



Years *50* of making warm neighbors

222 FAIRVIEW AVENUE N., SEATTLE, WASHINGTON 98109-5312 206-624-3900
FACSIMILE 206-654-4039

CNG/W05-03-01

March 4, 2005

Ms. Carole J. Washburn, Executive Secretary
Washington Utilities &
Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-9022

Dear Ms. Washburn:

In compliance with WAC 480-143-120, please find enclosed Cascade Natural Gas Corporation's request for authorization to sell the Company's former Yakima business office building and property. In January 2005, the Company received an offer and on February 18, Cascade made a counter-offer for the facilities. On February 22 all parties agreed upon a price of \$330,000. Details of the original costs and the disbursement of anticipated proceeds are shown on Exhibit 1, attached.

Cascade has retained its existing warehouse and that property, as well as its nearby existing pipe yard, which are located approximately one mile from the former business office. Cascade consolidated all Yakima personnel and functions into one operations center at the existing warehouse. As a result, the Company considers the former business office and that property to no longer be useful or necessary in the performance of Cascade's duties to the public.

If there are any questions regarding this filing please contact Katherine Barnard or myself.

Sincerely,

Jon T. Stoltz
Sr. Vice President
Regulatory & Gas Supply

Enclosure

We make warm neighbors

www.cngc.com

**Before the
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION**

**APPLICATION FOR APPROVAL TO SELL COMPANY
FACILITIES**

Cascade Natural Gas Corporation

March 4, 2005

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION**

In the Matter of the Petition of)	DOCKET NO. UG-_____
)	
CASCADE NATURAL GAS)	PETITION OF
CORPORATION,)	
Application for Approval to Sell)	CASCADE NATURAL GAS
Company Facilities.)	CORPORATION
)	
)	

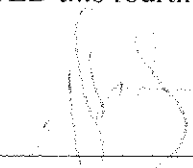
In accordance with the provision of WAC 480-143-120, Cascade Natural Gas Corporation (“Cascade” or “Company”), requests authorization to sell its former Yakima business office building and that property.

The land and buildings were acquired in 1964 and 1965, respectively. Cascade proposes to sell the former Yakima business office building and that property. Cascade is leasing property adjacent to the existing warehouse, and has consolidated all Yakima personnel and functions into one operations center. Sale of the former office building facilities will have no impact on the Company’s ability to provide service to its customers.

Details of the costs of the facilities as reflected on the Company’s books are included as Exhibit 1 to this application. The financial statements of Cascade Natural Gas Corporation are on file with the Commission.

For the reasons stated herein, the Company respectfully requests authorization to sell its Yakima business office building and property.

DATED this fourth day of May, 2005.



Jon T. Stoltz
Sr. Vice President, Regulatory and Gas Supply

Cascade Natural Gas Corporation
State of Washington
Sale of Yakima Business Office Building and Property

	Original Cost	Estimated Sale of Land and Building	Estimated Proceeds Less Costs
Land	78,014	78,014	0
Buildings & Improvements	355,647	251,986	(103,661)
TOTAL	433,661	330,000	(103,661)

Cascade Natural Gas Corporation
State of Washington
Proposed Depreciation Accounting Treatment of sale of Yakima
Business Office Building and Property

Journal Entry to Record Sale of Property

	Debit	Credit
Cash	330,000	
Utility Plant - Land		78,014
Accumulated Depreciation - Building		251,986

Journal Entry to Record Retirement of Building

	Debit	Credit
Buildings & Improvements		355,647
Accumulated Depreciation - Building	355,647	

COMMERCIAL REAL ESTATE PURCHASE and SALE AGREEMENT
THIS CONTRACT CONTROLS THE TERMS OF THE SALE OF THE PROPERTY

(This Agreement is not a business opportunity purchase and sale agreement. If a business opportunity is being sold, a separate agreement/addendum must be prepared. Please read carefully before signing)

YAKIMA, Washington, JAN 27, 05

AGENCY DISCLOSURE: At the signing of this Agreement, the Selling Agent (insert name of selling agent) Jim Murphy
COLDWELL BANKER represented Buyer, Seller,

Both parties, Neither party and the Listing Agent (insert name of listing agent) Jim Murphy
COLDWELL BANKER represented Seller, Both Parties. Buyer

and Seller both confirm that prior oral and/or written disclosure of agency was provided to each of them in this transaction. If Selling Agent and Listing Agent are different licensees affiliated with the same broker, then both parties consent to that broker acting as a dual agent. If Selling Agent and Listing Agent are the same person representing both parties, then both parties confirm their consent to that agent and his/her broker acting as a dual agent. Both parties acknowledge receipt of a copy of the pamphlet entitled "The Law of Real Estate Agency."

