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Cook County Recorder 93.50

This Instrument prepared by
and after recording should be
returned to:



Michael A. Nemeroff, Esq.
Vedder, Price, Kaufman & Kammholz
222 N. LaSalle Street
Suite 2400
Chicago, IL 60601

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "Agreement") is made and entered into as of this 21st day of July, 2000, by and among STATE STREET BANK AND TRUST COMPANY, a Massachusetts trust company, not in its individual capacity but solely as Owner Trustee (the "Creditor"), GENERAL ELECTRIC CAPITAL CORPORATION, a New York corporation ("GECC"), and each of (a) THE CIT GROUP BUSINESS CREDIT, INC., a New York corporation, as agent ("Agent") on behalf of itself and certain lenders (collectively, the "CIT Lenders"), (b) GENERAL MOTORS EMPLOYEE GLOBAL GROUP PENSION TRUST, DEPARTMENT OF PENSIONS - CITY OF LOS ANGELES, NAVY EXCHANGE SERVICE COMMAND RETIREMENT TRUST, RAYTHEON CO. MASTER PENSION TRUST and FIRST DATA CORPORATION MASTER RETIREMENT TRUST (collectively, the "Term Financiers"), and (c) D.P. KELLY & ASSOCIATES ("D.P. Kelly") (the Agent and the CIT Lenders, the Term Financiers and D.P. Kelly are collectively referred to herein as "Lenders") each a party to respective Financing Agreements dated as of June 14, 1999, as amended, entered into by each of the Lenders with each of VISKASE CORPORATION, a Pennsylvania corporation ("Viskase Corporation"), and VISKASE SALES CORPORATION, a Delaware corporation ("Viskase Sales") (each a "Company" and collectively, the "Companies") (together with the related documents, instruments and agreements delivered in connection therewith, as the same may be amended, modified, supplemented or restated from time to time, the "Financing Agreements").

RECITALS

A. The Companies owe certain obligations to Creditor and GECC in connection with a lease financing pursuant to the Lease Documents (as defined in the Financing Agreements) (the "Lease Obligation"). The Lease Obligation is secured by a junior priority, fully perfected security interest in the Subordinated Debt Collateral (as defined herein).

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B. The Companies and Agent, for the benefit of the CIT Lenders, have entered into financing arrangements pursuant to which the CIT Lenders have provided or from time to time provide the Companies with revolving loans in the maximum principal amount available of \$50,000,000 and a \$50,000,000 term loan (the "CIT Loans") and certain other financial accommodations, all as more fully described in the applicable Financing Agreement ("CIT Financing Agreement"). All liabilities and obligations of the Companies to the CIT Lenders under the CIT Financing Agreement are secured by a first and prior lien on the Senior Debt Collateral (as defined herein). The assets and property comprising the Senior Debt Collateral is and will be the same property comprising the Subordinated Debt Collateral.

C. The Companies and the Term Financiers have entered into financing arrangements pursuant to which the Term Financiers have provided to the Companies a loan in the original principal amount of \$30,000,000 (the "Term Financiers Loan") and certain other financial accommodations, all as more fully described in the applicable Financing Agreement (the "Term Financiers Financing Agreement"). All liabilities and obligations of the Companies to the Term Financiers under the Term Financiers Financing Agreement are secured by a junior lien on the Senior Debt Collateral (as defined herein). The assets and property comprising the Senior Debt Collateral is and will be the same property comprising the Subordinated Debt Collateral.

D. The Companies and DP Kelly have entered into financing arrangements pursuant to which DP Kelly has provided to the Companies a loan in the original principal amount of \$5,000,000 (the "DP Kelly Loan") and certain other financial accommodations, all as more fully described in the applicable Financing Agreement ("DP Kelly Financing Agreement"). All liabilities and obligations of the Companies to DP Kelly under the DP Kelly Financing Agreements are secured by a junior lien on the Senior Debt Collateral (as defined herein). The assets and property comprising the Senior Debt Collateral is and will be the same property comprising the Subordinated Debt Collateral.

E. As a condition to the Lenders' forbearance or waiver of certain rights arising under the Financing Agreements including, without limitation, the restriction prohibiting the Companies' granting of any liens and security interests in favor of Creditor, and the continued financing pursuant to the Financing Agreements, each Lender requires that Creditor enter into this Agreement.

