

than dividends and distributions made in shares of capital stock) subsequent to January 1, 1966, plus (b) the excess, if any, of the amount applied to or set apart for the purchase or other acquisition of any shares of capital stock of any class subsequent to the time when the first of such Series I bonds shall be authenticated by the Trustee, over such amounts as shall have been received as the net cash proceeds of sales of shares of capital stock of any class subsequent to the time when the first of such Series I bonds shall be authenticated by the Trustee would exceed the Company's net income since January 1, 1966 (treated as one accounting period), plus Five Hundred Thousand Dollars (\$500,000). The foregoing shall not be construed to prohibit the payment of dividends on preferred stock or the purchase of preferred stock to satisfy sinking fund requirements.

Section 2.02 The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this Ninth Supplemental Indenture and that it will warrant and defend the title to said property to the Trustees for the equal prorata benefit of the holders of all bonds at any time outstanding under the Indenture against the claims and demands of all persons whomsoever.

Section 2.03. The property of the Company will at all times be maintained and preserved in good repair and efficiency in accordance with accepted standards and the requirements of the Washington Utilities and Transportation Commission and the Public Utility Commissioner of Oregon with respect to properties within the respective states. Upon the written request of the holder or holders of at least 25 per cent in principal amount of Series I bonds then outstanding during any three-year period beginning February 1, 1966, the Company will have its properties inspected by an independent engineer who shall be an engineer satisfactory to the Trustee who is not in the employ of the Company. Such