

**THE PURPOSE OF THIS INSTRUMENT IS TO INCREASE THE PRINCIPAL AMOUNT OF THE LOAN SECURED BY THE DEED OF TRUST FROM \$8,349,000.00 TO \$9,396,000.00, TO SPREAD THE LIEN OF THE DEED OF TRUST TO INCLUDE ADDITIONAL PROPERTY AND TO MAKE CERTAIN OTHER MODIFICATIONS TO THE DEED OF TRUST. THE \$1,047,000.00 INCREASE IN THE PRINCIPAL AMOUNT IS A PURCHASE MONEY LOAN AND IS EXEMPT FROM RECORDATION TAX.**

**PURCHASE MONEY DEED OF TRUST MODIFICATION AND SPREADER AGREEMENT**

THIS PURCHASE MONEY DEED OF TRUST MODIFICATION AND SPREADER AGREEMENT (this "Agreement") is made this 20<sup>th</sup> day of JULY, 2016 by and among **1319 SOUTH CAPITOL ASSOCIATES, LLC**, a District of Columbia limited liability company (the "Grantor"), having an address of 1825 K Street, NW, Suite 500, Washington, D.C., **EAGLEBANK** (the "Beneficiary"), having an address of 7815 Woodmont Avenue, Bethesda, Maryland 20815, and **MATTHEW B. LEYDIG, TRUSTEE**, as trustee (whether one or more, the "Trustees" or "Trustee"), having an address for notices purposes in care of EAGLEBANK, 7815 Woodmont Avenue, Bethesda, MD 20815, as follows:

**RECITALS:**

A. The Beneficiary is the holder of a certain Deed of Trust Note, dated as of August 24, 2015 and made by Grantor payable to the order of Beneficiary (the "Original Note"), as modified by that certain Loan Modification Agreement dated as of September 30, 2015 (the "First Modification"), as further modified by that certain Second Loan Modification Agreement dated as of October 23, 2015 (the "Second Modification"), as further modified by that certain Third Loan Modification Agreement dated as of February 29, 2016 (the "Third Modification"), as the same may be further modified, renewed, amended, restated or substituted from time to time, the "Note" and the loan evidenced by the Note is hereinafter referred to as the "Loan". The Loan is governed by that certain Loan Agreement dated as of August 24, 2015 made by and between the Grantor and Beneficiary, as modified by the First Modification, Second Modification, Third Modification, and as the same may be further modified, restated, supplemented or substituted from time to time.

B. The Note is secured by, among other things, that certain Purchase Money and Credit Line Deed of Trust, Security Agreement and Fixture Filing dated as of August 24, 2015 by Grantor for the benefit of the Beneficiary and recorded among the Land Records of the District of Columbia (the "Land Records") on August 24, 2015 as Instrument No. 2015086851 (the "Original Deed of Trust"), as modified by that certain Corrective Deed of Trust Modification dated effective as of August 24, 2015 and recorded among the Land Records as Instrument No. 2015113045, as further modified by that certain Purchase Money Deed of Trust Modification and Spreader Agreement dated effective as of September 30, 2015 and recorded among the Land Records as Instrument No. 2015101648, as modified by that certain Corrective Deed of Trust Modification dated effective as of September 30, 2015 and recorded among the Land Records as Instrument No. 2015113261, as further modified by that certain Purchase Money Deed of Trust Modification and Spreader Agreement dated effective as of October 23, 2015 and recorded among the Land Records as Instrument No. 2015113660, as further modified by that certain Purchase Money Deed of Trust

Modification and Spreader Agreement dated as of February 29, 2016 and recorded among the Land Records as Instrument No. 2016020575 (collectively, the "Modified Deed of Trust"), encumbering certain property located in the District of Columbia, and more particularly described in the Modified Deed of Trust and incorporated herein by this reference (the "Existing Property").