F. It is understood and agreed that all references herein to Agent shall be deemed to refer to Agent, for the benefit of the CIT Lenders.

G. The Term Financiers have a co-lien position with D.P. Kelly on the terms and conditions of that certain Intercreditor Agreement, dated as of June 14, 1999, among D.P. Kelly and the Term Financiers (the "Term Financiers - DP Kelly Intercreditor Agreement"). The Agent, on behalf of the CIT Lenders, has also entered into a Subordination Agreement with the Term Financiers, dated as of June 14, 1999 (the "Term Financiers-Lenders Subordination Agreement"). The Lenders and the Companies each acknowledge that nothing contained in the Term Financiers - DP Kelly Intercreditor Agreement or the Term Financiers-Lenders Subordination Agreement shall affect or be affected by the rights and obligations between the Creditor, on the one hand, and the Agent and the Lenders on the other, as set forth herein.

H. D.P. Kelly has a co-lien position with the Term Financiers on the terms and conditions of that certain Term Financiers - D.P. Kelly Intercreditor Agreement. The Agent, on behalf of the CIT Lenders, has also entered into a Subordination Agreement with D.P. Kelly, dated as of June 14, 1999 (the "D.P. Kelly-Lenders Subordination Agreement"). The Lenders and the Companies each acknowledge that nothing contained in the Term Financiers - D.P. Kelly Intercreditor Agreement or the D.P. Kelly-Lenders Subordination Agreement shall affect or be affected by the rights and obligations between the Creditor, on the one hand, and the Agent and the Lenders on the other, as set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lenders and Creditor hereby agree as follows:

1. **Definitions.** For purposes of this Agreement, the following terms shall be defined in the following manner:

- (a) **Agent:** as defined in the preamble to this Agreement.
- (b) **CIT Financing Agreement:** as defined in the recitals to this Agreement.
- (c) **CIT Lenders:** as defined in the preamble to this Agreement.
- (d) **CIT Loans:** as defined in the recitals to this Agreement.
- (e) **Companies:** as defined in the preamble to this Agreement.
- (f) **Creditor:** as defined in the preamble to this Agreement.
- (g) **Default:** as defined in the Financing Agreements.
- (h) **DP Kelly:** as defined in the recitals to this Agreement.
- (i) **DP Kelly Financing Agreement:** as defined in the recital to this Agreement.
- (j) **DP Kelly - Lenders Subordination Agreement:** as defined in the recitals to this Agreement.
- (k) **DP Kelly Loan:** as defined in the recitals to this Agreement.
- (l) **Event of Bankruptcy:** any of the following: (i) the filing by any Company of a voluntary petition in bankruptcy under any provision of any bankruptcy law (including, without limitation, the Bankruptcy Code, 11 U.S.C. §101-1331) or the filing by any Company of any other petition to take advantage of any receivership or insolvency laws, including, without limitation, any petition seeking the dissolution, winding up, total or partial liquidation, reorganization, composition, arrangement, adjustment or readjustment or other

relief of any Company, any Company's debts or any Company's assets; (ii) the admission in writing by any Company of its inability to pay its debts generally as they become due; (iii) the appointment of a receiver, liquidator, trustee, custodian or other similar official for any Company or all or a material part of any Company's assets; (iv) the filing of any petition against any Company under any provision of any bankruptcy law (including, without limitation, the Bankruptcy Code, 11 U.S.C. §101-1331) or any other receivership or insolvency law, including, without limitation, any petition seeking the dissolution, winding up, total or partial liquidation, reorganization, composition, arrangement, adjustment or readjustment or other relief of any Company, any Company's debts or any Company's assets; (v) an assignment by any Company for the benefit of Creditor or any other marshalling of the assets and liabilities of any Company; or (vi) any corporate action taken by any Company to authorize any of the foregoing.

(m) Event of Default: as defined in the CIT Financing Agreement.

(n) Financing Agreements: as defined in the preamble to this Agreement.

