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This instrument was prepared by William H. Peirson, 4400 ALPHA ROAD, DALLAS, TX 75244

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

99029050

99 APR -6 AM 10:19

AFTER RECORDING RETURN TO:
LAND AMERICA

MORRIS W. CARTER
RECORDER

Attn: MYRA BENTLEY-TITLE INS. DIV.
101 GATEWAY CENTRE, GATEWAY ONE
RICHMOND, VA 23235-5153

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (the "Agreement") is made by **FIRST FEDERAL BANK** (the "Lender") in favor of **Capstead Inc.**

RECITALS:
This Document is the property of the Lake County Recorder!

1. **LINDA A. MACDONALD** (the "Borrower") has executed a deed of trust, mortgage or security deed in favor of the Lender (the "Lender's Security Instrument") dated September 16, 1996 and recorded in Volume/Book 96063434, Page of the LAKE County Records, covering the property described therein (the "Property").

2. Borrower has asked the Lender to subordinate the Lender's Security Instrument to the lien created by that certain deed of trust, mortgage or security deed executed by the Borrower in favor of Capstead Inc. (the "Capstead Inc. Security Instrument") dated November 16, 1998 covering the Property and securing the payment of a note of the same date in the original principal amount of \$ 53,683.17 (the "Note").

NOW, THEREFORE, for valuable consideration, Lender hereby subordinates the lien of the Lender's Security Instrument to the lien of the Capstead Inc. Security Instrument, subject to the terms of this Agreement.

The lien of the Lender's Security Instrument is subordinated to the lien of the Capstead Inc. Security Instrument only to the extent of the original principal amount of the Note and any amounts advanced pursuant to the terms of the Capstead Inc. Security Instrument for the payment of insurance premiums, taxes, costs of collection or protection of the value of the Property or Capstead Inc.'s rights in the Property. This Agreement shall inure to the benefit of the Lender and Capstead Inc. and their respective successors and assigns.

EXECUTED this 7th Day of DECEMBER 1998 **INDIAN CONTI MORTGAGE CORPORATION**
FIRST FEDERAL BANK

5403P056 # 99029050

[Signature]
Witness
[Signature]
Witness

By: [Signature] (seal)
Title: VICE PRESIDENT
Printed Name: DENNIS J. HEDRICK

[CORPORATE SEAL]

Attest [Signature]
JOHN A. LARUE III
ASSISTANT SECRETARY [See Acknowledgment Attached]

1300
114936

ACKNOWLEDGEMENT(S)

Corporate Acknowledgement

State of PENNSYLVANIA

County of MONTGOMERY

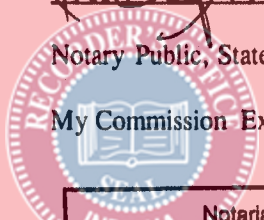
Document is NOT OFFICIAL!

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The foregoing instrument was acknowledged before me on DECEMBER 4, 1998,
by DENNIS J. HEDRICK, VICE PRESIDENT

of FIRST FEDERAL BANK CONTI MORTGAGE CORPORATION.
on behalf of the corporation.

(Seal)



Notary Public, State of _____

My Commission Expires: _____

Notarial Seal
Paul S. Arms, Notary Public
Lower Southampton Twp., Bucks County
My Commission Expires May 21, 2001
Member, Pennsylvania Association of Notaries