1. PARTIES: This COMMERCIAL REAL ESTATE PURCHASE and SALE AGREEMENT ("Agreement") is made between MICHAEL S KENNARD AND BETTY S KENNARD, HGW as "Buyer", and CASCADE NATURAL GAS as "Seller". Buyer agrees to purchase Seller's property on the following terms and conditions:

2. PROPERTY: Common Address 401 NO 1ST ST
City: YAKIMA County: YAKIMA State of Washington,
Zip: 98901 (Tax Parcel Number) 191310-33435

LEGAL DESCRIPTION:
 If Legal Description is not attached at final acceptance of this Agreement, Buyer shall have three (3) business days after receiving the Legal Description to approve the Legal Description as accurately reflecting the Property which the parties intend to be the subject of this Agreement. Failure to give written disapproval shall be deemed to be approval.

3. PURCHASE PRICE/FINANCING: The Purchase Price is THIRTY FIFTY THOUSAND NO/100 Dollars (\$ 35000), payable as follows: 35000
 All cash at closing (not conditioned on buyer obtaining a loan). JM SRD 330000
 Proceeds of Buyer Financing (attach a Financing Addendum). JM SRD
 Other (attach a Method of Payment Addendum). 2-18-05
2-22-05

Buyer Representation: Buyer represents that Buyer has sufficient funds available to close this sale in accordance with this Agreement, and is not relying on any contingent source of funds unless otherwise set forth in this Agreement.

4. EARNEST MONEY: FIVE THOUSAND NO/100 Dollars (\$ 5000). Selling Agent acknowledges receipt of Earnest Money from Buyer in the form of: a check for \$ 5000, cash of \$ _____, note for \$ _____, due as stated in the note (copy attached), and/or Other \$ _____ in the form of: _____. These funds shall be deposited into the selling broker's trust account or _____ to be credited to Buyer at closing. Any checks shall be deposited by the close of the business day following the day of mutual acceptance of this Agreement.

5. SECTION 1031 TAX DEFERRED EXCHANGE: It is hereby acknowledged by the parties that the Buyer, Seller intends to use the purchase and sale of the Property as an integral part of a tax deferred like-kind exchange as allowed under Section 1031 of the Internal Revenue Code (the "Exchange"). For purposes of this paragraph 5, the party participating in the Exchange shall be identified as the "Exchanger." If either box above is checked, then the parties recognize that a material part of the Exchanger's consideration for entering into the Agreement for the purchase and sale of the Property is the successful completion of the Exchange. The parties agree to assist each other in the completion of such exchange by cooperating with each other by signing any and all relevant documents provided that the party not doing the Exchange shall not incur any liabilities, costs, fees, or taxes in excess of those which that party would have incurred had this transaction not been an Exchange.

6. ADDITIONAL CONTINGENCIES: This Agreement is contingent on:
 The sale of Buyer's property (attach Sale of Buyer's Property Contingency Addendum).
 FEASIBILITY AND INSPECTIONS CONTINGENCY. This Agreement is contingent upon and subject to the Buyer obtaining at the sole expense of the party indicated, (check appropriate box to indicate the responsible party), the following report(s) and inspections(s) regarding the feasibility of purchasing the Property; which report(s) and inspection(s) shall be satisfactory to the Buyer, in the Buyer's sole discretion. The responsible party shall select the inspector(s). The Buyer shall arrange for all inspections. The Buyer's feasibility study shall include, only those inspection(s) and or report(s) initiated by both parties below:

Buyers' Initials	Sellers' Initials		Buyer	Seller
<u>/</u>	<u>/</u>	Review of the Seller's books and records related to the Property, including leases	<input type="checkbox"/>	<input type="checkbox"/>
<u>/</u>	<u>/</u>	Structural inspection of the Property	<input type="checkbox"/>	<input type="checkbox"/>
<u>JM</u>	<u>JM SRD</u>	Hazardous waste inspection	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<u>/</u>	<u>/</u>	Appraisal of the Property	<input type="checkbox"/>	<input type="checkbox"/>
<u>/</u>	<u>/</u>	Engineering and soil studies	<input type="checkbox"/>	<input type="checkbox"/>
<u>/</u>	<u>/</u>	Utility and zoning studies	<input type="checkbox"/>	<input type="checkbox"/>

