

Return Address: Peoples Bank
Loan Services Department
PO Box 32210
Bellingham, WA 98228

GNW 26-26659

AUDITOR/RECORDER'S INDEXING FORM

Document Title: <u>Deed of Trust</u>	
Reference Number(s) of Documents assigned or released: _____	
Grantor(s): 1. <u>JAMES S REYNOLDS</u>	2. <u>CORRINE A REYNOLDS</u>
3. _____	4. _____
5. _____	6. _____
☐ Additional names on page _____ of document.	
Grantee(s): 1. <u>Peoples Bank</u>	2. <u>Trustee Services Inc, Trustee</u>
3. _____	4. _____
☐ Additional names on page _____ of document.	
Legal Description: <u>LOTS 2 & 3, BLOCK 11, SYNDICATE ADD., SKAGIT COUNTY</u> (abbreviated)	
☒ Additional legal is on page <u>2</u> of this document.	
Assessor's Property Tax Parcel/Account Number: <u>P74314</u>	<u>4128-011-003-0003</u>

AFTER RECORDING RETURN TO:
Peoples Bank
Loan Services Department
PO Box 32210
Bellingham, WA 98228

(Space Above This Line For Recording Data)

DEED OF TRUST
(OPEN END CREDIT - FUTURE ADVANCES ARE SECURED BY THIS DEED OF TRUST)

THIS DEED OF TRUST ("Security Instrument") is made on September 8, 2026. The grantors are James S. Reynolds and Corrine A. Reynolds, husband and wife ("Grantor"). Grantor is not necessarily the same as the Person or Persons who sign the Home Equity Line of Credit Agreement ("Agreement"). The trustee is Trustee Services Inc., whose address is PO Box 2980, Silverdale, WA 98383 ("Trustee"). The beneficiary is Peoples Bank, which is organized and existing under the laws of the State of Washington and whose address is 3100 Woburn Street, Bellingham, Washington 98226 ("Lender"). CORRINE A REYNOLDS and JAMES S REYNOLDS ("Borrower") have entered into an Agreement with Lender as of September 8, 2026, under the terms of which Borrower may, from time to time, obtain advances not to exceed, at any time, a *****MAXIMUM PRINCIPAL AMOUNT (EXCLUDING PROTECTIVE ADVANCES)***** of Three Hundred Thousand and 00/100 Dollars (U.S. \$300,000.00) ("Credit Limit"). Any party interested in the details related to Lender's continuing obligation to make advances to Borrower is advised to consult directly with Lender. This Security Instrument secures to Lender: (a) the repayment of the debt under the Agreement, with interest, including future advances, and all renewals, extensions and modifications of the Agreement; (b) the payment of all other sums, with interest, advanced to protect the security of this Security Instrument under the provisions of the section titled **PROTECTION OF LENDER'S RIGHTS IN THE PROPERTY**; and (c) the performance of the covenants and agreements under this Security Instrument and the Agreement. For this purpose, Grantor, in consideration of the debt and the trust herein created, irrevocably grants and conveys to Trustee, in trust for the benefit of Lender as beneficiary, with power of sale, all of Grantor's right, title, and interest in and to the following described property located in the County of Skagit, State of Washington:

Address: 750 PARK ST, LA CONNER, Washington 98257

Legal Description: Lots 2 and 3, Block 11, "Map of Syndicate Addition to the Town of La Conner, Skagit Co., Wash.", as per plat recorded in Volume 2 of plats, page 109, records of Skagit County, Washington.

Together with the East 1/2 of vacated Whatcom Street adjoining.

Situate in the Town of La Conner, County of Skagit, State of Washington.

Parcel ID/Sidwell Number: P74314 and 4128-011-003-0003

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be



proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The period of time for Grantor to answer as set forth in the notice will begin when the notice is given.

Unless Lender otherwise agrees in writing, any application of proceeds to principal shall not extend or postpone the due date of the payments due under the Agreement or change the amount of the payments. If under the section titled **REMEDIES**, the Property is acquired by Lender, Grantor's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

PRESERVATION, MAINTENANCE AND PROTECTION OF THE PROPERTY; FALSE STATEMENTS; LEASEHOLDS. Grantor shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Grantor shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Grantor may cure such a default and reinstate, as provided in section titled **GRANTOR'S RIGHT TO REINSTATE**, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Grantor's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. It shall also be a default hereunder if Grantor or Borrower has provided materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Agreement. If this Security Instrument is on a leasehold, Grantor shall comply with all the provisions of the lease. If Grantor acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

DEFAULT. Grantor will be in default under this Security Instrument if any of the following occur:

Any of the events listed under the **Events of Default** paragraph of this Security Instrument.

PROTECTION OF LENDER'S RIGHTS IN THE PROPERTY. If Grantor fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this section, Lender does not have to do so.

Any amounts disbursed by Lender under this section shall become additional debt of Grantor secured by this Security Instrument. Unless Grantor and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the same rate assessed on advances under the Agreement and shall be payable, with interest, upon notice from Lender to Grantor requesting payment.

INSPECTION. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Grantor notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

CONDEMNATION. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Grantor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than



of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Grantor: (a) pays Lender all sums which then would be due under this Security Instrument and the Agreement as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees to the extent permitted by law; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Grantor's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Grantor, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under the section titled **TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN GRANTOR**.

