

After recording, return to:

Padgett Family Corporation LLC
12844 Markwood Road
Burlington, WA 98233

Chicago Title
Commercial Services 500157378

LOAN ASSIGNMENT, ASSUMPTION, AND AMENDMENT AGREEMENT

Title: Loan Assignment, Assumption, and Amendment Agreement

Reference Nos.: 202502030063

Grantor: The Grove Burlington, LLC, a Washington limited liability company; Burlington Boulevard Boys LLC, a Washington limited liability company

Grantee: Padgett Family Company, L.L.C. a Washington limited liability company and Dale A. Padgett

Abbreviated Legal Description: DK 12; INC M/H S/N SKYLINE/OAKMANOR 1990 66X27 AND 1983 SUNCN 48/34 VIN 0RFL2AD29482196; EAST HALF NORTH OF RAILWAY OF TRACT 50, BURLINGTON ACREAGE. SURVEY AF#202312040023

Full Legal Description: See Exhibit A

Assessor's Tax Parcel Nos.: P62644 / 3867-000-050-0005

LOAN ASSIGNMENT, ASSUMPTION, AND AMENDMENT AGREEMENT

This Loan Assignment, Assumption and Amendment Agreement (the "Agreement") is made as of the last date signed by a Party hereto, with an effective date of June 5, 2025 or such later date as provided herein, by and among THE GROVE BURLINGTON, LLC, as successor in interest to Strigine Capital Inc. ("New Borrower"), and BURLINGTON BOULEVARD BOYS LLC ("Original Borrower"), and PADGETT FAMILY COMPANY, L.L.C. and DALE A. PADGETT (collectively "Lender"). Each entity may be individually referred to as a "Party" and collectively as the "Parties."

RECITALS:

A. Original Borrower is the current owner of that certain real property commonly known as 377 S. Burlington Boulevard, Burlington, Washington, which is more particularly described in Exhibit A attached hereto (the "Property").

B. The Lender made a loan (the "Loan") to Original Borrower in the original principal amount of \$1,350,000, as evidenced, in part, by a certain Promissory Note dated February 3, 2025 (the "Note"), which Note was secured by a Deed of Trust recorded on February 3, 2025 under Skagit County Recording No. 202502030063 encumbering the Property (the "Security Instrument"). The Note and Security Instrument are collectively referred to as the "Loan Documents."

C. Original Borrower desires to sell the Property to New Borrower, and New Borrower desires to purchase the Property from Original Borrower. The current date for this sale transaction to close is June 5, 2025, subject to extensions to that closing date mutually agreed between Original Borrower and New Borrower (the "Closing Date").

D. As part of the purchase of the Property, Original Borrower desires to assign the Loan Documents to New Borrower, and New Borrower desires to accept such assignment and assume the obligations owed by Original Borrower under the Loan Documents.

E. Lender and Original Borrower executed a Lender Consent to Sale and Assumption of Loan agreement dated May 12, 2025 (the "Consent") by which Lender consented to Original Borrower's sale of the Property to New Borrower, New Borrower's purchase of the Property from Original Borrower, Original Borrower's assignment of the Loan Documents to New Borrower, and New Borrower's assumption of Original Borrower's obligations in the Loan Documents, subject to satisfaction of the conditions to such sale, assignment, and assumption as stated therein.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Acknowledgement of Indebtedness and Representation of No-Default.** The Parties hereto acknowledge and agree that as of the anticipated Closing Date of June 5, 2025, the outstanding principal balance of the Note is One Million Three Hundred and Fifty Thousand Dollars (\$1,350,000) prior to

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taking into account the lump sum payment set forth in Section 4 of this Agreement. Lender and Original Borrower represent to one another and to New Borrower that there are no uncured breaches or defaults of the Loan Documents at the time this Agreement is executed, and that neither Party is aware of any pending or threatened claims or lawsuits arising under the Loan Documents by the parties thereto or by third-parties. Lender represents to Original Borrower and New Borrower that Lender is the sole legal and beneficial owner of the Note.