C. At the request of the Grantor, on the terms and conditions set forth in that certain Fourth Loan Modification Agreement dated of even date herewith (the "Fourth Modification") made by and among the Grantor, Charlie Kehler ("Recourse Guarantor") and Potomac Investment Trust, an irrevocable trust established under Trust Agreement dated September 10, 2003 ("Carve-Out Guarantor") and Beneficiary, the Beneficiary has agreed to modify certain terms of the Loan and to increase the maximum principal amount of the Loan to Nine Million Nine Hundred Forty-Five Thousand and No/100 Dollars (\$9,945,000.00) (collectively, the "Loan Modification") to finance certain acquisition costs for the purchase by Grantor of the property located in the District of Columbia and more particularly described on Exhibit A-1 attached hereto and incorporated herein by this reference (the "Additional Property").

D. In consideration of the Loan Modification, and as a condition thereof, the parties hereto have agreed to further modify the Modified Deed of Trust to reflect the increase in the amount secured thereby to secure the payment of the principal outstanding under the Loan to the extent of \$9,396,000.00, and the other Secured Indebtedness (as hereinafter defined), as modified and the principal amount increased by the Fourth Modification, to spread the lien of the Modified Deed of Trust to encumber the Additional Property, to ratify the lien of the Modified Deed of Trust and to confirm that the lien of the Modified Deed of Trust secures the obligations under the Loan, as modified and increased, to the extent of the principal amount of \$9,396,000.00, and to make certain other amendments to the Modified Deed of Trust. The Modified Deed of Trust, as modified hereby, shall be referred to collectively as the "Deed of Trust".

E. Unless otherwise defined herein, all capitalized terms herein shall have the meaning assigned to them in the Modified Deed of Trust.

NOW, THEREFORE, in consideration of the premises and of the sum of Ten and No/100 Dollars (\$10.00), the receipt and sufficiency of which is hereby acknowledged by all parties, the parties agree as follows:

**SECTION 1.** Incorporation of Recitals. The foregoing recitals are incorporated herein as if fully set forth in this Section 1.

**SECTION 2.** Further Modification to Modified Deed of Trust.

a. Definition of Note, Loan and Loan Documents. The parties hereto acknowledge and agree that whenever the term "Note" is used in the Deed of Trust, it shall be deemed to be that certain Deed of Trust Note dated as of August 24, 2015 and made by Grantor payable to the order of the Beneficiary, as modified by that certain Loan Modification Agreement dated as of September 30, 2015, as further modified by that certain Second Loan Modification Agreement dated as of October 23, 2015, as further modified by that certain Third Loan Modification Agreement dated as of February 29, 2015, as further modified by that certain Fourth Loan

Modification Agreement dated of even date with this Agreement, increasing the maximum principal amount of the loan evidenced thereby to Nine Million Nine Hundred Forty-Five Thousand and No/100 Dollars (\$9,945,000.00), as the same may be further modified, renewed, amended, restated or substituted from time to time.

b. The parties hereto further acknowledge and agree that whenever the term "Loan Documents" is used in the Modified Deed of Trust, as modified hereby, it shall be deemed to be any and all documents evidencing, securing, implementing or modifying the Loan, as the same may be amended, restated, supplemented or substituted.

c. Deed of Trust. The parties hereto acknowledge and agree that wherever the term "Deed of Trust" is used in the Modified Deed of Trust and other Loan Documents, it shall be deemed to include the Modified Deed of Trust, as amended pursuant to this Agreement.

**SECTION 3. Secured Indebtedness.** As of the date hereof, Sections 1.3 (a) and 1.3 (b) of the Original Deed of Trust, as previously modified, are hereby deleted in their entirety and the following substituted in lieu thereof:

"1.3 Secured Indebtedness. This Deed of Trust is given to secure the performance of the covenants contained in this Deed of Trust, and to secure the payment of the following (the "Secured Indebtedness"):

(a) The principal of, interest on and all other amounts due under or in connection with the Note and the Loan, and any modifications, extensions or renewals of the Note or the Loan, including without limitation, advances subsequent to the date hereof and re-advances; provided, however, that the principal amount of the Secured Indebtedness secured by this Deed of Trust and described in this clause (a) shall not exceed in the aggregate at any one time outstanding Nine Million Three Hundred Ninety-Six Thousand and No/100 Dollars (\$9,396,000.00), plus interest thereon, fees due with respect to any such indebtedness, and all costs of collection with respect thereto, including, without limitation, any costs and expenses incurred by the Trustees or the Beneficiary in connection with the enforcement of this Deed of Trust and all Protective Advances (as defined in the Note) and interest thereon in accordance with the terms of the Note; and

(b) All amounts now or hereafter owing to the Beneficiary or the Trustees under or in connection with the provisions of the Loan Documents, as the same may be amended, restated, supplemented, renewed or substituted from time to time."