HAZARDOUS SUBSTANCES. Grantor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Grantor shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

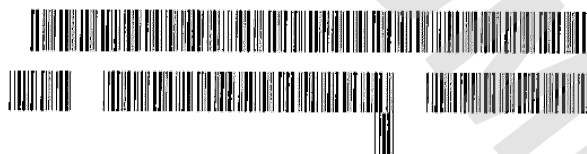
Grantor shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Grantor has actual knowledge. If Grantor learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Grantor shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph, "Environmental Law" means federal laws and laws of the State of Washington that relate to health, safety or environmental protection.

Exclusion from Secured Obligations. Notwithstanding anything to the contrary set forth herein or in any other loan document that has been executed in connection with the Indebtedness, this Security Instrument shall not secure (collectively, the "Unsecured Obligations"): (a) the obligations of Borrower/Grantor under any environmental indemnity agreement made by Borrower/Grantor in favor of Lender, or any provision of any document (including, without limitation, any provision of this Security Instrument) that would be considered the "substantial equivalent" thereof under RCW 61.24; and (b) the obligations of any guarantor under any guaranty of the Indebtedness of Borrower/Grantor or the substantial equivalent of the obligations arising under any such guaranty. All of such Unsecured Obligations (and the substantial equivalents thereof) shall constitute the separate, unsecured recourse obligations of Borrower/Grantor and/or such guarantors and shall not be deemed to be secured by this Security Instrument. Subject to the requirements set forth in RCW 61.24, following a sale pursuant to the exercise of Trustee's power of sale, as provided herein, Borrower/Grantor and any indemnitor or guarantor of the Indebtedness secured hereby shall remain personally liable for the Unsecured Obligations to the full extent provided by applicable law.

REMEDIES. After a default under this Security Instrument, Lender may do any one or more of the following, without notice, except to the extent prohibited by law.

Notice of Default. Lender shall give notice to such parties as required by Applicable Law prior to acceleration following the breach of any covenant or agreement in this Security Instrument or the Agreement under which acceleration is permitted. Such notice will not be sent prior to acceleration under the section titled **TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN GRANTOR**, unless Applicable Law provides otherwise.



RECONVEYANCE. Upon payment of all sums secured by this Security Instrument and termination of Borrower's right to obtain further advances under the Agreement, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all agreements evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs and the Trustee's fee for preparing the reconveyance.

SUBSTITUTE TRUSTEE. In accordance with Applicable Law, Lender may from time to time appoint a successor trustee to any Trustee appointed hereunder who has ceased to act. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

USE OF PROPERTY. The Property is not used principally for agricultural purposes.

ACCOMMODATION SIGNERS. Any person who co-signs this Security Instrument but has no personal liability under the Agreement ("Accommodation Signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey that Accommodation Signer's interest in the Property under the terms of the Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Grantor may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Agreement without that Accommodation Signer's consent.

SURVIVAL. Lender's rights in this Security Instrument will continue in its successors and assigns. This Security Instrument is binding on all heirs, executors, personal representatives, administrators, successors, and assigns of the Grantor.

NOTICES. Any notice to Grantor provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless Applicable Law requires use of another method. The notice shall be directed to the Property Address or any other address Grantor designates by notice to Lender. Grantor agrees to provide Lender with Grantor's most current mailing address, as it may change from time-to-time. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Grantor. Any notice provided for in this Security Instrument shall be deemed to have been given to Grantor or Lender when given as provided in this paragraph.

NO WAIVER. No failure or delay on Lender's part to exercise a power or right, and no course of dealing between Lender and Grantor, operates as a waiver of a power or right, nor will any single or partial exercise of a power or right preclude further exercise of that or any other power or right.

JOINT AND SEVERAL LIABILITY. Each Grantor's obligations and liabilities are joint and several. This means Lender can enforce Lender's rights against any Grantor individually or collectively.

SEVERABILITY. If a court for any reason holds a provision of this Security Instrument to be unenforceable, the rest remains fully enforceable.

HEADINGS. Headings are for convenience only and do not affect the interpretation of this Security Instrument.

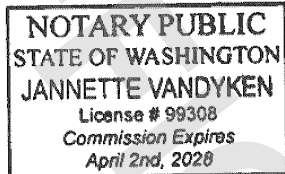
TIME IS OF THE ESSENCE. Time is of the essence in the performance of all obligations of Grantor.

ATTORNEY'S FEES AND OTHER COSTS. Grantor must pay Lender's costs and expenses incurred in connection with the enforcement of this Security Instrument, including reasonable attorney's fees, except to the extent prohibited by law.

GOVERNING LAW. Washington law applies to all matters arising under or relating to this Security Instrument without regard to any choice-of-law rules that might direct the application of another jurisdiction's laws.



INDIVIDUAL ACKNOWLEDGEMENT

STATE OF WashingtonCOUNTY OF WhatcomThis record was acknowledged before me on September 8, 2026 by Corrine A. Reynolds and James S. Reynolds.Jannette VanDyken

(Signature of the Notary Public)

Notary Public

(Title of Office)

My Commission expires:

04/02/2028

(date)

LOAN ORIGINATOR COMPANY NAME: Peoples Bank

NMLS COMPANY IDENTIFIER: 405872

LOAN ORIGINATOR NAME: Jannette VanDyken

NMLS ORIGINATOR IDENTIFIER: 697059

THIS INSTRUMENT PREPARED BY:

Peoples Bank

Loan Origination

PO Box 32210

Bellingham, WA 98228