Buyer's Initials JMSK Seller's Initials JM SRD

- 65 Economic feasibility of owning and operating the Property
- 66 Evaluation of any covenants, conditions, restrictions and/or easements
- 67 affecting the Property
- 68 A survey of the Property
- 69 Whether there are any building moratoriums, special building requirements
- 70 or environmental restrictions
- 71 Whether there are any growth mitigation or other impact fees that must be paid
- 72 The procedure and length of time necessary to obtain approval for building permits
- 73 for any changes to the improvements on the Property
- 74 Determination of whether the Property complies with the Americans With
- 75 Disabilities Act
- 76 Flood Zone Hazard
- 77 Pest & dryrot inspection
- 78 Compliance with current fire and safety codes
- 79 Other: _____

81 Buyer shall conclusively be deemed to have waived this Feasibility Contingency unless the Seller or Listing Agent receives written notice of
82 Buyer's intent to terminate this Agreement within _____ days (thirty (30) days if not filled in) after mutual acceptance of this Agreement.

83
84 The Buyer or an authorized agent of the Buyer shall have the right, at reasonable times, to enter upon the Property for the purpose of
85 conducting this feasibility study; provided, that Buyer shall cause no liens to be recorded against title to the Property by Buyer or any of Buyer's
86 agents, contractors or invitees and Buyer agrees to indemnify and hold Seller harmless from any and all losses or damages which Seller may
87 incur due to Buyer's or Buyer's agents, contractors or invitees presence on the Property.

88
89 If Buyer fails to waive or satisfy the feasibility study contingency or this transaction fails to close due to a default by the Buyer, the Buyer
90 shall, shall not immediately deliver to Seller copies of any studies or inspections, appraisals or surveys and any other information which either
91 the Buyer or the Buyer's agents have obtained in connection with the Buyer's feasibility study.

92
93 FINANCIAL STATEMENT CONTINGENCY. This Agreement is contingent upon the Buyer, at Buyer's sole expense, providing Seller with a
94 financial statement, within _____ days (10 days if not filled in) of mutual acceptance. The financial statement shall be satisfactory to the
95 Seller in the Seller's sole discretion. Seller must give the Buyer notice of approval of the financial statement within _____ days (7 days if not
96 filled in) of Seller's receipt of the financial statement or the financial statement shall be deemed disapproved and this Agreement shall
97 terminate and the earnest money shall be refunded to the Buyer.

98 Other: _____

99 7. CONVEYANCE OF TITLE: Conveyance of fee title shall be by statutory warranty deed other: _____
100 (statutory warranty deed if not filled in). Buyer and Seller understand that the form of the deed may affect significant legal rights as to which a
101 real estate licensee is not licensed to give advice. If this Agreement provides for the sale and transfer of the vendee's interest under an existing
102 real estate contract, Seller shall convey Seller's interest by an assignment of contract and deed sufficient in form to convey after acquired title.

103 8. CLOSING: Closing shall be within ten (10) days after satisfaction or waiver of all contingencies and "subject to's", but not earlier than
104 JMS SRD MEEZ - 10 - 05, nor later than 4 - 18 - 05, the latest of which shall be the termination date
105 of this Agreement. Closing shall mean the date on which all documents are recorded and the net sales proceeds are available for disbursement
106 to Seller. Buyer and Seller shall deposit, when notified and without delay, in escrow with the closing agent all instruments, monies, and other
107 documents reasonably required to complete the closing of the transaction in accordance with the terms of this Agreement.

108 9. POSSESSION: Buyer shall take physical possession of the Property (and all existing keys to locks and alarms, and any portable control
109 devices for accessing the Property) subject to any leases for the Property:

- 110 on closing
- 111 other (specify) _____

112 10. ESCROW/CLOSING COSTS: Closing shall occur at VALLEY TITLE, who shall act as the
113 escrow/closing agent unless the parties agree in writing otherwise. Unless limited by law or modified by the terms of this Agreement, Buyer and
114 Seller shall pay at closing all customary and usual closing costs and fees, including but not limited to the following: Seller shall pay the Seller's
115 excise tax, the cost of the owner's standard form of title insurance, recording fees, and Seller's half share of escrow fees; Buyer shall pay all
116 costs and fees associated with the financing, recording fees, any other costs agreed to under the terms of this Agreement, and Buyer's half
117 share of the escrow fees. Taxes for the current year, rents, and interest, if any, shall be pro-rated as of the date of closing. Except as described
118 in Paragraph 10(b) of this Agreement, all utility charges shall be paid and/or pro-rated outside escrow directly between Buyer and Seller.

119 11. SELLER'S DISCLOSURE AND REPRESENTATIONS: If Buyer has any questions regarding the following, Buyer should make Buyer's offer
120 subject to relevant inspections and reports.