2. Assignment and Assumption.

2.1 Effective as of the Closing Date, Original Borrower hereby assigns to New Borrower each and every obligation of Original Borrower under the Loan Documents as though New Borrower were the Original Borrower thereunder.

2.2 Effective as of the Closing Date, New Borrower assumes and agrees to be bound by all terms, provisions, and covenants of the Note, the Security Instrument, and other applicable Loan Documents as if New Borrower had been the original maker of the Note and the original borrower under the Loan Documents. New Borrower will pay all sums to be paid under and in accordance with the Loan Documents, and will perform each obligation to be paid or performed by Original Borrower under and in accordance with the terms and conditions of the Loan Documents, and New Borrower assumed all Loan Documents, as each such Loan Document may be modified by this Agreement. Effective as of the Closing Date, New Borrower shall indemnify, defend, and hold Original Borrower harmless from and against any claims, losses, costs, or expenses (including reasonable attorneys' fees) arising from obligations under the Loan Documents accruing on or after the Closing Date.

2.3 Effective as of the Closing Date and simultaneous with New Borrower's assignment and assumption of the obligations of the Loan Documents, Lender releases Original Borrower from all obligations under the Loan Documents which arise after the Closing Date.

3. Amendment of Loan Documents. Pursuant to Section 3 of the Lender's Consent, effective as of the Closing Date, the Loan Documents are hereby modified as follows:

3.1 The legal rate of interest accruing on the unpaid principal balance of the Note stated in the Note to be Four and One-Half Percent (4.5%) per annum is hereby revised and amended to read Five Percent (5%) per annum.

3.2 Except as specifically provided in this Section 3 or elsewhere in this Agreement as to the identity of the Party obligated under the Loan Documents, the Loan Documents shall not be modified, amended, or otherwise affected, and shall remain in full force and effect.

4. New Borrower's Lump Sum Principal Payment. Pursuant to Section 3 of the Consent, New Borrower agrees to fund a one-time payment of One-Hundred Thousand Dollars (\$100,000) to Lender which shall be credited towards and against the principal balance of the Loan, and which payment shall be made from the escrow agent responsible for facilitating the Close of the sale of the Property at or within three (3) days of the Closing Date.

5. Lender Consent to Assignment, Assumption, and Sale. By executing this Agreement, Lender warrants and acknowledges that the conditions set forth in the Consent for Lender's consent to become

effective have been satisfied in full, and Lender reaffirms its consent to Original Borrower's assignment of the Loan Documents to New Borrower, New Borrower's assumption of the Loan Documents from Original Borrower, and Original Borrower's sale of the Property to New Borrower. Lender agrees that its agreement to, acknowledgement of, and consent to the assignment and assumption of the Loan Documents and to the sale of the Property shall not be withdrawn or modified if there is a mutually agreed extension of the Closing Date for the purchase and sale transaction between New Borrower and Original Borrower, so long as the Closing Date occurs on or before July 31, 2025.

6. Conditions Precedent.

6.1 Close of the Sale Transaction. The assignment, assumption, amendment, and principal payment provided in this Agreement shall only be effective if the purchase and sale transaction between Original Borrower and New Borrower occurs and the Property legally transferred to New Borrower.

6.2 No Other Conditions. Original Borrower and Lender represent and acknowledge that aside from the Condition Precedent set forth in Section 6.1, there are no other conditions precedent which need to be fulfilled for this Agreement to become effective, or that such other conditions precedent contained in the Loan Documents have been fully fulfilled and satisfied as of the time this Agreement is executed.

7. Miscellaneous.

7.1 Notice. Any notice, approval, waiver, consent, demand, request, or declaration required or allowed under the Loan Documents will be effective as set forth in the Loan Documents. The Grove Burlington, LLC's address for notices shall be: 422 Ridgedale Rd., Friday Harbor, WA 98250.

7.2 Recording. Pursuant to Section 2 of the Consent, this Agreement shall be recorded with the Skagit County Recorder's Office at the closing of the purchase and sale transaction for the Property between Original Borrower and New Borrower.

7.3 Further Assurances. The Parties each agree to execute and deliver such additional documents and instruments as each Party may reasonably require from time to time to give effect to the terms of this Agreement.

7.4 Counterpart Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which, taken together shall constitute one and the same contract.

7.5 Governing Law. Construction, performance, and enforcement of this Agreement will be governed by the substantive provisions of Washington law, without regard to the rules for conflict of laws.

7.6 Entire Agreement and Modifications. Except as otherwise provided in this Agreement, this Agreement constitutes the entire agreement among the Parties with respect to the assignment, assumption, and amendment of the Loan Documents and Lender's consent to the Sale. Any waiver or modification of this Agreement shall only be effective if evidenced in writing.

7.7 STATUTORY WARNING. ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE.

IN WITNESS WHEREOF, the Parties have executed this Loan Assignment, Assumption, and Amendment as of the date written above.

LENDER:

PADGETT FAMILY COMPANY, L.L.C.,
a Washington limited liability company


By: _____
Dale A. Padgett,
Manager

DALE A. PADGETT, an individual

By: _____
Dale A. Padgett,
Individual

ORIGINAL BORROWER:

BURLINGTON BOULEVARD BOYS LLC,
a Washington limited liability company

By:  _____
Parker Nicholson,
Member

By: _____
Isaac Chamberlin,
Member

By: _____
Aaron Locke,
Member

NEW BORROWER:

THE GROVE BURLINGTON, LLC,
a Washington limited liability company

By: Strigine Capital Inc, a Washington
corporation
Its Manager

By: _____
Chad McGee,
President

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LENDER:

PADGETT FAMILY COMPANY, L.L.C.,
a Washington limited liability company

By: _____

Dale A. Padgett,
Manager

DALE A. PADGETT, an individual

By: _____

Dale A. Padgett,
Individual

ORIGINAL BORROWER:

BURLINGTON BOULEVARD BOYS LLC,
a Washington limited liability company

By: _____

Parker Nicholson,
Member

By: _____

Isaac Chamberlin,
Member

By: _____

Aaron Locke,
Member

NEW BORROWER:

THE GROVE BURLINGTON, LLC,
a Washington limited liability company

By: Strigine Capital Inc, a Washington
corporation
Its Manager

By: _____

Chad McGee,
President

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PADGETT FAMILY COMPANY, L.L.C.,
a Washington limited liability company

By: _____
Dale A. Padgett,
Manager

DALE A. PADGETT, an individual

By: _____
Dale A. Padgett,
Individual

ORIGINAL BORROWER:

BURLINGTON BOULEVARD BOYS LLC,
a Washington limited liability company

By: _____
Parker Nicholson,
Member

By: _____
Isaac Chamberlin,
Member

By: _____
Aaron Locke,
Member

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LENDER:

PADGETT FAMILY COMPANY, L.L.C.,
a Washington limited liability company

By: _____
Dale A. Padgett,
Manager

DALE A. PADGETT, an individual

By: _____
Dale A. Padgett,
Individual

ORIGINAL BORROWER:

BURLINGTON BOULEVARD BOYS LLC,
a Washington limited liability company

By: _____
Parker Nicholson,
Member

By: _____
Isaac Chamberlin,
Member

By: _____
Aaron Locke,
Member

NEW BORROWER:

THE GROVE BURLINGTON, LLC,
a Washington limited liability company

By: Strigine Capital Inc, a Washington
corporation
Its Manager

By: _____
Chad McGee,
President

STATE OF WASHINGTON)

County of Snohomish) ss.
)

I certify that I know or have satisfactory evidence that CHAD McGEE is the person who appeared before me, and said person on oath stated that he was authorized to execute this instrument and acknowledged it as the Manager of THE GROVE BURLINGTON, LLC, and that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: 6/17/, 2025.

[Signature]
NOTARY PUBLIC for the State of Washington

Residing at: SnohomishMy Commission Expires: 9/25/27

STATE OF WASHINGTON)

County of _____) ss.
)

I certify that I know or have satisfactory evidence that DALE A. PADGETT is the person who appeared before me, and said person on oath stated that they were authorized to execute this instrument and acknowledged it in his individual capacity and as the Member of the PADGETT FAMILY COMPANY, L.L.C., and said person acknowledged that she signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: _____, 2025.

