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

CNG/W05-04-01

April 5, 2005

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

RECORDED
05 APR - 5 PM 9:25
COMMUNICATIONS
UNIT

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 Wenatchee business office building and property. In March 2005, Cascade received an offer of \$600,000 for the facilities. Details of the original costs and the disbursement of anticipated proceeds are shown on Exhibit 1, attached.

Originally, the property (acquired in 1966) contained both a business office building and warehouse, which were built in 1969. However, a short plat was performed in 2002 to separate the property into two parcels and thus separate the office building from the warehouse. Cascade remodeled the warehouse in 2003 and has consolidated all Wenatchee personnel and functions into one Operations center at the warehouse. As a result, the Company considers the former business office building and property to no longer be useful or necessary in the performance of Cascade's duties to the public.

Cascade, under Advice No. W05-04-02, has also filed an application for an Accounting Order authorizing depreciation accounting treatment of anticipated gains associated with the sale of the Wenatchee facilities.

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

April 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
)	
)	

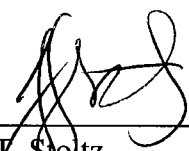
In accordance with the provision of WAC 480-143-120, Cascade Natural Gas Corporation (“Cascade” or “Company”), requests authorization to sell its former Wenatchee business office building and that property.

Originally, the property (acquired in 1966) contained both a business office building and warehouse, which were built in 1969. However, a short plat was performed in 2002 to separate the property into two parcels and thus separate the office building from the warehouse. Cascade remodeled the warehouse in 2003 and has consolidated all Wenatchee personnel and functions into one Operations center at the warehouse. Cascade proposes to sell the former business office building and that property. Sale of the former office building facilities and property 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 Wenatchee business office building and property.

DATED this fifth day of April, 2005.



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

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

	1\Original Cost	Estimated Sale of Land and Building	2\ Estimated Proceeds Less Costs
Land	78,606	130,273	51,668
Buildings & Improvements	283,428	469,727	186,298
TOTAL	362,034	600,000	237,966

1\ Original cost of property allocated between Office and Warehouse based on assessed value of the separate parcels after the short-plat was completing
2\ Recognize as gains and apply against Accumulated Depreciation reserve

PURCHASE AND SALE AGREEMENT ("Agreement")

NORTH CASCADES NATIONAL BANK, a national banking association ("Purchaser"), hereby agrees to purchase and CASCADE NATURAL GAS CORPORATION, a Washington corporation ("Seller") hereby agrees to sell real property situated in the County of Chelan, State of Washington, and legally described as follows, including all improvements and fixtures thereon ("the Property"):

Lot 1, Block 19, Suburban Homes First Addition, South 176 feet, less the Eastern 35 feet, in the City of Wenatchee, County of Chelan, Washington (the Parties agree the real estate broker may attach a more complete legal description following the execution of the Agreement by the Parties.)

The street address of the Property is known as: 614 North Mission Street, Wenatchee, Washington and includes all of the paved parking area west of the building located on the Property as described.

The Assessor's Tax Parcel Number for the Property: 22 2003 860 462

Purchaser and Seller are sometimes collectively referred to herein as the "Parties" and individually as a "Party."

1. Purchase Price and Terms. The purchase price shall be Six Hundred Thousand Dollars (\$600,000) which shall be paid in full in cash or its equivalent at closing, including any earnest money deposit.

2. Earnest Money. Upon execution of this Agreement by Seller and Purchaser, Purchaser shall deposit with the closing agent earnest money in the form of a Promissory Note for Ten Thousand Dollars (\$10,000). Upon the expiration of the due diligence period set forth below in Paragraph 8.1, unless Purchaser shall have earlier terminated this Agreement, Purchaser shall deposit with the closing agent the sum of Ten Thousand Dollars (\$10,000) in cash or its equivalent in place of the Promissory Note for Ten Thousand Dollars (\$10,000). Said earnest money shall constitute part payment of the purchase price for the Property. The earnest money shall be returned to Purchaser if this transaction fails to close through no fault of the Purchaser.

3. Conveyancing. At closing, the Seller shall sign, execute, and deliver a Statutory Warranty Deed for the Property to Purchaser, free of encumbrances or defects except for Permitted Exceptions, Standard Exceptions and Accepted Exceptions as defined in Paragraph 4.5, below.