121 (a) Utilities: The Seller represents that the Property is served by the following utilities: private/community water system, private well,
122 community well, private irrigation system, septic system, natural gas, telephone, cable TV, public water, electricity,
123 sewer, other _____

124 (b) Governmental Utilities: Pursuant to RCW 60.80, Buyer and Seller do request do not request (If neither box is checked, then "half
125 request" applies.) the escrow/closing agent to administer the disbursement of closing funds necessary to satisfy unpaid utility charges
126 affecting the Property. Seller represents that the Property is served by the following utilities operated by the state, county, city or other

Buyer's Initials JMS SRD Seller's Initials JMS SRD

governmental agencies which have lien rights against the Property. The parties authorize the Listing Agent or the Selling Agent to insert, over their signatures, the name and addresses of the following utility providers:

	Name of Provider	Address		Name of Provider	Address
<input checked="" type="checkbox"/> Sewer	<u>YAKIMA</u>	_____	<input checked="" type="checkbox"/> Electricity	<u>PACIFIC</u>	<u>POWER</u>
<input type="checkbox"/> Storm Water	_____	_____	<input checked="" type="checkbox"/> Garbage	<u>CITY</u>	_____
<input type="checkbox"/> Drainage	_____	_____	<input type="checkbox"/> Irrigation	_____	_____
<input checked="" type="checkbox"/> Water	<u>YAKIMA</u>	_____	<input type="checkbox"/> Special Districts	_____	_____
			(LID's and ULID's)		

Seller will pay for all utilities through the date of closing and keep all utilities/services presently connected until closing or occupancy by the Buyer, whichever is sooner, except: _____

Shares in light and/or water companies and associations, if any, will will not be included in the sale. If the Property is served by a septic system, Seller will will not have the septic tank pumped prior to closing. If the Property is served by an individual private well, Seller will will not provide a basic water test (bacteriological test) of well water, will will not provide a quantity test, and Seller will will not provide an additional water test (primary inorganic chemical test) of well water which meets State Department of Health Services standards. If Buyer wishes any additional type of water test, Buyer should make such request in an addendum attached to this Agreement.

- (c) **Leased Fixtures:** The following fixtures presently are leased: furnace, gas conversion burner, hot water heater, soft water unit, security/fire alarm system, propane tanks, other _____. Buyer does does not agree to assume such lease(s) at closing. If Buyer does not agree to assume such leases, or if Buyer cannot assume such leases because of the requirements of the lessor or a lender providing financing, then Buyer Seller shall purchase such fixtures and they shall be included in this sale.
- (d) **Property Maintenance:** Seller will perform ordinary maintenance on the Property and yard as presently exists until the earlier of closing or as otherwise agreed. Seller will remove all of Seller's personal property, trash, debris, and all articles not agreed to be left at closing.
- (e) **Boundaries/Square Footage:** Seller makes no representations regarding the locations or length of the boundary lines, size of lot, or the square footage of the house and other improvements. Buyer has personally observed the property and has reached Buyer's own conclusions as to the adequacy and acceptability of the Property based upon such personal inspection.

12. **INCLUDED ITEMS:** All fixtures and fittings that are attached to the Property are included, free of liens, including, plumbing and light fixtures and bulbs (except floor, standing, and swag lamps), attached television antenna, satellite dish and equipment, all attached floor coverings, trees, plants and shrubs in the yard, built-in appliances, shades, blinds, curtain rods, window treatments, bathroom fixtures, awnings, attached heating, plumbing, air conditioning, and cooling systems, attached irrigation equipment, screens, shutters, storm windows, screen doors, fireplace inserts, attached fireplace screens, fire prevention systems, security systems, washers, dryers, laundry tubs, and all oil or other fuel on hand at the time of possession and, _____ except _____

A portion of the purchase price equal to _____ Dollars (\$ _____) shall be allocated to the personal property being transferred to the Buyer. The Seller agrees to execute a bill of sale at closing to transfer title of the personal property to the Buyer. Buyer, Seller agrees to pay sales tax, if any, applicable to the transfer of the personal property.