**SECTION 4. Spread of Lien.** Grantor hereby irrevocably grants, bargains, and conveys (and to the extent any of such property was previously conveyed to the Trustees pursuant to the Deed of Trust, regrants, rebargains and reconveys) to the Trustees and their respective successors in trust, and their assigns, with power of sale, and the lien of the Original Deed of Trust is spread to include the Additional Property as described in Exhibit A-1 attached hereto, to have and to hold the same, together with all and singular the rights, privileges, tenements, hereditaments and appurtenances thereto in any way incident or belonging unto the Trustee and to its successors and assigns forever, in and upon the same uses and trusts and with all the powers and duties as set forth in the Original Deed of Trust, with like force and effect. All terms, provisions, covenants, stipulations, conditions and agreements contained in the Original Deed of Trust are incorporated herein by this reference for all purposes.

All references in the Original Deed of Trust to the "Land" shall be deemed to include the Additional Property described in Exhibit A-1 attached hereto in addition to the real property described in Exhibit A to the Original Deed of Trust. The parties hereto agree that whenever the term "Land" is used in the Original Deed of Trust and the other Loan Documents, it shall be defined as all of the property described in Exhibit A-2 attached hereto and incorporated herein by this reference. The term "Security Property" shall have the same meaning as given such term in the Original Deed of Trust; provided that it shall be based upon the definition of Land as expanded herein to include the Original Property and Additional Property.

**SECTION 5. Representations.** Grantor hereby reaffirms that all of its representations and warranties set forth in the Original Deed of Trust are true and correct in all material respects on and as of the date hereof as if such representations and warranties had been made on and as of the date hereof. Grantor represents and warrants that all representations and warranties made in the Original Deed of Trust with respect to the Original Property are true and correct with respect to all of the Security Property.

**SECTION 6. No Other Changes.** Except to the extent specifically addressed herein, all other terms and conditions of the Original Deed of Trust shall remain in full force and effect.

**SECTION 7. Lien Continuation; No Novation.** Grantor hereby renews the Secured Indebtedness and its obligations under and pursuant to the Loan Documents ("Obligations"), and hereby promises to pay the Secured Indebtedness and perform the Obligations. The lien of the Original Deed of Trust, as amended hereby, is hereby ratified and confirmed as valid, subsisting and continuing to secure the payment of the Secured Indebtedness and the performance of the Obligations. Nothing herein shall diminish, impair or extinguish the Note, the Secured Indebtedness or the Obligations, or the liens securing the Secured Indebtedness or the Obligations. The execution and delivery of this Agreement shall not constitute a novation of the debt evidenced and secured by the Loan Documents. Grantor ratifies and acknowledges the Loan Documents as valid and enforceable and agrees and warrants that there are no offsets, claims or defenses with respect to the Secured Indebtedness or the Obligations.

**SECTION 8. No Waiver by Beneficiary.** Grantor acknowledges and agrees that the

execution of this Agreement by Beneficiary is not intended nor shall it be construed as (a) an actual or implied waiver of any default under the Note, the Original Deed of Trust, as amended hereby, or any other Loan Documents, or (b) an actual or implied waiver of any condition or obligation imposed upon Grantor pursuant to the Note, the Original Deed of Trust, as amended hereby, or any other Loan Documents.

**SECTION 9. Expenses.** Grantor hereby agrees to pay on demand all costs and expenses and reimburse Beneficiary for all expenditures incurred or expended in connection with this Agreement and the Loan, including (without limitation) Beneficiary's reasonable attorneys' fees and expenses, recodation and transfer taxes and fees, costs of title insurance and title abstracts, and fees and expenses associated with appraisals, surveys and engineering work. All such fees and expenses shall constitute a portion of the Secured Indebtedness evidenced by the Note and secured by the Original Deed of Trust, as amended hereby.