(o) GECC Obligations: all present and future obligations, liabilities and indebtedness of Viskase Corporation, Viskase Sales Corporation or any Guarantor to Creditor or GECC under the Lease Documents, as amended, modified, supplemented or restated from time to time. It is understood and agreed that the term "Lease Documents" includes, without limitation, that certain Agreement and Amendment dated as of April 13, 2000, as amended and supplemented to the date hereof between the Creditor and Viskase Corporation.

(p) Guarantors: as defined in the Financing Agreements.

(q) Lenders: as defined in the preamble to this Agreement.

(r) Lenders Intercreditor and Subordination Agreements: collectively, the Financing Agreements, the Term Financiers-DP Kelly Intercreditor Agreement, the Term Financiers-Lenders Subordination Agreement, the D.P. Kelly-Lenders Subordination Agreement or any related document or agreement entered into in connection therewith.

(s) Senior Debt: all present and future obligations, liabilities and indebtedness of each Company and Guarantor to Lenders, including, without limitation (i) principal, premium, if any, and interest (including, without limitation, interest accruing after the commencement of a case under the Bankruptcy Code, 11 U.S.C. §101-1331, regardless of whether such interest is paid to Lenders) on loans, advances, accommodations or other extensions of credit by Lenders to or for the benefit of any Company, whether now outstanding or hereafter made and however evidenced (including any Company operating as Debtor or Debtor in Possession under the Bankruptcy Code, 11 U.S.C. §101-1331), (ii) amounts owing by reason of guarantees by Lenders of any Company's indebtedness to others, (iii) accrued interest, costs, attorneys fees and expenses incurred by Agent or any Lender in enforcing each Lender's and Agent's rights in the event of a default by any

Company or any Guarantor in its obligations to Agent or any Lender, (iv) all other indebtedness (matured and unmatured) for which any Company or Guarantor is now, or at any time hereafter may be, liable to Lenders in any manner, whether primarily or secondarily, absolutely or contingently, directly or indirectly, including all indebtedness arising directly out of transactions between any Company, Agent or Lenders or out of transactions acquired by Lenders outright, conditionally or as collateral security from another person or entity and (v) in the case of all of the foregoing, any and all renewals and extensions of all or any part thereof.

(t) Senior Debt Collateral: the "Collateral," as defined in the Senior Financing Agreements, including, without limitation, the property of each Company described on Exhibit A attached hereto, and all proceeds thereof, and all assets of the Guarantors (in which assets Lenders were granted a lien and security interest).

(u) Senior Financing Agreements: collectively, the Financing Agreements, together with (i) all other instruments, documents and agreements executed by each Company, Guarantor and/or any Lender in connection therewith, (ii) all other mortgages, deeds of trust, financing agreements, security agreements and instruments now or hereafter existing between any Lender and any Company or Lender and any Guarantor, (iii) all amendments, modifications, and supplements to any one or more of the foregoing and (iv) all renewals, extensions, restatements, refunding or refinancing of any one or more of the foregoing.

(v) Side Letter Agreement: that certain letter agreement dated as of June 13, 2000 from GECC to the Agent and the Lenders, which Side Letter Agreement is hereby incorporated by reference and made a part hereof.

(w) Subordinated Agreements: collectively (i) the Security Agreement, the Pledge Agreement of Viskase Holding Company, the Pledge Agreement of Viskase Sales, the Pledge Agreement of Viskase Corporation, the Parent Pledge Agreement of Viskase Companies, Inc., the Grant of Security Interest in Intellectual Property, the Revolving Credit Mortgage, Security Agreement and Assignment of Leases and Rents (Chicago, Illinois), the Mortgage, Security Agreement and Assignment of Leases and Rents (Osceola, Arkansas), the Mortgage, Security Agreement and Assignment of Leases and Rents (Centerville, Iowa), the Open-End Mortgage, Security Agreement and Assignment of Leases and Rents (Bensalem, Pennsylvania), the Mortgage, Security Agreement and Assignment of Leases and Rents (Pauls Valley, Oklahoma), the Mortgage, Security Agreement and Assignment of Leases and Rents (Kentland, Indiana), and the Deed of Trust, Security Agreement and Assignment of Leases and Rents (Loudon, Tennessee), each of even date herewith executed by Company or Guarantor, as applicable, in favor of Creditor, together with all other instruments, documents and agreements executed by Company, Guarantor and/or Creditor, as applicable, in connection therewith, (ii) all other mortgages, deeds of trust, financing agreements, security agreements and instruments now or hereafter existing between Creditor and any Company or Creditor and any Guarantor executed and delivered in connection with any one or more of the foregoing, (iii) all amendments, modifications, and supplements to

any one or more of the foregoing, and (iv) all renewals, extensions and restatements of any one or more of the foregoing.

