

MORTGAGE SUBORDINATION AGREEMENT

The Town of Chilmark, holder of a mortgage from Brian A. Cioffi and Kari D. Cioffi (“Cioffi”) to said Town of Chilmark, dated December 20, 2005, and recorded in the Dukes County Registry of Deeds in Book 1066, Page 931 (the “Subordinated Mortgage”), hereby agrees that said mortgage shall be and hereby is subordinate and junior in right to a mortgage given by Cioffi to Sovereign Bank (the “Lender”), in the principal amount of \$228,000.00 (the “New Mortgage”), to be recorded herewith, to same extent as if the New Mortgage had been executed and recorded prior in time to the execution and recording of the Subordinated Mortgage, provided, however:

- (i) that the existing promissory note from Cioffi to Bank of America, dated January 9, 2009, which note is secured by a mortgage dated January 9, 2009 and recorded with the Dukes County Registry of Deeds in Book 1167, Page 490 (the “BOA Mortgage”), is paid in full at or prior to the recording of the New Mortgage, as evidenced by a discharge from Bank of America recorded in said registry at the time of the recording of the New Mortgage, or within a reasonable time thereafter; and
- (ii) the loan from the Lender to Cioffi, which loan is secured by the New Mortgage is a fixed rate 15-year loan, with a principal amount of not greater than \$228,000.00; and
- (iii) the recording of the New Mortgage and/or this Mortgage Subordination Agreement in no way affects the priority of the Deed Rider, attached as Exhibit “A” to the deed to Cioffi from Walter M. Meinelt, individually and as Trustee of the MAYHEW-SOUTH ROAD REALTY TRUST, dated December 16, 2005 and recorded in the Dukes County Registry of Deeds in Book 1066, Page 906 (the “Deed Rider”), or any terms and obligations in said Deed Rider, which, having been executed and recorded prior to the New Mortgage and this Mortgage Subordination Agreement, has priority over same.

By accepting and/or recording this Mortgage Subordination agreement the Lender agrees that the Lender is subject to the terms of said Deed Rider, including but not limited to the provisions of Paragraph 8 thereof (“Rights of Mortgagees”), as amended, which states the following:

Rights of Mortgagees: Notwithstanding anything herein to the contrary, if the holder of record of a first mortgage granted to a state or national bank, state or federal savings and loan association, cooperative bank, mortgage company, trust company, insurance company or other institutional lender or its successors or assigns shall acquire the Property by reason of foreclosure or similar remedial action under the provisions of such mortgage or upon conveyance of the Property in lieu of foreclosure, having first given the Town ninety (90) days notice of its intention to proceed with such foreclosure, similar remedial action, or conveyance, and the Town, or its assignee, declines or fails to cure any default and/or to acquire such first mortgage within said period, the restrictions and covenants herein

contained shall not apply upon such acquisition of the Property by any purchaser of the Property at a foreclosure sale conducted by such holder, or any purchaser of the Property from such holder, and such Property shall thereupon and thereafter be free from all such restrictions.

In the event such holder, after having first given the aforesaid ninety (90) days notice, conducts a foreclosure or other proceeding enforcing its rights under such mortgage and the Property is sold for a price in excess of the sum of the outstanding principal balance of the note secured by such mortgage plus all future advances, accrued interest and all costs and expenses which the holder is entitled to recover pursuant to the terms of the note and the mortgage, such excess shall be paid to the Grantee up to an amount that is no greater than the "Maximum Resale Price" less the sum of the outstanding principal balance of the note secured by such mortgage plus all future advances, accrued interest and all costs and expenses which the holder is entitled to recover pursuant to the terms of the note and the mortgage. Any additional sum in excess of that adjusted amount shall be paid to the Town or its designee in consideration of the loss of the value and benefit of the restrictions and covenants herein contained; provided, that in the event that such excess shall be so paid Town or its designee by such holder, the Town shall thereafter indemnify such holder against loss or damage to such holder resulting from any claim made by the maker of such mortgage to the extent that such claim is based upon payment of such excess by such holder to the Town or its designee in accordance herewith, provided that such holder shall give the Town prompt notice of any such claim and shall not object to intervention by the Town in any proceeding relating thereto. To the extent the Grantee possesses any interest in any amount payable to the Town under this paragraph, to the fullest extent permissible by law, the Grantee hereby assigns its interest in such amount to said holder for payment to the Town.

Executed as a sealed instrument this _____ day of _____, 2010.

The Town of Chilmark,
By and through its Board of Selectmen,

Warren M. Doty, Chairman

Frank M. Fenner, Jr., Selectman

Jonathan Mayhew, Selectman

COMMONWEALTH OF MASSACHUSETTS

County of Dukes County, ss

On this _____ day of December, 2010, before me, the undersigned notary public, personally appeared _____, proved to me through satisfactory evidence of identification which were personal knowledge / driver's license / passport / other: _____ (circle one), to be the person(s) whose name(s) is/are signed on the preceding or attached document, and acknowledged to me that he/she/they signed it voluntarily for its stated purpose.

Notary Public:
My Commission Expires:

AFFIX :
NOTARIAL :
SEAL :