**SECTION 10. Counterparts.** This Agreement may be executed in several counterparts, and by the parties hereto on separate counterparts, and each counterpart, when executed and delivered, shall constitute an original agreement enforceable against all who signed it without production of or accounting for any other counterpart, and all separate counterparts shall constitute the same agreement.

**SECTION 11. Trustee.** Matthew B. Leydig, Trustee, is executing this Agreement as Trustee under the Deed of Trust; it being acknowledged that, pursuant to Section 5.2 of the Original Deed of Trust, either Trustee may singly exercise all the rights and powers of the Trustees under the Deed of Trust.

[signatures on following pages]

IN WITNESS WHEREOF, Grantor has caused this Purchase Money Deed of Trust Modification and Spreader Agreement to be executed and ensealed as of the day and year first above written.

**GRANTOR:**

**1319 SOUTH CAPITOL ASSOCIATES, LLC,**  
a District of Columbia limited liability company

By: 1319 South Capitol Investors, LLC,  
a Maryland Limited Liability Company,  
its Manager

By: Potomac Investment Trust,  
u/a dated as of September 10, 2003,  
its Manager

By: *Kathleen A. McCallum*  
Kathleen A. McCallum  
Trustee

DISTRICT OF COLUMBIA ) ss:

I, Gina D'Andrea, a Notary Public in and for the aforesaid said jurisdiction, do hereby certify that Kathleen A. McCallum personally appeared before me in said jurisdiction and acknowledged that she is the sole Trustee of the Potomac Investment Trust, an irrevocable trust formed under agreement dated as of September 10, 2003, the Manager of 1319 South Capitol Investors, LLC, a Maryland limited liability company, the Manager of 1319 SOUTH CAPITOL ASSOCIATES, LLC, a District of Columbia limited liability company; party to the foregoing instrument and that the same is her act and deed and the act and deed of 1319 SOUTH CAPITOL ASSOCIATES, LLC.

June, 2016. IN WITNESS WHEREOF, I have set my hand and Notarial Seal, this 29<sup>th</sup> day of

*Gina D'Andrea*  
Notary Public

(SEAL)

My Commission expires:

11/14/2019

Notary Registration No. N/A



IN WITNESS WHEREOF, Beneficiary and the Trustee have executed and delivered these presents or caused these presents to be executed and delivered, as of the year and day first above written.

**WITNESS:**

**BENEFICIARY:**

EAGLEBANK

E. Egeyeni A. Egeyeni Antonian  
Print Name: E. Egeyeni Antonian

By: [Signature]  
Matthew B. Leydig  
Senior Vice President

[CORPORATE SEAL]

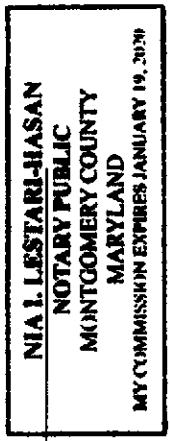
STATE OF MARYLAND )  
                                  ) ss:  
COUNTY OF MONTGOMERY )

I, Nia Lestari-Hasan, a Notary Public in and for the aforesaid said jurisdiction, do hereby certify that MATTHEW B. LEYDIG personally appeared before me in said jurisdiction and acknowledged that he is a Senior Vice President of EAGLEBANK; that he has been duly authorized to execute and deliver the foregoing instrument for the purposes therein contained and that the same is his act and deed; that the seal affixed to said instrument is such corporate seal and that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereon by like order.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal, this 29 day of June, 2016.

(SEAL)

[Signature]  
Notary Public  
My Commission expires:



WITNESS:

E. Sanyal A.  
Print Name: E. Sanyal A. Antenor

TRUSTEE:

By: [Signature]  
Matthew B. Leydig  
Trustee [SEAL]

[SEAL]

STATE OF MARYLAND )

) ss:

COUNTY OF MONTGOMERY )

I, Nia Lestari-Hasan, a Notary Public in and for the aforesaid jurisdiction, do hereby certify that **MATTHEW B. LEYDIG** personally appeared before me in said jurisdiction and acknowledged that he is a Trustee in the foregoing instrument and that the same is his act and deed as a Trustee.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal, this 29 day of June, 2016.

