREOF, this Joint Agreement of Merger has been signed by each of the directors of Washington and Spokane as of the day and year first above written.

s/ N. V. KINSEY

s/ F. A. WOODWORTH

s/ B. H. HOKE

s/ NATHAN H. GELLERT, JR.

s/ RAY C. FISH

s/ ROBERT R. HERRING

s/ ALFRED C. GLASSELL, JR.

As directors of
SPOKANE NATURAL GAS COMPANY

s/ K. M. ROBINSON

s/ GEORGE M. BRUNZELL

s/ RAYMOND ENLOE

s/ JOHN J. BURKE

s/ RODNEY G. ALLER

s/ J. NEIL SMITH

s/ JAMES A. POORE, JR.

s/ A. L. BARNES

s/ HOWARD C. PAULSEN

As directors of
THE WASHINGTON WATER POWER COMPANY

I, ROBERT D. YEOMANS, Secretary of The Washington Water Power Company, do hereby certify that the foregoing Joint Agreement of Merger (hereinafter called the "Agreement") was submitted to the stockholders of said Company at a meeting thereof duly called for the purpose of considering the approval and adoption of said Agreement and duly held at the office of said Company in Spokane, Washington, on May 9, 1958, and that at said meeting the holders of two-thirds of the voting power of all shareholders of said Company voted for the approval and adoption of said Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of The Washington Water Power Company this 14th day of May, 1958.

s/ ROBERT D. YEOMANS
Secretary of

THE WASHINGTON WATER POWER COMPANY

[WASHINGTON
CORPORATE SEAL]

I, H. M. HAMBLIN, Secretary of Spokane Natural Gas Company, do hereby certify that the foregoing Joint Agreement of Merger (hereinafter called the "Agreement") was submitted to the stockholders of said Company at a meeting thereof duly called for the purpose of considering the approval and adoption of said Agreement and duly held at the office of said Company in Spokane, Washington, on April 8, 1958, and that at said meeting the holders of two-thirds of the voting power of all shareholders of said Company voted for the approval and adoption of said Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of Spokane Natural Gas Company this 12th day of May, 1958.

s/ H. M. HAMBLIN
Secretary of

SPOKANE NATURAL GAS COMPANY

[SPOKANE
CORPORATE SEAL]

The foregoing Joint Agreement of Merger having been duly adopted by the stockholders of each of the Constituent Corporations, as evidenced by the foregoing certificates of the Secretary of The Washington Water Power Company and the Secretary of Spokane Natural Gas Company, we, the duly authorized officers of said corporations, do hereby sign said Joint Agreement of Merger in the name of and on behalf of said corporations.

s/ K. M. ROBINSON
President

THE WASHINGTON WATER POWER COMPANY

[WASHINGTON
CORPORATE SEAL]

s/ ROBERT D. YEOMANS
Secretary

THE WASHINGTON WATER POWER COMPANY

s/ NATHAN H. GELLERT, JR.
President

SPOKANE NATURAL GAS COMPANY

[SPOKANE
CORPORATE SEAL]

s/ H. M. HAMBLIN
Secretary

SPOKANE NATURAL GAS COMPANY

STATE OF WASHINGTON }
COUNTY OF SPOKANE } ss.:

On this 14th day of May, 1958, before me personally appeared K. M. ROBINSON, to me known to be the President of The Washington Water Power Company, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Company.

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

[NOTARIAL
SEAL]

s/ LOIS L. LOVERIDGE
Notary Public in and for the State of
Washington, residing at Spokane, Wash-
ington.

My commission expires Oct. 17, 1958.

STATE OF WASHINGTON }
COUNTY OF SPOKANE } ss.:

On this 12th day of May, 1958, before me personally appeared NATHAN H. GELLERT, JR., to me known to be the President of Spokane Natural Gas Company, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Company.

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

[NOTARIAL
SEAL]

s/ PHILIP S. BROOKE
Notary Public in and for the State of
Washington, residing at Spokane, Wash-
ington.

My commission expires Jan. 8, 1961.

EXHIBIT A

| | | | |
|---|-----------------------------------|---|--|
| City of Spokane | Ordinance No. C 13448 | August 16, 1954 | General Franchise—25 Yrs. |
| County of Spokane | Ordinance No. 53-179 | July 31, 1953 | Franchise—County Roads—50 Yrs. |
| County of Spokane | Ordinance No. 56-139 | May 8, 1956 | Franchise—County Roads—25 Yrs. |
| County of Spokane | Ordinance No. 56-417 | November 9, 1956 | Franchise—County Roads—25 Yrs. |
| City of Millwood | Ordinance No. 50 | February 6, 1956 | General Franchise—25 Years |
| City of Pullman | Ordinance No. A 231 | September 2, 1953 | General Franchise—50 Years |
| City of Cheney | Ordinance No. E 15 | June 14, 1956 | General Franchise—25 Years |
| City of Colfax | Ordinance No. 769 | November 19, 1956 | General Franchise—25 Years |
| Town of Medical Lake | Ordinance No. 266 | June 20, 1956 | General Franchise—25 Years |
| Town of Deer Park | Ordinance No. 190 | Sept. 5, 1956 | General Franchise—25 Years |
| City of Moscow, Idaho | Ord. No. 928, 968 & 972 | Sept. 8, 1953 | General Franchise—50 Years |
| | | June 4, 1956 & March 7, 1956 | |
| City of Coeur d'Alene, Idaho | Ord. No. 968, 989, 1032 & 1040 | Jan. 19, 1953, Oct. 5, 1953, May 5, 1956 & May 7, 1956 | General Franchise—50 Years |
| Washington Public Service Commission | Gas Certif. No. 6 | October 19, 1956 | Certificate of Public Convenience and Necessity |
| Idaho Public Utility Commission | Certif. No. 225 & 226 | April 25, 1956 | Certificate of Public Convenience and Necessity |

EXHIBIT B

Service Agreements With Pacific Northwest Pipeline Corporation

| | | |
|-----------------------|--|---------------|
| January 31, 1956..... | Spokane, Washington, Area..... | Firm |
| April 16, 1957..... | Spokane, Washington, Area..... | Interruptible |
| July 5, 1957..... | Cheney, Medical Lake & Lake- land Village, Washington | Firm |
| June 8, 1955..... | Pullman, Washington | Firm |
| June 8, 1955..... | Colfax, Washington | Firm |
| June 8, 1955..... | Coeur d'Alene, Idaho..... | Firm |
| June 8, 1955..... | Moscow, Idaho | Firm |

EXHIBIT C

| Contract Date | Purchaser |
|-----------------------|---|
| December 1, 1955..... | Pacific Northwest Alloys, Inc. |
| January 21, 1956..... | Kaiser Aluminum & Chemical Corp. (Trentwood Works) |
| January 21, 1956..... | Kaiser Aluminum & Chemical Corp. (Mead Works) |
| January 27, 1956..... | Ideal Cement Company |
| February 1, 1956..... | Gladding McBean & Company |
| March 15, 1956..... | Fairchild Air Force Base |
| July 26, 1956..... | Fairchild Air Force Base (Supplement) |
| May 10, 1956..... | State of Washington, Eastern State Hospital |
| May 10, 1956..... | State of Washington, Lakeland Village |
| March 15, 1957..... | State College of Washington |
| April 18, 1957..... | University of Idaho |