

AFTER RECORDING RETURN TO:
Washington Federal Savings
Anacortes Office
PO Box 97
Anacortes WA 98221
Attention: _____



2/16/2007 Page 1 of 4 3:16PM

CHICAGO TITLE CO.

Loan Number 014 209 324628-7

1041526 ✓

SHORT FORM DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made February 15th, 2007 between DG CONSTRUCTION LLC, A WASHINGTON LIMITED LIABILITY COMPANY

_____ as Grantor ("Borrower"), whose address is PO BOX 1356, ANACORTES WA 98221; and WASHINGTON SERVICES, INC., A WASHINGTON CORPORATION as trustee, whose address is 6125 SOUTH MORGAN ROAD, FREELAND, WA. 98249, and WASHINGTON FEDERAL SAVINGS, a United States Corporation, as Beneficiary ("Lender"/ Grantee), whose address is 425 Pike Street, Seattle, Washington 98101

Borrower hereby irrevocably grants, bargains, sells and conveys to Trustee in trust, with power of sale according to Washington law, all Borrower's estate, right, title, interest, claim and demand, now owned or hereafter acquired, in and to the following described property in SKAGIT County, Washington (the "Property", which term shall include all or any part of the Property, any improvements thereon and all the property described in Paragraph 2 of the Master Form Deed of Trust hereinafter referred to):

LOT 22, PLAT OF ROCK RIDGE SOUTH PHASE 1, ACCORDING TO THE DULY RECORDED PLAT THEREOF, RECORDED JANUARY 24, 2007, UNDER AUDITOR'S FILE NO. 200701240094, AND AMENDED BY AUDITOR'S FILE NO. 200701250133, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATED IN SKAGIT COUNTY, WASHINGTON.

Assessor's Property Tax Parcel Account Number(s): 49180010220000

TOGETHER WITH all the tenements, hereditaments and appurtenances, now or hereafter thereunto belonging or in any way appertaining, leases and other agreements for the use and occupancy pertaining thereto, and the rents, issues and profits thereof and all other property or rights of any kind or nature whatsoever further set forth in the Master Form Deed of Trust hereinafter referred to, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Lender to collect and apply such rents, issues and profits.

This Security Instrument shall constitute a security agreement under the Uniform Commercial Code of Washington between Borrower as debtor and Lender as secured party. Borrower grants a security interest to Lender in any of the Property which is personal property and also grants a security interest in the property described in Paragraph 3 of the Master Form Deed of Trust hereinafter referred to, now owned or hereafter acquired by Borrower (the Property, as defined above, and the property described in said Paragraph 3 are hereafter collectively referred to as the "Collateral").

Borrower's Initials _____

THIS SECURITY INSTRUMENT IS FOR THE PURPOSE OF SECURING the following:

(a) Payment of the sum of FIVE HUNDRED FORTY THOUSAND AND NO/100S (\$540,000.00), with interest thereon according to the terms of a promissory note of even date herewith, payable to Lender or order and made by Borrower (the "Note", which term shall include all notes evidencing the indebtedness secured by this Security Instrument, including all renewals, modifications or extensions thereof);

b) Payment of any further sums advanced or loaned by Lender to Borrower, or any of its successors or assigns, if (1) the Note or other writing evidencing the future advance or loan specifically states that it is secured by this Security Instrument, or (2) the advance, including costs and expenses incurred by Lender, is made pursuant to this Security Instrument or any other documents executed by Borrower evidencing, securing, or relating to the Note and/or the Collateral, whether executed prior to, contemporaneously with, or subsequent to this Security Instrument (this Security Instrument, the Note and such other documents, including any construction loan, land loan or other loan agreement, are hereinafter collectively referred to as the "Loan Documents"), together with interest thereon at the rate set forth in the Note unless otherwise specified in the Loan Documents or agreed to in writing;

c) Performance of each agreement, term and condition set forth or incorporated by reference in the Loan Documents, including without limitation the loan agreement of even date herewith, which are incorporated herein by reference or contained herein.

THE MATURITY DATE OF THESE SECURED OBLIGATIONS, AS CONTAINED IN THE LOAN DOCUMENTS, INCLUDING THE NOTE, IS February 15th, 2009

By executing and delivering this Security Instrument and the Note secured hereby, the parties agree that all provisions of Paragraphs 1 through 69 inclusive of the Master Form Deed of Trust herinafter referred to, except such paragraphs as are specifically excluded or modified herein, are hereby incorporated herein by reference and made an integral part hereof for all purposes the same as if set forth herein at length, and the Borrower hereby makes said covenants and agrees to fully perform all of said provisions. The Master Form Deed of Trust above referred to was recorded on the dates below shown, in the Official Records of the offices of the County Auditors or County Recorders of the following counties in the State of Washington according to the enumerated recordation designations appearing below after the name of each county, to wit:

COUNTY	DRAWER, REEL, BOOK OR VOLUME	FRAME OR PAGE NOS.	RECORDING OR AUDITOR'S FILE NO.	DATE OF RECORDING
ADAMS	229	260-271	239483	October 12, 1995
ASOTIN			217406	October 11, 1995
BENTON	636	65-76	95-23049	October 12, 1995
CHELAN	1052	1633-1644	951012008	October 11, 1995
CLALLAM	1111	694-705	729425	October 11, 1995
CLARK			9510110089	October 11, 1995
COLUMBIA	3D	712-723	8601	October 11, 1995
COWLITZ	1213	0637-0648	951012074	October 12, 1995
DOUGLAS	M444	09-20	307858	October 12, 1995
FERRY	[M.F. of O.R.]		524669	October 11, 1995
GARFIELD	0377	0564-0575	3317	October 11, 1995
GRANT	068	1954-1965	951012004	October 11, 1995
GRAYS HARBOR	95	33136-33147	951012026	October 11, 1995
ISLAND	696	1410-1421	95016396	October 11, 1995
JEFFERSON	537	328-339	385505	October 11, 1995
KING			9510100421	October 10, 1995
KITSAP	0879	2392-2403	9510130066	October 13, 1995
KITTAS	370	717	586108	October 11, 1995
KLICKITAT	327	218	249676	October 11, 1995
LEWIS	672	350-361	9514582	October 11, 1995
LINCOLN	65	003034-003045	400875	October 11, 1995
MASON	688	144-155	615408	October 11, 1995
OKANOGAN	137	1089-1100	833848	October 11, 1995
PACIFIC	9510	559-570	62332	October 11, 1995
PEND ORIELLE	121	1099-1110	230779	October 12, 1995
PIERCE	1163	2511-2522	9510110478	October 11, 1995
SAN JUAN	525	230-241	95101201	October 12, 1995
SKAGIT	1483	0372-0383	9510110046	October 11, 1995
SKAMANIA	152	860-871	123494	October 11, 1995
SNOHOMISH	3081	1623-1634	9510110189	October 11, 1995
SPOKANE	1781	1737-1748	9510110230	October 11, 1995
STEVENS	193	2376-2387	9510157	October 11, 1995
THURSTON	2464	702-713	9510110097	October 11, 1995
WAHKIAKUM	104	0579-0590	45447	October 12, 1995
WALLA WALLA	234	1593-1604	9509789	October 11, 1995
WHATCOM	465	1133-1144	951011197	October 11, 1995
WHITMAN			Microfilm No. 580488	October 11, 1995
YAKIMA	1494	1819-1830	3110734	October 11, 1995

Skagit County Auditor

200702160141



A copy of such Master Form Deed of Trust has been furnished to the person executing this Security Instrument, and by executing this Security Instrument the Borrower acknowledges having received such Master Form Deed of Trust.

The Property which is the subject of this Security Instrument is not used principally or primarily for agricultural or farming purposes.

The undersigned Borrower requests that a copy of any Notice of Default and of any Notice of Sale hereunder, as required by Washington law in case of non-judicial foreclosure of a deed of trust, be mailed to Borrower at Borrower's address as hereinabove set forth.

Borrower agrees to obtain all insurance required from time to time by Lender and as elsewhere provided in the Loan Documents, including flood insurance. If Borrower fails to maintain such insurance satisfactory to the Lender, Lender may make the payment on behalf of the Borrower and any sums expended shall be added to principal and bear interest at the rate provided in the Note.

If the box preceding any of the following statements contains an "X", that statement is a part of this Security Instrument. If the box is not so checked, the corresponding statement is not part of this Security Instrument.

- Paragraph 49 of the Master Form Deed of Trust (which refers to the existence, if any, of an adjustable rate feature in the Note) is hereby deleted.
- The Note secured hereby evidences a construction loan or land loan but is not a combination Note. Paragraph 53 of the Master Form Deed of Trust is hereby deleted.
- The Note secured hereby is a combination construction loan/permanent loan Note. Refer to paragraph 53 of the Master Form Deed of Trust.
- The Property or a part thereof is a Condominium. Refer to paragraph 50 of the Master Form Deed of Trust.
- A fee owner and a leasehold owner of the Property, or a portion thereof, have executed this Security Instrument. Refer to paragraph 51 of the Master Form Deed of Trust
- The Property or a part thereof is a leasehold estate. Refer to paragraph 52 of the Master Form Deed of Trust.
- See also Schedule "A" of this Short Form Deed of Trust, attached hereto and incorporated herein by this reference.

WITNESS the hand(s) and seal(s) of the Borrower, and each of them if more than one, on the day and year first above written.

DG CONSTRUCTION LLC

Anthony L. Malo Jr.

ANTHONY L MALO JR , MEMBER/MANAGER

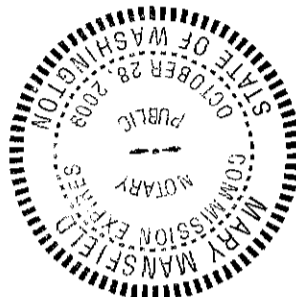
(Over for notary acknowledgement)



Skagit County Auditor



(Page 4 of 4)



My commission expires 10-28-09

residing at _____

Notary Public in and for the State of Wash

(Signature) _____

Mary Mansfield

(Seal or Stamp)

Dated: 2-16-07

to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

(Name of the Party on Behalf of Whom the Instrument was Executed)

of bg construction LLC

(Type of Authority, e.g., Officer, Trustee)

acknowledged it as the _____

is/are the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed

this instrument, on oath stated that (he/she/they) was/were authorized to execute the instrument and

[Name(s) of person(s)] _____

Anthony L. Mato, Jr

I certify that I know or have satisfactory evidence that

STATE OF Wash

COUNTY OF Skagit

ss. _____

My commission expires _____

residing at _____

Notary Public in and for the State of _____

(Signature) _____

(Seal or Stamp)

Dated: _____

mentioned in the instrument.

is/are the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed

this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes

[Name(s) of person(s)] _____

I certify that I know or have satisfactory evidence that

STATE OF _____

COUNTY OF _____

ss. _____