13. **TITLE:**

- (a) **Title Insurance to be Issued by:** VALLEY TITLE
Title insurance provided at closing shall be Standard Title Insurance Extended Title Insurance. (If no box is checked, Standard Title Insurance shall be provided.) Seller will pay the cost of Standard Title Insurance. If Buyer requires Extended Title Insurance, Buyer agrees to pay all costs in excess of those charged for the standard form including, without limitation, increased premiums and survey costs. If a survey is required, Buyer shall order the survey within three (3) business days of receiving notice from the title company that a survey is required and Buyer shall pay the estimated cost of the survey prior to performance of any survey work or Buyer can waive requirement for an extended policy and accept standard title insurance.
- (b) **Title Insurance Commitment:** Within five (5) days of mutual acceptance, Seller shall arrange for the Listing Agent or Closing Agent, at Seller's expense, to apply for a preliminary commitment ("Commitment") for an ALTA form Owner's policy of title insurance ("Policy") as described in subparagraph (a) above with inflation protection endorsements, if available at no additional charge, to be issued by the above title company. Seller shall pay title insurance cancellation fees.
- (c) **Extended Title Insurance:** Buyer acknowledges that the coverage afforded by a standard form policy of title insurance provides limited or no coverage for loss by reason of conflicts in boundary lines, shortage in area, encroachments, or any other matters which an accurate survey would disclose. More extensive coverage through an extended policy of title insurance may be available for an additional charge and subject to additional requirements imposed by the title company including a survey.
- (d) **Title Insurance Exceptions and Exclusions:** The title policy shall contain no exceptions to or exclusions from coverage other than those generally provided in the specified title policy form and those which are consistent with subparagraph (e) below. If title cannot be made so insurable by closing, and if Buyer does not elect to waive any exceptions to coverage which are not consistent with this subparagraph and subparagraph (e) below, this Agreement shall terminate at Buyer's option.
- (e) **Condition of Title:** Unless otherwise specified in this Agreement, title to the Property at closing shall be free of all encumbrances and defects; provided, that presently recorded reservations, covenants, conditions and restrictions, easements and existing building or zoning regulations or restrictions which do not interfere with Buyer's intended use of the Property, tenants in possession pursuant to oral or written leases, reserved oil and/or mining rights, and rights reserved in federal patents' or state deeds shall not be considered encumbrances or defects. Monetary obligations not assumed by Buyer shall be paid from Seller's funds at closing.

Buyer's Initials MSK

Seller's Initials MSRD

14. LEASES. The following tenants occupy the Property pursuant to written or oral lease agreements:

The Seller agrees to assign all of its rights, title and interest in and to any such leases pursuant to that certain form of Assignment of Rents and Leases attached hereto as Exhibit "____" and incorporated by this reference. Prior to closing, Seller shall not obtain fully executed Tenant Estoppel Certificates from each tenant in a form attached as Exhibit "____" and incorporated by this reference. Upon closing, Seller shall transfer to Buyer all sums held by Seller as tenant security or other deposits and any pre-paid and unaccrued rent and Buyer agrees to indemnify and hold Seller harmless from any and all loss, claim or damages Seller may suffer due to transfer of the deposits and pre-paid rent. The Seller shall not send notices to the tenants to terminate the leases prior to closing. The Seller shall not remove the tenants and/or cause the tenants to vacate the Property prior to closing.

- 15. ASSIGNMENT: Buyer may not assign Buyer's interest in this Agreement without Seller's prior written consent.
- 16. DEFAULT/TERMINATION: If this Agreement is terminated for any reason, any costs authorized under this Agreement to be advanced from the earnest money deposit shall be deducted before the remaining earnest money is refunded to the Buyer or forfeited to Seller. If a dispute should arise regarding the disbursement of any earnest money, the party holding the earnest money may interplead the funds into court and that party shall recover all costs and attorney fees associated with the interpleader action from the earnest money before any other disbursements are made. Furthermore, if either Buyer or Seller defaults, the non-defaulting party may seek specific performance or damages, except that the Seller's remedy shall be limited as follows if the box below has been checked.

In the event the Buyer fails, without legal excuse, to complete the purchase of the property, the earnest money deposit made by the Buyer shall be forfeited to the Seller as the sole and exclusive remedy available to the Seller for such failure. Furthermore, if the earnest money deposited exceeds five percent (5%) of the sale price, Seller may retain as liquidated damages and as Seller's sole remedy earnest money not to exceed five percent (5%) of the purchase price; any additional earnest money shall be refunded to Buyer. If the earnest money is forfeited as liquidated damages, the money shall be divided fifty percent (50%) to Seller, twenty-five percent (25%) to the listing broker, and twenty-five percent (25%) to the selling broker provided, however, that the amount paid to the real estate brokers shall not exceed the agreed brokerage fee.

- 17. ATTORNEYS FEES/COSTS AND MEDIATION: If the Buyer, Seller, or any real estate licensee or broker involved in this transaction is involved in any dispute relating to this transaction, any prevailing party shall recover reasonable attorney's fees and costs (including those for appeals) which relate to the dispute. In the event of a dispute, it is recommended (but not required) that the parties engage in mediation in an effort to resolve the dispute without the need for a lawsuit. The Washington Association of REALTORS® does offer a mediation service. For information, call 1-800-562-6024.