(SEAL)

[Signature]  
Notary Public  
My Commission expires:

**NIA L. LESTARI-HASAN**  
**NOTARY PUBLIC**  
**MONTGOMERY COUNTY**  
**MARYLAND**  
MY COMMISSION EXPIRES JANUARY 19, 2020



**EXHIBIT A-1**  
**LEGAL DESCRIPTION OF ADDITIONAL PROPERTY**

All that certain lot or parcel of land together with all improvements thereon located and being in the City of Washington in the District of Columbia and being more particularly described as follows:

Lot numbered Sixty-eight (68) in Square numbered Six Hundred Fifty-three (653) in the subdivision made by Joseph M. Coleman, as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 81 at folio 46

Lot numbered Sixty-two (62) in Square numbered Six Hundred Fifty-three (653) in the subdivision made by Harry Wardman and Thomas P. Bones, as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 59 at folio 67.

## EXHIBIT A-2

### LEGAL DESCRIPTION OF LAND

All that certain lot or parcel of land together with all improvements thereon located and being in the City of Washington in the District of Columbia and being more particularly described as follows:

Lot numbered Sixty (60) in Square numbered Six Hundred Fifty-three (653) in the subdivision made by Harry Wardman and Thomas P. Bones, as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 59 at folio 67.

The North half of Original Lot numbered Sixteen (16) in Square numbered Six Hundred Fifty-three (653).

NOTE: At the date hereof the above described property is designated on the Records of the Assessor for the District of Columbia for assessment and taxation purposes as Lot numbered Eight Hundred Eleven (811) in Square numbered Six Hundred Fifty-three (653).

All of Original Lot numbered Fourteen (14) in Square numbered Six Hundred Fifty-three (653).

All of Original Lot numbered Fifteen (15) in Square numbered Six Hundred Fifty-three (653).

Lot numbered Seventy (70) in Square numbered Six Hundred Fifty-three (653) in the subdivision made by Joseph M. Coleman, as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 81 at folio 46.

Lot numbered Forty-five (45) in Square numbered Six Hundred Fifty-three (653) in the subdivision made by Joseph M. Coleman, as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 32 at folio 190. SAVING AND EXCEPTING THEREFROM all that part of Lot 45 dedicated for use as a public alley on plat recorded in the Office of the Surveyor for the District of Columbia in Liber 37 at folio 113.

NOTE: At the date hereof the above described property is designated on the Records of the Assessor for the District of Columbia for assessment and taxation purposes as Lot numbered Eight Hundred Ten (810) in Square numbered Six Hundred Fifty-three (653).

Lot numbered Fifty-four (54) in Square numbered Six Hundred Fifty-three (653) in the subdivision made by William B. Miller, as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 50 at folio 139.

Lot numbered Sixty-four (64) in Square numbered Six Hundred Fifty-three (653) in the subdivision made by Harry Wardman and Thomas P. Bones, as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 59 at folio 67.

Lot numbered Fifty-Three (53) in Square numbered Six Hundred Fifty-three (653) in the subdivision made by William R. Miller, as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 50 at folio 139.

Subject to the right of way over the rear ten (10) feet of Lot 53 in Square 653 described in Deed from Kathryn Cunningham to Jasper Lynch and Edna May Lynch, dated September 14, 1950 and recorded September 22, 1950 as Instrument No. 39893 in Liber 9301 at folio 529.

Lot numbered Sixty-one (61) in Square numbered Six Hundred Fifty-three (653) in the subdivision made by Harry Wardman and Thomas P. Bones, as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 59 at folio 67.

Lot numbered Sixty-eight (68) in Square numbered Six Hundred Fifty-three (653) in the subdivision made by Joseph M. Coleman, as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 81 at folio 46

Lot numbered Sixty-two (62) in Square numbered Six Hundred Fifty-three (653) in the subdivision made by Harry Wardman and Thomas P. Bones, as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 59 at folio 67.

Doc #: 2016067009  
Filed & Recorded  
07/01/2016 10:40 AM  
IDA WILLIAMS  
RECORDER OF DEEDS  
WASH DC RECORDER OF DEEDS \$150.00  
RECORDING FEES \$6.50  
SURCHARGE \$156.50  
TOTAL: