

Return Address:  
Farm Credit Services  
Attn: Credit  
PO Box 420  
Chehalis WA 98532



201205290086  
Skagit County Auditor

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**LAND TITLE OF SKAGIT COUNTY**

**141330-F**

**Document Titles(s) (Or transactions contained therein):**

1. Memorandum of Settlement Agreement
- 2.
- 3.
- 4.

**Grantor(s) (Last name first, then first name and initials):**

1. Heaton, Lyle D.
- 2.
- 3.
- 4.
5.  Additional Name(s) on Page of Document.

**Grantee(s) (Last name first, then first name and initials):**

1. Northwest Farm Credit Services, FLCA
- 2.
- 3.
- 4.
5.  Additional Name(s) on Page of Document.

**Legal Description (Abbreviated: *i.e.*, *lot, block, plat; or section, township, range*):**

Ptn N 1/2 of SE 1/4 of SE 1/4, 21-35-4 E W.M.

Legal Description is on Page 3 and 4 of Document.

**Reference Number(s) (Of documents assigned or released):**

Additional Reference Numbers on Page of Document.

**Assessor's Property Tax Parcel/Account Number**

350421-4-005-0007, P37038;  
350421-4-006-0006, P37039

The Auditor/Recorder will rely on the information provided on this cover sheet. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

After recording return to:  
Northwest Farm Credit Services  
PO Box 420  
Chehalis, WA 98532

Customer/Note No. 43496/441

## MEMORANDUM OF SETTLEMENT AGREEMENT

Lyle D. Heaton, a single man ("Borrower"), whose address is 9760 District Line Road, Burlington, Washington, and Northwest Farm Credit Services, FLCA, whose address is 1700 S. Assembly Street, Spokane, Washington 99224 ("Lender") entered into that certain SETTLEMENT AGREEMENT signed on May 10, 2012 and May 23, 2012 ("Agreement") to amend the Note and Loan Agreement dated May 17, 2001, and any amendments thereto (the "Original Note") and Real Estate Mortgage dated May 17, 2001, recorded on May 21, 2001, as Instrument No(s). 200105210214, records of Skagit County, State of Washington, and any amendments thereto (the "Loan Documents"), encumbering the real and/or personal property described therein, reference to which is made for the terms and the description of property. This Memorandum is an abstract of the Agreement. The Agreement provides for the indexing and adjustment of the interest rate, payment terms or balance due on the obligation evidenced by the Original Note and Loan Documents. The Original Note and Loan Agreement as amended by the Agreement is hereinafter referenced as the "Note." The interest rate, payment terms or balance due under the Note and Loan Documents may be indexed, adjusted, renewed or renegotiated.

The legal description of the property to which the Agreement applies is attached hereto and incorporated herein as Exhibit "A." Any interested person may receive a full and complete copy of the Agreement, at no cost, by directing such request to the Borrower at the address herein.

Dated: May 23<sup>rd</sup>, 2012.

Northwest Farm Credit Services, FLCA  
Lender

By: David W. Poor  
It's Authorized Agent

Dated: 5-10-12, 2012.

Borrower

Lyle Heaton  
Lyle Heaton (also known as Lyle D. Heaton)

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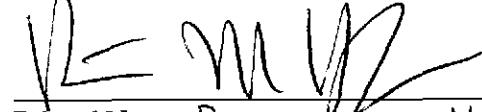
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Notarial Acknowledgements

State of Washington )  
 ) ss.  
County of Lewis )

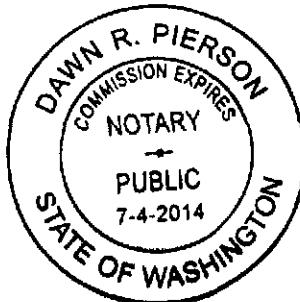
On 5-23-12, before me personally appeared David W. Pock, known to me to be an authorized agent of the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and on oath stated that he/she was authorized to execute said instrument.

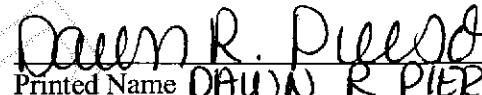


  
Printed Name Patricia M. Heffner  
Notary Public for the State of Washington  
Residing at Centralia  
My commission expires 2-28-14

State of Washington )  
 ) ss.  
County of SKAGIT)

On 5-10-12, before me personally appeared Lyle Heaton, known to me to be the person that executed the within instrument, and acknowledged to me that he executed the same as his free act and deed; and on oath stated that he was authorized to execute said instrument.



  
Printed Name DAWN R. PIERSON  
Notary Public for the State of Washington  
Residing at Sedro-Woolley  
My commission expires 7-4-14

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EXHIBIT A – LEGAL DESCRIPTION

The North 1/2 of the Southeast 1/4 of the Southeast 1/4, Section 21, Township 35 North, Range 4 East, W.M., EXCEPT that portion lying within the boundaries of the as built and existing County road commonly known as District Line Road, AND EXCEPT that portion described as follows:

Beginning at the Southeast corner of said Section 21; thence North 0 degrees 39 minutes 30 seconds East along the East line of said Section, a distance of 830.00 feet to the true point of beginning; thence North 89 degrees 20 minutes 30 seconds West a distance of 147.58 feet; thence North 0 degrees 39 minutes 30 seconds East a distance of 147.58 feet; thence South 89 degrees 20 minutes 30 seconds East a distance of 147.58 feet to the East line of said Section 21; thence South 0 degrees 39 minutes 30 seconds West a distance of 147.58 feet to the true point of beginning, EXCEPT the East 20 feet for County road right of way.

Situate in the County of Skagit, State of Washington.

Tax Account Nos. 350421-4-005-0007; Property I.D. No. P37038; and 350421-4-006-0006; Property I.D. No. P37039

All water and water rights used upon or appurtenant to said property, however evidenced.

And including all rents, issues, profits, buildings and improvements thereon and in all tenements, hereditaments, rights, privileges, easements, rights of way and appurtenances, (including without limitation private roads, grazing privileges, water rights, ditches and conduits and rights of way therefor, all plumbing, lighting, heating, cooling, ventilating, elevating, and irrigating apparatus and other equipment and fixtures, now or hereafter belonging to or used in connection therewith), all of which is hereinafter called the "Property."

Said property also subject to:

A. Easement and water line agreement affecting a portion of said premises and for the purposes stated therein, and incidental purposes, for the right to take water from a well and an easement for pipe line to same in favor of Jack Power, recorded June 2, 1975, under Auditor's File No. 818230, affecting a strip of land approximately 5 feet in width lying within the North 1/2 of the North 1/2 of the Southeast 1/4 of the Southeast 1/4 of Section 21, Township 35, Range 4 East, W.M. Said well and pipeline are approximately 147 feet from the East line of said property, running approximately parallel to District Line Road.



B. Easement and the terms and conditions thereof in favor of Puget Sound Power & Light Company, a Washington corporation, for the purpose of the right to construct, operate, maintain, repair, replace and enlarge one or more electric transmission and/or distribution lines, of undisclosed date, and recorded December 1, 1981 under Auditor's File No. 8112010006, affecting an area as follows: A right of way 10 feet in width having 5 feet of such width on each side of a centerline described as follows: Being located on the above described property beginning at a point on the East line that is approximately 34 feet North of the Southeast corner thereof; thence North 83 degrees West, approximately 350 feet to its terminus.

C. Lot certification and the terms and conditions thereof recorded April 16, 2001 under Auditor's File No. 200104160113.

D. The lands described herein have been classified as farm and agricultural as disclosed by notice recorded January 18, 1972, under Auditor's File No. 763092, and are subject to the provisions of RCW 84.34 which include the requirement of a continuation of restricted use in order to continue the present assessment rate. A change in use can cause an increased assessment rate for present and past years. Any sale or transfer of all or a portion of said property requires execution of a Notice of Compliance form attached to the excise tax affidavit.