- 18. FIRPTA COMPLIANCE: If the purchase price exceeds \$300,000.00, this sale may be subject to the withholding and reporting requirements of the Foreign Investment in Real Property Tax Act (FIRPTA), unless Seller furnishes to Buyer an affidavit of non-foreign status. Seller and Buyer agree to comply with FIRPTA, if applicable.

- 19. CASUALTY/LOSS: If, prior to closing, the Property or improvements on the Property are destroyed or materially damaged by fire or other casualty, Buyer may elect to terminate this Agreement, and the remaining earnest money shall be refunded to Buyer.

- 20. COMPUTATION OF TIME: Unless specified otherwise herein, any periods of time referenced in this Agreement shall expire at 9:00 p.m. (Pacific Time Zone) of the last calendar day of the specified time period, unless the last day is a Saturday, Sunday, or legal holiday as prescribed in RCW 1.16.050, in which event the specified period of time shall expire at 9:00 p.m. (Pacific Time Zone) on the next business day. Any specified period of three (3) days or less shall include business days only.

- 21. PROFESSIONAL ADVICE: Buyer and Seller each acknowledge that it is advisable to have the terms and conditions of this Agreement reviewed by independent legal counsel and/or a tax advisor, as the terms and conditions affect the parties' rights and may have tax implications. Each party is specifically aware that issues such as form of deed used for conveyance, agency representation, financing documents, liquidated damages, title insurance and seller representations are complicated and that the parties may require advice that a real estate licensee is not licensed to give and for which parties should contact their own attorney or accountant. Furthermore, Buyer and Seller agree that: (a) they are not relying on any representations or advice by the real estate licensees involved in this transaction; and, (b) they have satisfied themselves as to the terms and conditions of this sale.

22. GENERAL PROVISIONS:

- (a) Notices: Unless otherwise specified in this Agreement, any notice required or given under the terms of this Agreement must be written. Receipt of any notice shall be defined as the earlier of: three (3) business days following the postmark date; or the date the notice is actually received by the party or at the office of the Listing Agent for Seller and Selling Agent for Buyer regardless of the agency relationships involved. For the purposes of this Agreement, receipt by the appropriate agent (as set forth above) of a copy of any documents related thereto, as applicable, shall constitute receipt by the party. Seller must keep the Listing Agent advised of the Seller's whereabouts, and Buyer must keep the Selling Agent advised of Buyer's whereabouts. A Listing Agent's responsibility to the Seller and the Selling Agent's responsibility to the Buyer for delivery of notices is limited to calling the party and if the party is not available by phone, mailing the notice to the party's last known address.
- (b) Faxes and Counterparts: Facsimile transmission of any signed original document, and retransmission of any signed facsimile transmission shall be the same as delivery of an original. At the request of either party, or the closing agent, the parties will confirm facsimile transmitted signatures by signing an original document. This Agreement may be signed in counterparts.
- (c) Integration: There are no verbal agreements or understandings which modify this Agreement. This Agreement constitutes the full understanding between Buyer and Seller.
- (d) Time is of the Essence: Time is of the essence as to all terms and conditions of this Agreement.
- (e) Backup Offers: Buyer is aware that during the term of this Agreement, Seller may continue to market the Property and solicit and accept backup offers.
- (f) Venue/Applicable Law: This Agreement shall be interpreted and construed according to the laws of the State of Washington; venue shall be in the county in which the Property is located.
- (g) Survival: All terms of this Agreement, which are not satisfied or waived prior to closing, shall survive closing. These terms shall include, but not be limited to, representations and warranties, attorney's fees and costs, disclaimers, repairs, rents and utilities, etc.

- 23. AUTHORITY. If either party is not an individual and is an entity such as a corporation, limited partnership or limited liability company, that party shall deliver to the other a certified board of director's resolution or similar document authorizing this transaction and satisfactory to the other party within five (5) days after mutual acceptance of this Agreement and, immediately prior to closing, shall provide evidence that it is an entity duly organized, validly existing and in good standing in the state of Washington.

Buyer's Initials MSK Seller's Initials SM SRD

24. ADDITIONAL TERMS AND CONDITIONS: SUBJECT TO APPROVAL
OF THE WASHINGTON UTILITIES & TRANSPORTATION
COMMISSION Jm SRD

25. ADDENDA/ATTACHMENTS: At the time of Buyer's offer, the following addenda/attachments are part of this Agreement:

Buyer and Seller may only amend this Agreement by mutual written consent.