4. Title.

4.1 The following shall not be considered encumbrances or defects of title, (hereafter "Permitted Exceptions"):

4.1.1 Rights reserved in federal patents or state deeds, and building or use restrictions general to the area;

4.1.2 General real estate taxes, special assessments, or other levies assessed against the Property not due and payable.

4.2 Financial encumbrances shall be satisfied by the Seller at or before closing.

4.3 The Purchaser shall order a preliminary commitment for a 1992 ALTA form extended title insurance policy ("Title Commitment") issued by First American Title Company within ten (10) days of the effective date of this Agreement. Purchaser shall give written notice to Seller within thirty (30) days of Purchaser's actual receipt of the Title Commitment of any defects or encumbrances (the "defects"), other than Permitted Exceptions specified in Paragraph 4.1, and financial encumbrances to be discharged by Seller at closing as specified in Paragraph 4.2, above, in Seller's title to which Purchaser objects (the "Objection"). Seller shall exercise reasonable good faith to remove matters to which an Objection is made. If Seller is unable to cure the defects objected to by Purchaser within thirty (30) days after receipt of the Objection, unless the time is extended in writing, then Purchaser may elect, as its exclusive remedy, either to waive such defects, or to terminate this Agreement.

4.4 Closing is contingent on the condition of title to the Property not changing between the expiration of Purchaser's review period for title purposes as set forth in Paragraph 4.3 above, and closing. Purchaser shall have the opportunity to review and approve an updated preliminary commitment for title insurance immediately before closing, provided that Purchaser shall close the purchase if the condition of title to the Property has not changed since the expiration of Purchaser's review period for title.

4.5 Seller shall deliver to Purchaser at or within a reasonable period following closing, an owner's 1992 ALTA form extended policy of title insurance (the "Title Policy") containing no exceptions other than the customary form printed exceptions ("Standard Exceptions"), the exceptions specified in the Title Commitment that Purchaser has elected to accept ("Accepted Exceptions"), and the Permitted Exceptions. Seller shall pay the cost of the Title Policy and Purchaser shall pay the cost of any survey necessary for the extended policy.

4.6 If this transaction does not close, and this Agreement is terminated through no fault of the Purchaser, the Seller shall be responsible for the cancellation or other fee associated with the Title Commitment.

4.7 Seller may reserve a non-exclusive easement over the existing paved access way on the south side of the building on the Property, to provide access to Seller's property to the west of the Property. During the due diligence period Purchaser and Seller shall negotiate the provisions of such easement and in the event the terms of such an easement have not been agreed upon in writing by the Purchaser and the Seller prior to the expiration of the due diligence period, Seller shall be entitled to terminate this Agreement by giving written notice to Purchaser of such termination within five (5) days after the end of the due diligence period. Failure to so terminate by Seller, if no agreement is reached for the easement, shall be a waiver by Seller of its right to reserve the easement.

5. Lease. Seller owns real property adjacent to the Property, to the west, on which is situated an alleyway or driveway and parking stalls (the "Parking Area"), in addition to other

improvements to the west of the Parking Area. The Parties agree to negotiate during the due diligence period for a long-term lease of the Parking Area by the Purchaser and, in addition thereto to negotiate for a potential right of refusal or option in favor of Purchaser to purchase all or a portion of the property owned by the Seller to the west of the Property, which right of refusal or option may be limited to the Parking Area. In the event the Parties are unable to agree to the terms of a lease of the Parking Area during the due diligence period, this Agreement shall terminate and be of no further force or effect unless, prior to the end of the due diligence period, Purchaser waives, in writing, the condition that the terms of a lease agreement shall have been agreed upon prior to the end of the due diligence period.

6. Seller's Representations and Warranties. Seller represents and warrants as follows:

6.1 That to the best of Seller's knowledge there are no material facts adversely affecting the Property that have not been disclosed in writing to the Purchaser.

6.2 That to the best of Seller's knowledge there are no PCBs, hazardous substances, or petroleum products spilled, released, or existing on the Property, and there are no underground storage tanks beneath the Property.

6.3 That to the best of Seller's knowledge the Property has never been used as a landfill or as a place for the deposition of debris, waste, or garbage.

6.4 That to the best of the Seller's knowledge the improvements on the Property are in compliance with applicable laws, rules and regulations.

6.5 That Seller has no knowledge or notice from any governmental agency of any violation of laws relating to the Property.

6.6 That to the best of Seller's knowledge there is no litigation pending against the Seller or regarding the Property that might detrimentally affect the use of the Property.

6.7 That Seller has authority to enter into this Agreement.

6.8 That the Property is connected to a (please check appropriate boxes):

- public water main for domestic purposes
- irrigation district water
- public sewer
- gas main
- electrical power
- telephone

6.9 A warranty being made "to the best of Seller's knowledge" does not mean Seller has conducted a present independent investigation, but does mean that Seller has made inquiry of those individuals affiliated with Seller last occupying the Property and the improvements thereon and those last managing and in control of the Property.

7. Modification/Waivers. To be effective and binding upon the Parties hereto, all modifications or waivers of any condition of this Agreement shall be in writing and signed by the Parties.

8. Contingencies.

8.1 Purchaser and/or its agents shall have sixty (60) days from the effective date of this Agreement (the "due diligence period") to: (i) enter upon the Property at reasonable times, with advance notice to Seller, for the purpose of inspecting the physical, environmental, and other condition of, and access alternatives to, the Property; and (ii) conduct a feasibility analysis of Purchaser's intended use of the Property. The Seller grants to Purchaser and Purchaser's agents full access to the Property to conduct any test or inspection Purchaser deems necessary. Purchaser shall have the right to make borings, or conduct other tests, as the Purchaser shall determine to be reasonable or appropriate, provided that Purchaser, at its sole expense, shall repair all damage to the Property arising from Purchaser's actions on the Property and return it to its original condition. If Purchaser discovers a defect or condition in, or related to access to, the Property which would make the Property unsuitable for its intended use or Purchaser determines its intended use is not reasonable (both decisions are committed to Purchaser's sole discretion), then Purchaser shall have the right to terminate this Agreement by delivering a written notice of termination to Seller prior to the expiration of the due diligence period set forth above. If this Agreement is terminated, all studies and reports of the Property shall be delivered to and become owned by the Seller, to the extent of Purchaser's ability to transfer ownership. Notwithstanding the performance of any test relating to the condition of the Property, the Seller shall not be relieved of the representations and warranties set forth in Paragraph 6, above. However, if through due diligence, information is discovered that changes the Seller's level of knowledge, the Seller shall be entitled to disclose the information and amend the Seller's representations and warranties accordingly.

8.2 Purchaser shall indemnify, defend and hold Seller, its owners and agents fully and completely harmless from and against any and all liens, claims, losses, liabilities, fines, obligations and costs, including, without limitation, attorneys fees and costs, arising out of the activities of Purchaser and Purchaser's agents on or about the Property prior to closing.

8.3 Purchaser's intended use of the Property is to situate a branch bank of North Cascades National Bank at that location. Seller understands that Purchaser's receipt of written approval of the applicable regulatory body or bodies for North Cascades National Bank to open a branch bank at the location of the Property prior to expiration of the time periods set out in Section 12 below, is a condition for the closing of the transaction set forth herein. Purchaser agrees to initiate the process to complete the application for such approval promptly upon both Parties executing this Agreement, and to thereafter complete and submit the application in a prompt and reasonable manner and agrees that unless this Agreement is otherwise terminated Purchaser shall pursue obtaining approval of such application in a good faith and orderly manner for a final decision prior to the expiration of the due diligence period.

8.4 The obligations of Seller to sell the Property under this Agreement are expressly conditioned on the approval of the sale by the Washington Utilities and Transportation Commission (the "WUTC"). If the WUTC does not approve of the sale hereunder on terms

reasonably acceptable to Seller, Seller may terminate this Agreement by written notice to Purchaser and the earnest money shall be returned to Purchaser, upon demand, and Seller and Purchaser shall have no further rights or obligations hereunder. Seller shall make application for such approval with the WUTC promptly upon the earlier of: the waiver of all contingencies by the Purchaser or the expiration of the due diligence period without the Purchaser having terminated the Agreement.

8.5 Prior to waiver or satisfaction of the conditions to Purchaser's obligation to purchase the Property set forth in Section 8, Purchaser shall make such examinations of the Property and all other matters affecting or relating to the Property and this transaction as Purchaser deems necessary and shall become fully familiar with the physical condition and repair of the Property. In entering into this Agreement and closing the purchase of the Property, Purchaser has not and will not have been induced by and has not relied and will not rely upon any representations, warranties or statements, whether express or implied, made by Seller or any agent, employee or other representative of Seller or by any broker or any other person representing or purporting to represent Seller, other than the representations set forth in Section 6, whether or not any such representations, warranties or statements were made in writing or orally.

8.6 PURCHASER HEREBY AGREES THAT, EXCEPT FOR THE WARRANTIES SPECIFICALLY SET FORTH IN SECTION 6, (A) THE SALE OF THE PROPERTY TO PURCHASER IS AND WILL BE ON AN "AS IS," "WHERE IS" BASIS, WITH ALL DEFECTS, INCLUDING THOSE THAT CANNOT BE OBSERVED BY CASUAL INSPECTION, SUBJECT TO REASONABLE USE, WEAR, TEAR AND NATURAL DETERIORATION BETWEEN THE DATE OF THIS AGREEMENT AND THE CLOSING, WITHOUT ANY REDUCTION IN THE PURCHASE PRICE OF ANY CHANGE IN SUCH CONDITION BY REASON THEREOF SUBSEQUENT TO THE DATE OF THE EXECUTION OF THIS AGREEMENT BY BOTH SELLER AND PURCHASER, AND (B) THE PROPERTY IS SOLD WITHOUT ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER INCLUDING, WITHOUT LIMITATION, AS TO ZONING, ENVIRONMENTAL CONDITIONS, BUILDING CONDITIONS INCLUDING, WITHOUT LIMITATION, ROOF, WALLS, FOUNDATION, PLUMBING AND ELECTRICAL COMPONENTS, SOIL CONDITIONS, DRAINAGE CONDITIONS, CONDITION OF WATER AND SEPTIC SYSTEMS, PLAT AND BOUNDARY CONDITIONS, DEVELOPMENT CONDITIONS, ZONING RESTRICTIONS, ANY MUNICIPAL CONTEMPLATED ASSESSMENTS, AVAILABILITY OF UTILITIES, FITNESS FOR PURPOSE, MERCHANTABILITY, OR SUITABILITY FOR ANY GIVEN USE OR PURPOSE.

8.7 If prior to the closing, all or a substantial part of the improvements on the Property shall be damaged or destroyed by fire or other casualty, then Purchaser or Seller may elect to terminate this Agreement by giving the other party notice to such effect within fifteen (15) days after such occurrence, and upon such termination the earnest money shall be returned to Purchaser upon demand and Seller and Purchaser shall have no further rights or obligations hereunder. If Purchaser and Seller do not elect to so terminate, this Agreement shall remain in full force and effect and Seller shall, on the Closing Date, sell, transfer and assign to Purchaser

the Property and all of Seller's right, title and interest in and to any insurance proceeds paid or payable with respect to such damage or destruction up to the amount of the purchase price.

9. Signage on Adjacent Property. Seller owns a parcel of property adjacent to the Property, which is on the corner of Seventh Street and Chelan Avenue in Wenatchee, Washington (the "Chelan Avenue Parcel"). In addition to the sale of the Property, as set forth herein, Seller agrees to grant to Purchaser an easement to use a portion of the Chelan Avenue Parcel to locate a sign advertising North Cascades National Bank. The precise size and location of this easement including an easement to run utilities from the Property to the easement area on the Chelan Avenue Parcel to provide service for the sign, shall be negotiated during the due diligence period and if no agreement is reached for the easement during the due diligence period, Purchaser shall be entitled to terminate this Agreement by giving written notice to Seller of such termination, within five (5) days after the end of the due diligence period. Failure to so terminate by Purchaser, if no agreement is reached for the easement, shall be a waiver by Purchaser of its right to the signage easement. The easement shall run with title to the Property and shall exist so long and North Cascades National Bank or its successor shall operate a branch bank on the Property.