NOTARY PUBLIC for the State of Washington

Residing at: _____

My Commission Expires: _____

STATE OF WASHINGTON)

) ss.

County of _____)

I certify that I know or have satisfactory evidence that CHAD McGEE is the person who appeared before me, and said person on oath stated that he was authorized to execute this instrument and acknowledged it as the Manager of THE GROVE BURLINGTON, LLC, and that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: _____, 2025.

NOTARY PUBLIC for the State of Washington

Residing at: _____

My Commission Expires: _____

STATE OF WASHINGTON)

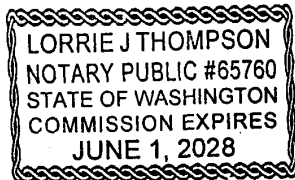
) ss.

County of SKagit)

I certify that I know or have satisfactory evidence that DALE A. PADGETT is the person who appeared before me, and said person on oath stated that they were authorized to execute this instrument and acknowledged it in his individual capacity and as the Member of the PADGETT FAMILY COMPANY, L.L.C., and said person acknowledged that she signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: June 17, 2025.Lorrie J Thompson

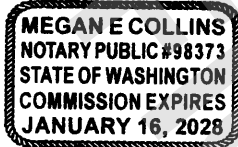
NOTARY PUBLIC for the State of Washington

Residing at: Stanwood, WA.My Commission Expires: 6-1-2028

STATE OF WASHINGTON)

County of King) ss.
)

I certify that I know or have satisfactory evidence that PARKER NICHOLSON is the person who appeared before me, and said person on oath stated that he was authorized to execute this instrument and acknowledged it as the Member of BURLINGTON BOULEVARD BOYS LLC, and that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: 6/17, 2025.

NOTARY PUBLIC for the State of Washington
Residing at: Kent, WA
My Commission Expires: 1/16/2028

STATE OF WASHINGTON)

County of _____) ss.
)

I certify that I know or have satisfactory evidence that ISAAC CHAMBERLIN is the person who appeared before me, and said person on oath stated that he was authorized to execute this instrument and acknowledged it as the Member of BURLINGTON BOULEVARD BOYS LLC, and that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: _____, 2025.

NOTARY PUBLIC for the State of Washington
Residing at: _____
My Commission Expires: _____

STATE OF WASHINGTON)

County of KING) ss.

I certify that I know or have satisfactory evidence that PARKER NICHOLSON is the person who appeared before me, and said person on oath stated that he was authorized to execute this instrument and acknowledged it as the Member of BURLINGTON BOULEVARD BOYS LLC, and that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: _____, 2025.

NOTARY PUBLIC for the State of Washington

Residing at: _____

My Commission Expires: _____

STATE OF WASHINGTON)

County of KING) ss.

I certify that I know or have satisfactory evidence that ISAAC CHAMBERLIN is the person who appeared before me, and said person on oath stated that he was authorized to execute this instrument and acknowledged it as the Member of BURLINGTON BOULEVARD BOYS LLC, and that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: June 18, 2025.

NOTARY PUBLIC for the State of Washington

Residing at: Seattle WAMy Commission Expires: 02.07.2026

STATE OF WASHINGTON)

County of KING) ss.
)

I certify that I know or have satisfactory evidence that AARON LOCKE is the person who appeared before me, and said person on oath stated that he was authorized to execute this instrument and acknowledged it as the Member of BURLINGTON BOULEVARD BOYS LLC, and that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: JUNE 18, 2025.

NOTARY PUBLIC for the State of Washington

Residing at: Seattle WAMy Commission Expires: 02.07.2026

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

That portion of the East half of Tract 50, Plat of the Burlington Acreage property, according to the plat thereof recorded in volume 1 of plats, page 49, records of Skagit county, Washington, lying north of the Great Northern Railway right of way.

Except therefrom that portion of said property conveyed to The City of Burlington by deed recorded under recording number 9004130147.

Tax Parcel Number(s): P62644 / 3867-000-050-0005