26. AGREEMENT TO PURCHASE: Buyer offers to purchase the Property on the above terms and conditions. Buyer hereby acknowledges receipt of a copy of this Agreement. Seller shall have until a.m./ p.m., to accept this offer unless sooner withdrawn by delivering a signed copy to Buyer or Selling Agent's office. Acceptance shall not be effective until a signed copy hereof is actually received by Buyer or at the office of the Selling Agent.

Michael Ferraro
BUYER'S SIGNATURE Date

COLDWELL BANKER
Selling Broker (Name)

Jim Murphy 1-31-05
Selling Agent's Signature Date

509 2485050
Selling Agent's Phone (work)/(home)

24 88172
Selling Agent's FAX Number

BUYER'S SIGNATURE Date

Buyer's Phone (work)/(home)

602 NO 1ST ST YAKIMA WA
Buyer's Address (City, State, Zip)

27. SELLER'S ACCEPTANCE: Subject to Seller's counteroffer or modifications, if any, Seller agrees to sell the Property on the terms and conditions specified herein. Upon Buyer's and Seller's mutual acceptance of terms, Seller confirms by signing this Purchase and Sale Agreement that the Listing Agent has performed Listing Agent's obligations to Seller by procuring a buyer, and has earned the compensation described in the listing agreement referenced by MLS number ; or a commission of percent (%) of the purchase price; or Dollars (\$). The commission shall be apportioned between the Listing Agent and Selling Agent as specified in the listing agreement; or if there is no listing agreement, then percent (%) of the commission to the Listing Agent and the remainder to the Selling Agent. Seller confirms that the Broker(s) is entitled to collect their compensation directly from the escrow agent at closing from proceeds of the sale. Seller acknowledges receipt of a copy of this Purchase and Sale Agreement, signed by both parties. Seller's Counteroffer or modifications are made a part of this Agreement. Buyer shall have until a.m./ p.m., , unless sooner withdrawn within which to accept same. Acceptance shall not be effective until a signed copy hereof is actually received by Seller or at the office of the Listing Agent.

Don R. Mulvaney 2-1-05
SELLER'S SIGNATURE Date

COLDWELL BANKER
Listing Broker (Name)

Jim Murphy 1-31-05
Listing Agent's Signature Date

SELLER'S SIGNATURE Date

(Seller's Name Printed)

Listing Agent's Phone (work)/(home)

Seller's Phone (work)/(home)

Listing Agent's FAX Number

Seller's Address (City, State, Zip)

Mortgagee's Name Seller's Loan Number

Mortgagee's Phone Number Mortgagee's Address

There are additional mortgages on this property.

28. BUYER'S RECEIPT: A true copy of the foregoing signed by Seller, is hereby received.

Michael Ferraro
BUYER

BUYER

Date

Date

Buyer's Initials

Seller's Initials Jm SRD

FINANCING ADDENDUM

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This Financing Addendum ("Addendum") is entered into this 27 day of JAN, 05 between MICHAEL S KENNARD ("Buyer") and CASCADE NATURAL GAS ("Seller") and modifies and supplements that Purchase and Sale Agreement between the Buyer and the Seller dated 1-27-05 ("Agreement").

The Buyer and The Seller Agree As Follows:

1. **Type Loan/Down Payment:** The agreement is contingent upon Buyer obtaining a purchase loan with the following terms: the Buyer shall pay \$ _____ or % _____ down, including received earnest money and the balance of the sale price from a conventional FHA VA private loan for not less than \$ _____ at an interest rate of not more than _____ percent (_____ %) for a term of not less than _____ years (30 years if not filled in).
2. **Loan Application - Buyer's Duty To Act In Good Faith:** The Buyer shall make application for the loan within _____ days (3 days if not filled in) of mutual acceptance of this Addendum. The Buyer shall use best efforts and act in good faith to obtain financing in a timely manner under this contingency. Buyer shall provide a letter from lender within _____ days of mutual acceptance (7 days if not filled in) showing that lender has reviewed Buyer's credit and that Buyer's credit is sufficient to obtain the loan described in paragraph 1 above.
3. **Financing Deadline/Seller Termination Notice:** If within _____ days (30 days if not filled in) of mutual acceptance of this Addendum the Buyer has not given written notice that Buyer has waived this contingency, the Seller may elect to terminate the Agreement upon three (3) days notice to the Buyer. If the Buyer does not waive this contingency within three (3) days of Seller's notice, the Agreement shall terminate and the earnest money shall be returned to the Buyer.
4. **Inspections/Repairs:**
 - A. **Inspection May Be Required.** The Seller shall permit access for any inspections required to process the Buyer's loan application, including, but not limited to general structural, hazardous waste, pest, heating, plumbing, roof, electrical, septic system and well water. The lender, as a result of such inspections, may require that the Property comply with the housing code and other governmental requirements of the city or county in which the Property is located.
 - B. **Inspection Cost.** The cost of any inspections required by the lender, FHA or VA as a condition of loan approval shall be paid by the Buyer Seller, unless otherwise required by governmental regulations, not to exceed \$ _____.
 - C. **Work Orders.** If the Buyer's loan is conditioned on Property repairs or pest control measures, the Seller agrees to perform such repairs or measures prior to closing and pay up to \$ _____. (If this blank is not filled in, the amount is zero.) If the cost of repairs is equal to or less than the stated amount, Seller may hire contractors, at the Seller's discretion, to complete the repairs. If the cost of repairs exceeds the stated amount, and the Buyer and the Seller fail to negotiate a mutually acceptable resolution within _____ days (7 days if not filled in) from the Buyer's receipt of work orders, the Agreement shall terminate, and the earnest money shall be returned to the Buyer. If necessary, the Closing Date shall be extended by a period necessary to allow completion of negotiation plus an additional _____ days (3 days if not filled in).
 - D. **Seller's Obligation to Repair.** The Seller acknowledges that the Seller may be required to complete repairs imposed by the city or county housing code as a result of any inspection(s).
5. **Low Appraisal:**
 - A. **Seller's Option.** If the lender's appraisal of the Property is less than the sale price, then Buyer must provide the Seller with written notice of the low appraisal within three (3) days of Buyer's receipt of notification of the low appraisal. The Seller shall have _____ days (10 days if not filled in) from receipt of Buyer's notice of the low appraisal to: 1) obtain at Seller's expense a reappraisal by the same appraiser or another appraiser acceptable to the lender in an amount not less than the sale price; or 2) consent in writing to reduce the sale price to equal the higher of the appraisal or reappraisal; or 3) refuse to lower the sale price to the appraised value.
 - B. **Buyer's Response.** Upon the earlier of: 1) the Seller's written notice of an unacceptable reappraisal or refusal to accept a purchase price equal to the appraisal to the Buyer; or 2) the expiration of the Seller's time to obtain a new appraisal, the Buyer may elect, within _____ days (3 days if not filled in) to (i) terminate the Agreement upon notice to the Seller, and obtain a refund of the earnest money less the costs for appraisal fee, credit report, and cancellation fees, if any or (ii) pay the difference between the sale price and the highest appraisal in cash at closing.

Buyer's Initials ~~MSK~~

Seller's Initials ~~MSRD~~

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C. **Buyer's Obligation/Closing Date.** The Buyer shall be obligated to purchase at the reduced price unless this Agreement is conditioned upon FHA/VA financing in which case the applicable FHA/VA regulations shall control. The Closing Date shall be extended up to sixteen (16) days to allow for the foregoing notice periods plus an additional _____ days (3 days if not filled in) if the sale is not terminated.

OPTION:

6. **FHA/VA Provisions:**

A. **FHA/VA Loan Costs.** If this sale is conditioned on the buyer obtaining a FHA or VA loan, the Seller agrees to pay such portion of buyer's loan costs as Buyer is prohibited from paying under applicable FHA/VA regulations together with a loan discount fee, not to exceed _____ % of Buyer's loan amount (including the mortgage insurance premium) or \$ _____ with an initial interest rate of _____ % per annum.

B. **FHA/VA - Appraisal Certificate.** If this Agreement is conditioned on Buyer obtaining FHA or VA financing, the Buyer shall not be obligated to complete the purchase of the Property unless the Buyer is in receipt of a written statement issued by FHA or VA stating that the appraised value of the Property (excluding closing costs) is not less than the purchase price.

C. **FHA/VA Low Appraisal.** Notwithstanding any other provision of the Agreement, Buyer shall not be obligated to complete the purchase of the Property or to incur any penalty by forfeiture of earnest money deposit or otherwise unless Buyer has been given in accordance with HUD/FHA or VA requirements a written statement by the Federal Housing Commissioner, Department of Veterans Affairs, or a Direct Endorsement lender setting forth the appraised value of the Property of not less than the purchase price. The Buyer shall have the privilege and option of proceeding with consummation of the Agreement without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage that FHA or VA will insure and is not intended to warrant the value nor the condition of the Property. Buyer should satisfy himself/herself that the purchase price and condition of the Property are acceptable.

Note: This Addendum supersedes any conflicting terms in the Agreement, and all other terms of the Agreement which have not been modified or superseded by this Addendum are ratified and shall remain in full force and effect.

Buyer: Michael Keenan

Seller: Don R. Mulvaney SRD

Date: 1-27-05

Date: 2-1-05

Prepared By: Jim Murphy