10. Indemnification.

10.1 Seller agrees to defend, indemnify and hold Purchaser harmless from and against any and all claims, assessments, liens, damages, losses and costs, including attorneys' fees, expenses, or claims of any kind or nature whatsoever including claims arising from or related to the Seller's use or ownership of the above-described Property, or, as a result of Seller's use, disposal, transportation, generation and/or sale of Hazardous Substances on or about the above-described Property, including the Purchaser's attorneys' fees and costs incurred in enforcing this indemnity and hold harmless provision. Seller agrees to pay, be responsible for, and indemnify Purchaser against any commission due to a real estate broker named in Paragraph 24 or other entity or person (other than one retained or employed by Purchaser) as a result of this transaction.

10.2 Purchaser agrees to defend, indemnify and hold Seller harmless from and against any and all claims, assessments, liens, damages, losses and costs, including attorneys' fees, expenses, or claims of any kind or nature whatsoever including claims arising from or related to the Purchaser's use or ownership of the above-described Property, or, as a result of Purchaser's use, disposal, transportation, generation and/or sale of Hazardous Substances on or about the above-described Property, including the Seller's attorneys' fees and costs incurred in enforcing this indemnity and hold harmless provision.

10.3 Purchaser represents to Seller that it is not represented by any broker, agent or finder in connection with this transaction other than the agent listed as Purchaser's representative in Section 24. Purchaser agrees to indemnify and hold Seller harmless from and against any and all liabilities, obligations, demands, costs and expenses, including attorney's fees and costs, arising from any claims by any other broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of Purchaser in the purchase of the Property or in any manner whatsoever in connection with this transaction.

10.4 "Hazardous Substance," as used in this Agreement, means substances designated as or containing components designated as hazardous, dangerous, toxic, or harmful, and/or which are subject to regulation by any federal, state, or local law, regulation, statute, ordinance, including, but not limited to, petroleum and its by-products.

11. Default. Time is of the essence of this Agreement. If either Party defaults (that is, fails to perform the acts required of it) in its contractual performance herein, the other Party may seek specific performance pursuant to the terms of this Agreement, damages or rescission.

12. Time for Closing - Responsibilities of Parties. The closing of this transaction shall occur in the offices of First American Title Company, Wenatchee, Washington, on or before thirty (30) days after the later of: (i) the expiration of the due diligence period without there being a termination of this Agreement; or (ii) the approval by the applicable regulatory body or bodies for the branch bank as set out in Paragraph 8.3, above which approval must be received no later than June 30, 2005. If the contingencies set out in Paragraphs 8.3 and 8.4 are not satisfied by June 30, 2005, unless this Agreement is extended, this Agreement shall terminate on July 1, 2005, and neither Party shall have further rights against the other Party. The Purchaser and Seller shall deposit with the closing agent all instruments, documents and monies necessary to complete the sale in accordance with this Agreement. Seller and Purchaser each agrees to pay for one-half (1/2) of the closing fee and for one-half (1/2) of the document preparation fee. Seller and Purchaser shall each pay their own attorney's fees. Seller will pay for the cost of the Title Policy and real estate excise tax. Purchaser shall pay the costs of recording. Each Party shall pay the prorated portion of taxes and other assessments based on the date of closing. Other items shall be paid according to the practice in Chelan County, Washington.

13. Date of Closing. For purposes of this agreement, the "date of closing" shall be construed as the date upon which all appropriate documents are recorded and the proceeds of this sale are available for disbursement to Seller.

14. Possession. Seller shall deliver possession to Purchaser on closing. Seller agrees to maintain the Property in its present condition, normal wear and tear excepted, until Purchaser is entitled to possession.

15. Acceptance. Unless Seller accepts this offer by signing below and delivers it to Purchaser by 5:00 p.m. on April 1, 2005, the offer will be automatically withdrawn without further action of the Purchaser and this Agreement shall be null and void.

16. Notices. Notice hereunder shall be in writing and may be mailed or delivered. If mailed, such notices shall be sent postage prepaid, certified or registered mail, return receipt requested, and the date marked on the return receipt by the United States Postal Service shall be deemed to be the date on which the Party received the notice. Notices shall be mailed or delivered as follows:

TO PURCHASER:

North Cascades National Bank
P.O. Box 1648
Chelan, WA 98816
Attn: Scott Anderson

TO SELLER:

Cascade Natural Gas Corporation
222 Fairview Avenue North
Seattle, WA 98124
Attn: Will Odell

with a copy to:

Hillis Clark Martin & Peterson
500 Galland Building
1221 Second Ave.
Seattle, WA 98101
Attn: Richard S. Swanson

17. Governing Law and Venue. This Agreement shall be governed by and interpreted in accordance with Washington law. Any litigation arising out of or in connection with this Agreement shall be conducted in Chelan County, Washington.
18. Successors. This Agreement shall be binding upon and shall inure to the benefit of the respective successors, heirs and assigns of each of the Parties.
19. Encumbrance During Interim. Seller may not financially encumber the Property prior to closing, unless the financial encumbrance is discharged or satisfied at closing.
20. Survival. All representations and warranties made under this Agreement, and all duties, rights and obligations of the Parties, shall survive closing and shall not merge with the recordation of the Deed.
21. Attorney's Fees. If any suit or proceeding is instituted by the Seller or the Purchaser, including, but not limited to, filing of suit or requesting an arbitration, mediation or alternative dispute resolution process (collectively "proceedings"), and appeals and collateral actions relative to such suit or proceedings, the substantially prevailing Party as determined by the court or in the proceeding shall be entitled to recover its reasonable attorney's fees and costs and expenses incurred relative to such suit or proceeding from the substantially non-prevailing Party, in addition to such other available relief.
22. Counterparts/Facsimile. This Agreement may be executed separately or independently in any number of counterparts and may be delivered by manually signed counterpart or facsimile. Each and all of these counterparts shall be deemed to have been executed simultaneously and for all purposes to be one document, binding as such on the Parties.

~~The facsimile transmission of any signed original document and electronic transmission of any~~

either Party, or the closing agent, the Parties will confirm facsimile transmitted signatures by signing an original document.

23. General Provisions. Time is of the essence. There are no verbal agreements which modify this agreement. This Agreement constitutes the full understanding between Seller and Purchaser. Any and all subsequent modifications of this Agreement shall be in writing. Purchaser's rights under this Agreement are assignable, without restriction.

24. Broker Commissions. Seller is represented by Caldwell Banker Davenport Real Estate, with Dave Sands as the listing agent. Purchaser is represented by Pat Scofield of Caldwell Banker Davenport. Purchaser and Seller agree to the independent representation of each of them

the Seller and the agent representing the Purchaser shall be as the agents shall agree. Seller agrees to indemnify and hold Purchaser harmless from the payment of any commission involved with the sale of the Property to the real estate agents listed in this Paragraph 24.

25. **Removal of Fixtures.** Currently located on the north end of the Property within a fenced-in enclosure are certain mechanical fixtures including what appears to be an HVAC compressor and a gas meter/connection box. Within a reasonable time after the close of the purchase of the Property, as set forth herein, not to exceed sixty (60) days, Seller agrees to remove and/or relocate the mechanical apparatus currently within the enclosed area, including the compressor and the gas meter/connection box, as appropriate. If the mechanical equipment is no longer necessary for the servicing of the building or other improvements located on the Property, it shall be removed, and if the mechanical equipment continues to be useful for the improvements on the Property, it shall be relocated to a garden area in the north end of the property which will open the currently fenced-in area for parking, alleyway, and the like, or shall be moved to such other location as the Parties can agree upon. The cost of removal or relocation shall be at the expense of the Seller. Seller agrees to indemnify and hold the Purchaser harmless from any losses, costs, or damages occasioned as a result of the removal or relocation.

26. **Effective Date.** The effective date of this Agreement shall be the date of the last signature set forth below.

DATED: March 24, 2005

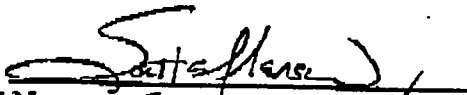
DATED: MARCH 24, 2005

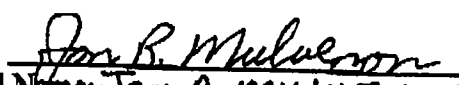
PURCHASER:

SELLER:

NORTH CASCADES NATIONAL BANK

CASCADE NATURAL GAS

By: 
Printed Name: SCOTT ANDERSEN
Its: PRESIDENT/CEO

By: 
Printed Name: JON R. MULVENON
Its: SENIOR REGION DIRECTOR