

After Recording, please return to:

**Land Title and Escrow Company
3010 Commercial Avenue
Anacortes, WA 98221
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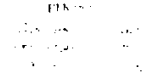
Document Title(s): Notice of Waiver and Release of Right of First Refusal
Reference Number(s) of Documents assigned or released: (on page of document(s)) 202103050122
Grantor(s): Gerald E. Nelson, as President of Norm Nelson, Inc.
Additional Names on page of document.
Grantee(s): Heather L. Cadavid, a married person as her separate property
Additional Names on page of document.
Abbreviated Legal Description: SW ¼ NW ¼, 22-35-3 E W.M.
Additional legal is on page of document.
Tax Parcel Number(s): 350322-2-006-0000/P34659



Norm Nelson, Inc.

Potato Grower & Shipper

605 Avon Ave. • P.O. Box 444
Burlington, Washington 98233



NOTICE OF WAIVER AND RELEASE OF RIGHT OF FIRST REFUSAL

July 1, 2024

Land Title & Escrow of Anacortes
3010 Commercial Avenue
Anacortes, WA 98221

Re: Waiver and Release of Norm Nelson Inc. Right of First Refusal to Purchase
(Cadavid Leasehold); Purchase and Sale Agreement (Parcel No. P34659)
Property: Skagit County Parcel No. 34659
Buyer: Gerald and Jenny Nelson
Seller: Hether L. Cadavid

Dear Escrow Closing Officer:

Our company, Norm Nelson Inc., is writing in regards to the above-referenced lease and right of first refusal (regarding purchase of Skagit County parcel No. 34659). As particularly described in the referenced lease agreement (copy attached) and Memorandum of Lease (Skagit County Auditor's File Number 202103050122, Norm Nelson Inc. was granted a right of first refusal to purchase the subject leasehold property. See Paragraph 9 of attached lease.

It should also be noted that the Lessor on the above reference lease, Rochelle Wisner, is now deceased. Through Probate Cause No. 23-4-01079-37, in Whatcom County Superior Court of Washington the parcel in reference was granted through Bargain and Sale Deed to Heather L. Cadavid (Skagit County Auditor's File No. 202403280011).

This letter can be accepted as a full waiver and release by Norm Nelson Inc. as acknowledged below. Such waiver and release shall be effective as of the date signed below by Norm Nelson Inc.

Norm Nelson, Inc. (Signature Line)

Should you have any questions or require any further documentation in that regard, please contact our office.

Sincerely,

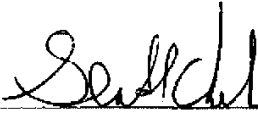


Ryan Schols
Chief Financial Officer
Norm Nelson Inc.

This Waiver and Release of Right of First Refusal in reference to the attached Leasehold Agreement dated February 16, 2021 is hereby accepted and acknowledged as of this 1st day of July, 2024.

LESSEE:

NORM NELSON, INC.



By: Gerald E. Nelson, its President

AGRICULTURAL LEASE

THIS AGREEMENT made and entered into this 16th day of February, 2021, by and between WENDELL J. STAKKESTAD, a married man as his separate estate, hereinafter referred to as "Lessor", and, NORM NELSON, INC., a Washington corporation, hereinafter referred to as "Lessee".

WITNESSETH that:

The Lessor, for and in consideration of the rents, covenants, and agreements hereinafter set forth, hereby leases unto the Lessee the following described real estate, containing 30.0 acres, more or less, situate in Skagit County, Washington, to-wit:

Tax Parcel Nos. P34377, P34370 and P34373

Legal Description:

PARCEL (a): The East 50-rods of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 15, Township 35 North, Range 3 East, W.M.; EXCEPT road.

PARCEL (b): The Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 15, Township 35 North Range 3 East, W.M., lying South of the Samish River. EXCEPT the West 515 feet thereof.

