

redeemed and accrued interest thereon to the date fixed for redemption but without premium.

SECTION 3.02. In case the Company shall elect to exercise its option to redeem all or any part of the bonds, it shall publish in one daily newspaper printed in the English language and published and of general circulation in the City of Spokane, Washington, at least once in each of three (3) successive calendar weeks, the first publication in such newspaper to be not less than sixty (60) days before the date fixed for redemption, a notice to the effect that the Company has elected to redeem all or some specified part of the bonds on a date therein designated, and in every case stating that on said redemption date there will become and be due and payable upon each bond so to be redeemed, at the office of the Trustee, the principal thereof, together with the accrued interest to such date and the applicable redemption premium, if any, and that from and after such redemption date interest thereon will cease to accrue. If less than all of the bonds are to be redeemed such notice shall set forth the denominations and serial numbers of the bonds to be redeemed. If any of the bonds to be redeemed are registered bonds without coupons, or coupon bonds registered as to principal, similar notice shall be sent by the Company through the mails, postage prepaid, at least sixty (60) days prior to such redemption date, to the persons respectively who shall appear by the transfer register of the Company to be the registered owners of such bonds, at their addresses as the same shall appear, if at all, upon the transfer register of the Company at the office of the Trustee, but such mailing shall not be a condition precedent to such redemption and failure so to mail any notice shall not affect the validity of the proceedings for the redemption of such bonds. Bonds may only be redeemed in the principal amount of One Thousand Dollars (\$1,000) or an integral multiple of said sum.

In case of redemption of bonds through the application of the proceeds of insurance or the proceeds of the sale or condemnation of mortgaged property, or in case of redemption of bonds through the operation of the bond reserve fund, bonds shall be selected for redemption