1. **TERM.** The term of this lease shall be for five (5) years, commencing on January 1, 2021, and ending on December 31, 2025. Lessee has the right to renew its AGRICULTURAL LEASE unless timely notice is given to terminate the tenancy and the right to renew on terms equal or better than, those offered by Lessee must be disclosed to the Lessee who will have 10 days to give notice accepting renewal on such terms or waiving the right of renewal by failing to give notice of intent to renew within 10 days after notice of the competing offer.
2. **RENTAL.** The cash rental shall be Two Hundred Fifteen Dollars (\$215.00) per acre per year, to be paid as follows: Payments will be made on a semi-annual basis with the first half (\$3,225.00) due on April 15th of each year and the second half due on October 15th of each year.
3. **LESSEE ACCEPTS PROPERTY IN PRESENT CONDITION.** The Lessee agrees that it has examined the condition of the Property and the improvements located thereon, knows the condition thereof and accepts the same as they now are and agrees to return the same to Lessor in the same condition, reasonable depreciation, wear and tear excepted.
4. **RESTRICTION OF SUBLEASING.** The Lessee shall not sublet the premises or any portion thereof during the term of this Lease or any extension thereof without the written consent of the Lessor and any such subletting of the premises without such written consent

shall be absolutely void and shall vest no right, title or interest whatsoever in and to said subtenant, PROVIDED, however, that Lessee may sublease the demised premises for crop rotation purposes without the written permission of the Lessor.

5. **ENTRY OF OWNER.** The Lessor shall have the right to enter upon said premises at any reasonable time for the purpose of inspecting the same or for the purpose of doing anything that may be required under this lease or for the purpose of doing anything Lessee may be required to do and shall fail to do.
6. **MAINTENANCE.** To maintain the farm in a high state of cultivation, the two parties agree as follows:
 - a. **General Maintenance.** Lessee will maintain the farm during the tenancy in as good condition as at the beginning, normal wear and depreciation and damage from causes beyond the Lessee's control excepted.
 - b. **Good Husbandry.** Lessee will operate the farm in an efficient and husband-like way and will plow, seed, cultivate and harvest in a manner that will conserve Lessor's property.
 - c. **Waste.** Lessee will not commit waste on or damage to the farm and will use due care to prevent others from so doing.
 - d. **Noxious Weeds.** Lessee will make diligent effort to prevent noxious weeds, quack grass, and thistles from going to seed on the farm, and will keep the weeds, berry vines, brush, thistles, and grass cut or destroyed on the fields, farmstead and fence rows.
 - e. **Maintenance of Drainage Ditches.** Lessee will keep clean and maintain in good, efficient and operating condition the drainage ditches, if any, located upon or adjoining the demised premises and shall keep the same free from brush, vines, foliage, and other growth.
 - f. **Fences.** Lessee covenants and agrees to keep in good condition and to maintain, at its own cost and expense, all line and interior fences now located or hereafter placed upon said premises.
 - g. **Hazardous Substances.** Lessee shall maintain the environmental integrity of Property and not knowingly make use of herbicides, pesticides, or practices that may harm any perennial crop now upon the property or which may render the soil unfit for any future agricultural use or store herbicides or pesticides on the Property.
7. **ADDITION OF IMPROVEMENTS.** The Lessee will not, without written consent of the Lessor, erect or permit to be erected on the leased premises any nonremovable structure or building or incur any expense to the Lessor for such purpose or add electrical wiring, plumbing or heating to any building. If consent is given, Lessee, in making such additions shall meet standards and requirements of utility and insurance companies and public authorities.
8. **COMPENSATION FOR DAMAGES.** When Lessee quits the premises, it will pay Lessor reasonable compensation for any damages thereto for which the Lessee is responsible, except ordinary wear and depreciation and damage beyond the Lessee's control excepted.

9. **RIGHTS OF FIRST REFUSAL TO LEASE/PURCHASE.** If, prior to the expiration of the term of the lease herein or any renewals thereof, Lessor is in receipt of an offer by a third party to lease the demised premises at the end of the term, then Lessor shall disclose the terms and conditions of the offer by written notice to Lessee. Lessee shall have the first right to a new lease on the terms and conditions of the third party offer. Lessee shall have ten (10) days in which to exercise its' first right of refusal by written notice of acceptance or rejection.

Lessee has first right of refusal to purchase the leasehold property. Any third party offers to purchase must be disclosed to lessee who will have 60-days after receipt of the written offer in which to match the offer. Failure to match the offer by written offer of Lessee to purchase on terms equal to or better than the third party offer shall cause waiver of Lessee's First Right of Refusal to Purchase. Transfers by sale, gift, or inheritance to the owner's immediate family will trigger the right of Lessee to disclosure but no Right of First Refusal opportunity to purchase the property as described above.

To protect Lessee's rights, the parties agree that a Memorandum of Lease for recording purposes shall be prepared and executed and recorded with the Skagit County Auditor. Such Memorandum shall include sufficient detail to put any prospective purchaser of the premises on notice of Lessee's rights.

10. **BREACH OF COVENANT.** Time is of the essence hereof. Lessee further covenants with Lessor that if rent or any part thereof is not paid when it becomes due or if Lessee shall violate or neglect any covenant, agreement or stipulation herein contained on its part to be kept, performed or observed, and any such default shall continue for thirty (30) days after written notice thereof is given by Lessor to Lessee, then, in addition to other remedies now or hereafter provided by law, Lessor may cancel and annul this Lease and thereafter may enter onto and take possession of the leased premises. Such entry shall not operate as a waiver or satisfaction in whole or in part of any claim or demand arising out of or connected with any breach or violation by Lessee of any covenants or agreements to be performed on Lessee's part.
11. **COSTS OF ENFORCEMENT.** In the event the services of an attorney are necessary to enforce any covenant, condition, or term of this Lease or to procure an adjudicated or voluntary termination of any party's rights hereunder, including any action to collect any payment required hereunder, the parties agree that the non-prevailing party shall pay a reasonable sum as attorney's fees, whether or not suit is commenced, and all costs including, but not limited to court costs, costs of searching recordings, costs of process service and costs of serving any notices required by law and the failure to pay said attorney's fee shall be deemed a breach of this lease.
12. **PAYMENT/NOTICE BY MAIL.** Payments shall be made to Lessor at the address set forth below and service of all demands and notices upon default or breach of any term of this Lease may be made upon the defaulting or breaching party or assigns by registered or certified mail at the election of the notice giving party, to the following addresses:

Lessor: Mr. Wendell J. Stakkestad
1715 59th Ave. NW
Gig Harbor, WA 98335

Lessee: Norm Nelson, Inc.
P.O. Box 444
Burlington, WA 98233

13. **HEIRS AND SUCCESSORS**. The terms of this Lease shall be binding upon the heirs, executors, administrators, and successors of Lessor and Lessee in like manner as upon the original parties.

IN WITNESS WHEREOF the parties have hereunto set their hands and seals this 16th day of February, 2021.

LESSOR

LESSEE
NORM NELSON, INC.

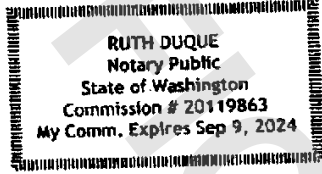

WENDELL J. STAKKESTAD


BY: GERALD E. NELSON, PRESIDENT

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)
Pierce

I hereby certify that I know, or have satisfactory evidence, that WENDELL J. STAKKESTAD is the person who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 16th day of February, 2021.

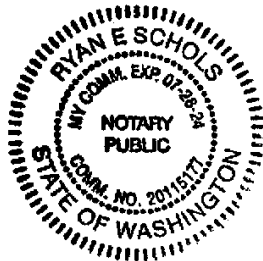


Ruth Duque
NOTARY PUBLIC in and for the
State of Washington
Residing at Port Orchard
My commission expires: 9/9/2024

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this 28th day of January, 2021, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared GERALD E. NELSON, to me known to be the PRESIDENT of NORM NELSON, INC., the Washington corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 28th day of January, 2021.



Ryan Schols
NOTARY PUBLIC in and for the
State of Washington
Residing at Mount Vernon WA
My commission expires: 7-28-24