(x) Subordinated Debt: all costs and expenses (including attorneys' fees) owing by any Company or any Guarantor to Creditor in connection with the exercise of the Creditor's rights under, and the enforcement of, the Subordinated Agreements. It is understood and agreed that Subordinated Debt shall not include the GECC Obligations.

(y) Subordinated Debt Collateral: all property of each Company and each Guarantor in which Creditor is granted a security interest to secure all or any portion of the GECC Obligations or the Subordinated Debt. The Subordinated Debt Collateral shall be comprised of all the property that comprises the Senior Debt Collateral.

(z) Term Financiers: as defined in the recitals to this Agreement.

(aa) Term Financiers - DP Kelly Intercreditor Agreement: as defined in the recitals to this Agreement.

(bb) Term Financiers Financing Agreement: as defined in the recitals to this Agreement.

(cc) Term Financiers - Lenders Subordination Agreement: as defined in the recitals to this Agreement.

(dd) Term Financiers Loan: as defined in the recitals to this Agreement.

(ee) Viskase Corporation: as defined in the preamble to this Agreement.

2. Subordination. Subject to the provisions of Section 3 of this Agreement, Creditor hereby agrees to subordinate, and does hereby subordinate: (a) the payment by each Company of all or any part of the Subordinated Debt to the full and final payment and satisfaction of the Senior Debt; and (b) all liens on, and security interests in the Subordinated Debt Collateral to the liens and security interests of any Lender in the Senior Debt Collateral.

3. Permitted Payments to Creditor.

(a) Until the Senior Debt has been paid in full and satisfied, Creditor may not receive and retain any payments in respect of Subordinated Debt.

(b) Should Creditor receive (i) a payment in any form and from any source with respect to the Subordinated Debt or (ii) any Senior Debt Collateral or proceeds thereof (other than proceeds created in the ordinary course of business that are paid to Creditor pursuant to the terms of the Lease Documents in effect as of the date hereof, provided, nothing contained herein shall restrict the Lenders' rights under the Financing Agreements), Creditor shall immediately deliver to Agent, for application against the Senior Debt held by the CIT

Lenders, and thereafter to application of the remaining Senior Debt pursuant to the Term Financiers-DP Kelly Intercreditor Agreement, in the form received (except for proper endorsements or assignments, if necessary, provided that such endorsements and assignments shall be without recourse, indemnity, representation or warranty of any kind), such payment or Senior Debt Collateral (or proceeds thereof). Pending such delivery, such Creditor shall hold such payment or Senior Debt Collateral (or proceeds thereof) in trust for the account of Agent and the Lenders. As among the Lenders, the disposition of such payment or Senior Debt Collateral (or proceeds thereof) or any other payments or distribution of assets of the Companies described in this Agreement shall be governed by the priority order established in the Lenders Intercreditor and Subordination Agreements.

4. Enforcement of Creditor's Rights. (a) Creditor shall not accelerate the maturity or payment of any Subordinated Debt or assert, participate in or bring any sort of action, suit or proceeding, either at law or in equity, for the enforcement, collection or realization of all, or any part of, the Subordinated Debt (collectively, a "Creditor Enforcement Action"), unless:

(i) there occurs an Event of Bankruptcy; or

(ii) Each Lender accelerates the maturity of the Senior Debt in accordance with the terms of its Financing Agreement; provided, however, that Creditor shall immediately rescind, discontinue or revoke Creditor Enforcement Action if any Lender, at any time, rescinds, discontinues or revokes such acceleration.

(b) Notwithstanding anything contained in this Agreement to the contrary, whether prior to or after the occurrence of a Creditor Enforcement Action, Creditor shall not, without Lenders' prior written consent, take any action to enforce or foreclose any liens on or security interests in the Subordinated Debt Collateral, or levy against the Subordinated Debt Collateral, or exercise any other rights or remedies which Creditor may have under the Subordinated Agreements or applicable law specifically with respect to the Subordinated Debt Collateral, until the Senior Debt has been fully and finally paid and satisfied in cash.

(c) Any amounts received by Creditor as a result of Creditor Enforcement Action permitted in clause (a) of this Section 4, if received prior to the full and final payment and satisfaction of the Senior Debt, shall be held in trust by Creditor for Agent and the Lenders and promptly paid to Agent, on behalf of the Lenders, in accordance with the provisions of this Subordination Agreement.

5. Insolvency Proceedings. Upon the occurrence of an Event of Bankruptcy:

(a) Any payment or distribution of assets of any Company or Guarantor of any kind or character that occurs after the Event of Bankruptcy with respect to the Subordinated Debt Collateral, whether in cash, property or securities, to which Creditor would be entitled except for the provisions of this Agreement, shall be paid or delivered by any debtor, debtor in possession, receiver, liquidator, custodian, conservator, trustee or other entity making such payment or distribution, directly to Agent for application to the payment of the Senior Debt

held by the CIT Lenders remaining unpaid, to the extent necessary to pay such Senior Debt in full in cash after giving effect to any concurrent payment or distribution, or provision therefor, to Agent and any remaining such payment or distribution shall be paid or delivered in accordance with and be governed by the Lenders Intercreditor and Subordination Agreements.

(b) Without the prior written consent of each of the Lenders, Creditor shall not seek or request relief from the automatic stay as provided in section 362 of the Bankruptcy Code or otherwise with respect to the Subordinated Debt Collateral. Notwithstanding the foregoing, Creditor (i) may seek or request adequate protection pursuant to section 361 of the Bankruptcy Code or otherwise and (ii) may receive and retain any such adequate protection. In addition, so long as it shall not adversely affect the right, title and interest of the Creditor in the Sale-Leaseback Property (as defined in the GECC Intercreditor Agreement described in Section 9(e) below; it being understood that "Sale-Leaseback Property" does not include or contain any Senior Debt Collateral and does not include any property owned by any Company or Guarantor), Creditor shall not contest (or support any other entity contesting) either (i) any request by Lenders for adequate protection pursuant to section 361 of the Bankruptcy Code or otherwise, (ii) any objection by Lenders to any motion, relief, action or proceeding based on Lenders claiming a lack of adequate protection pursuant to section 361 of the Bankruptcy Code or otherwise, (iii) the entry of any cash collateral order in favor of any Lender, or (iv) the entry of any financing order in favor of any Lender under section 364 of the Bankruptcy Code or otherwise; and

(c) Although Creditor has retained its right to vote its claims and otherwise act on its own behalf in any case or proceeding related to an Event of Bankruptcy, Creditor agrees that: (i) Creditor's consent will not be required to permit the use of cash collateral or to permit any Company or Guarantor to obtain financing from Agent or any Lender under section 364 of the Bankruptcy Code and, to the extent necessary, agrees to subordinate Creditor's security interest in the Subordinated Debt Collateral to such financing; and (ii) Creditor will not, directly or indirectly, take any other action or vote in any way that would be inconsistent with, or result in a breach of, this Agreement, or to challenge or contest in a case or proceeding related to an Event of Bankruptcy (x) the validity, perfection, priority or enforceability of the Senior Debt or the security interests of any Lender in the Senior Debt Collateral or (y) the validity or enforceability of any term, condition or provision of this Agreement.

(d) Notwithstanding anything herein to the contrary, the limitations on the rights of the Creditor set forth in Sections 5(b) and (c) above shall not be applicable as to a particular Lender if the action sought to be taken by such Lender would violate Section 9 hereof.

(e) Lenders will not, directly or indirectly, take any action or vote in any way that would be inconsistent with or result in a breach of this Agreement or challenge or contest in a case or proceeding related to an Event of Bankruptcy (i) the validity, perfection, priority or enforceability of the Subordinated Debt or GECC Obligations or the security

interests of the Creditor in the Subordinated Debt Collateral, or (ii) the validity or enforceability of any term, condition or provision of this Agreement.

(f) Nothing herein shall be construed to prohibit Lenders or Creditor from seeking, in any case or proceeding related to an Event of Bankruptcy, a determination of the value of its respective secured claims, including, without limitation, a determination under section 506(a) of the Bankruptcy Code and Rule 3012 of the Federal Rules of Bankruptcy Procedure.

6. Cooperation with Lenders. (a) In the event that any Company or any Guarantor defaults on its obligations to any Lender and, as a result, such Lender undertakes to enforce its liens and security interests in the Senior Debt Collateral, Creditor agrees that it will not hinder, delay or otherwise prevent such Lender from taking any and all action which it deems necessary to enforce its liens and security interests in the Senior Debt Collateral and to foreclose and realize thereon. Creditor further agrees that the provisions of this Agreement shall remain in full force and effect notwithstanding a successful challenge to the validity, perfection, priority or enforceability of all or any of the Senior Debt or the security interests of one or more of the Lenders in the Senior Debt Collateral.

(b) If any Lender releases any of its liens or security interests in any of the Senior Debt Collateral in connection with the sale, lease, exchange, transfer or other disposition thereof, or in connection with any restructuring of all or a portion of the indebtedness of any Company, notwithstanding any consent or other approval of any kind required under the terms of the Subordinated Agreements with regard to any such release, Creditor agrees that the liens and security interests of Creditor in such Senior Debt Collateral, if any, shall simultaneously be released and Creditor shall execute and deliver to Lenders such termination statements, releases and other documents as any Lender may request to effectively confirm such release; provided that the execution and delivery of such releases and other documents shall be without recourse, indemnity, representation or warranty of any kind. Notwithstanding the foregoing, the liens and security interests of Creditor in such Senior Debt Collateral shall, subject to all of the provisions of this Agreement, continue in the proceeds of any sale, lease, exchange, transfer or other disposition of such Senior Debt Collateral to the extent such proceeds are not applied in satisfaction of the Senior Debt.

7. Representations, Warranties and Covenants of Creditor. Creditor represents and warrants to each Lender, and covenants with each Lender, that:

(a) Creditor has not relied and will not rely on any representations or information of any nature made by or received from Lenders relating to any Company or any Guarantor in deciding to execute this Agreement;

(b) Creditor has not subordinated any right, claim or interest of any kind in or to the Subordinated Debt Collateral;

(c) Creditor has full power and legal capacity to execute and deliver this Agreement to Lenders, and this Agreement constitutes a legal, valid and binding obligation of Creditor, enforceable in accordance with its terms; and

(d) notwithstanding anything contained in the Subordinated Agreements to the contrary, without the prior written consent of Lenders, Creditor shall not amend, modify, restate or supplement any of the Subordinated Agreements.

8. Representations, Warranties and Covenants of Lenders. Each Lender severally represents and warrants to Creditor, and severally covenants with Creditor, that such Lender has full power and legal capacity to execute and deliver this Agreement to Creditor, and this Agreement constitutes a legal, valid and binding obligation of such Lender enforceable in accordance with its terms.

9. Exercise of Lenders' Rights. (a) Creditor agrees that any Lender may, in such Lender's sole discretion: (i) increase the principal amount of the Senior Debt held by such Lender; (ii) renew, extend or otherwise modify in any manner (x) the rate of interest on the Senior Debt held by such Lender, (y) the time and/or terms of payment of the Senior Debt held by such Lender or (z) any other condition, term or provision of or relative to the Senior Debt held by such Lender or any provision of the applicable Senior Financing Agreements; (iii) lend additional monies, extend additional credit and make other financial accommodations to or for the account of any Company or any Guarantor; or (iv) waive or release any Senior Debt Collateral pledged or granted to such Lender or guaranties which may be held as security for all or any part of the Senior Debt of such Lender; in each case, without necessity of notice to or consent from Creditor, and without impairing or affecting this Agreement or any of Creditor's obligations and such Lender's rights hereunder. Creditor acknowledges that Lenders have not made any warranties or representations with respect to the due execution, legality, validity, completeness or enforceability of the Senior Financing Agreements, or the collectibility of the Senior Debt, or the perfection of Lenders' respective liens or security interests in the Senior Debt Collateral, and that the priorities provided in this Agreement shall not be affected or impaired in any manner whatsoever, including, without limitation, on account of the invalidity, irregularity or unenforceability of all or any part of the Senior Financing Agreements. Nothing herein shall in any way affect the obligations of the Companies or any Guarantor to Creditor or GECC under the Lease Documents.

(b) Notwithstanding anything to the contrary contained in the Senior Financing Agreements, or otherwise provided in law or equity, so long as any Senior Debt is outstanding, each Lender shall have the exclusive right (whether exercised pursuant to an Event of Bankruptcy or otherwise), without the consent of the Creditor (but subject to any restrictions contained in the Lenders Intercreditor and Subordination Agreements): (i) to take action with respect to, or to sell or otherwise dispose of, the Senior Debt Collateral of such Lender in accordance with the applicable Senior Financing Agreements or as permitted by applicable law; (ii) to foreclose, exercise any power of sale, enforce and/or realize upon the liens held by such Lender in accordance with the applicable Senior Financing Agreements or as permitted by applicable law, including to conduct any public or private sale of all or any portion of the Senior Debt Collateral of such Lender or turnover of all or

any portion of the Collateral of such Lender under Article 9 of the Uniform Commercial Code; (iii) to determine whether or not to accept a deed in lieu of foreclosure or similar transfer of all or any portion of the Senior Debt Collateral of such Lender; (iv) except as specifically set forth in paragraph 1 of the Side Letter Agreement, to enforce all rights and privileges accruing to such Lender by reason of, and in accordance with, the applicable Senior Financing Agreement including, without limitation, to grant or refuse to grant any and all consents, approvals and waivers, to exercise all of its rights and privileges as attorney-in-fact of the each Company and each Guarantor for purposes of carrying out the terms of the applicable Senior Financing Agreements; and (v) to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement. In exercising its rights as aforesaid, subject to the Lenders Intercreditor and Subordination Agreements, each Lender shall have sole control over the timing, circumstances and manner of exercising its rights hereunder, provided that such Lender shall handle all transactions relating to the applicable Senior Debt Collateral in accordance with its usual practices in the ordinary course of its business.

(c) Until the Senior Debt held by the CIT Lenders is fully and finally paid and satisfied, Agent shall have the sole and exclusive right to adjust and settle any claim made under any insurance policy covering the Senior Debt Collateral in the event of any loss thereunder, to approve any award granted in any condemnation or similar proceeding affecting the Senior Debt Collateral and to determine whether to apply any such settlement or award to the outstanding Senior Debt held by the CIT Lenders or to return it to any Company or any Guarantor for purposes of repairing, replacing or rebuilding such Senior Debt Collateral. In addition, until the Senior Debt is fully and finally paid and satisfied, all proceeds of any such policy and any such award shall be paid to Agent. Thereafter, such rights shall exist in favor of the Term Financiers and DP Kelly as set forth in the Term Financiers-DP Kelly Intercreditor Agreement. In the event Agent allows any portion of such insurance proceeds or condemnation or similar award to be used by any Company or any Guarantor to repair, replace or rebuild any Senior Debt Collateral affected or for any other purpose, Creditor agrees to consent to such use and to take all action necessary to permit such use. Each Lender hereby agrees that if it purchases any insurance on any property of the Companies or the Guarantors (on behalf of the Companies or the Guarantors, as applicable) pursuant to Section 7.5 of the CIT Financing Agreement, Section 5.5 of the Term Financiers Financing Agreement or Section 5.5 of the DP Kelly Financing Agreement, as applicable, such Lender shall cause the Creditor to be listed as junior loss payee on such insurance policies, as its interest may appear; provided, however, that the foregoing shall not apply to blanket collateral property insurance maintained by such Lender in the ordinary course of its business.

(d) Creditor hereby waives any and all rights that Creditor may have to object to the manner in which Lenders seek to enforce or collect the Senior Debt or the liens or security interests granted to Lenders in any of the Senior Debt Collateral. With respect to the actions described in clause (b) above, Creditor agrees that Lenders shall have no liability to Creditor for, and Creditor hereby waives any claim which Creditor may have at any time against Lenders with respect to, any action which Lenders take or omit to take, not otherwise

in violation of the express provisions of this Agreement, in connection with the foreclosure upon and sale, liquidation or other disposition, or valuation, use, protection or release, of the Senior Debt Collateral, or other action described in clause (b) above, except to the extent that a court of competent jurisdiction shall render a final judgment, not subject to review on appeal, that such disposition of the Senior Debt Collateral, was not conducted in a commercially reasonable manner.

(e) The parties acknowledge that certain provisions of the GECC Intercreditor Agreement (as defined in the Financing Agreements) including, but not limited to, Sections 4, 5, 6, 7, 9, 10, 11 and 12 thereof (as well as certain provisions of certain intercreditor agreements attached to and forming a part of the GECC Intercreditor Agreement) permit the Secured Parties (as defined in the GECC Intercreditor Agreement) to exercise, among other things, certain cure rights, rights to use facilities, rights to remove property, and rights to receive certain proceeds (such rights are referred to herein collectively as the "Secured Parties Rights"). Creditor agrees that nothing herein shall affect Lenders' right to exercise such Secured Parties Rights, subject to the Lenders Intercreditor and Subordination Agreements.

10. Procedures for Certain Collateral Transfers. If at any time any Lender is in possession of any of the Subordinated Debt Collateral it shall be in possession of such Subordinated Debt Collateral, (a) first on its own behalf for the purpose of perfecting its first and prior security interests (in the case of the CIT Lenders), its second priority security interests (in the case of the Term Financiers and D.P. Kelly) or other security interests, as applicable, in such Subordinated Debt Collateral and, (b) second, on behalf of each Creditor for the purposes of enabling such Creditor to perfect its security interests in such Subordinated Debt Collateral, in each case subject to the Lenders Intercreditor and Subordination Agreements. Whenever any Lender holds any Subordinated Debt Collateral in accordance with this section, (i) the obligations of such Lender shall be to exercise reasonable care in the custody, preservation and delivery of such Subordinated Debt Collateral substantially equal to that which such Lender accords its own property, and (ii) such Lender shall be entitled to reimbursement for the reasonable out-of-pocket expenses incurred by such Lender in delivering such Subordinated Debt Collateral. Notwithstanding anything contained herein to the contrary, such Lender shall have no duties or responsibilities, except as specifically set forth in this Section 10, or any fiduciary responsibility to or relationship with Creditor, the Companies or the Guarantors and no implied covenants, functions, responsibilities, duties or obligations shall be read into this Agreement or otherwise exist against such Lender. No Lender shall be liable to Creditor, the Companies or the Guarantors for any liabilities, losses or damages of any kind arising out of the transactions contemplated in this Agreement or any action taken or omitted to be taken pursuant to this Section 10 except if such liabilities, losses or damages resulted from such Lender's gross negligence or willful misconduct. Notwithstanding the foregoing provisions of this Section 10, it is understood and agreed that the provisions of this Section 10 are for convenience only and do not effect the priorities in favor of the Lenders established in this Agreement.

11. Waiver of Subrogation Rights. Creditor waives any and all rights to be subrogated to the rights of any Lender with respect to any of the Senior Debt or the Senior Debt Collateral until the Senior Debt is fully and finally paid and satisfied.

12. Legend. Creditor hereby agrees (and is hereby so authorized by each Company) to include the following legend on the Subordinated Agreements:

"Secured Party's rights in this agreement are subordinated to the payment of the "Senior Debt" and the full realization of the "Senior Debt Collateral" defined and described in the Subordination Agreement dated July 21, 2000, between the Secured Party and certain Lenders named therein and reference is made to such Subordination Agreement for a full statement of the terms and conditions of such subordination."

Each Company and each Guarantor agrees to indemnify each Lender against any losses, damages, costs and expenses incurred or suffered by any Lender by reason of Creditor's failure to so notify any future holder or secured party assignee of the Subordinated Debt Collateral, or any part thereof. Each Company and each Guarantor hereby authorizes Lenders to file such notices of record as any Lender may from time to time deem appropriate to evidence or give notice to this Agreement.

13. Miscellaneous. (a) This Agreement shall be governed by the internal laws of the State of Illinois without regard to any conflicts of law provisions. This Agreement, the Side Letter Agreement and the GECC Intercreditor Agreement contain the entire agreement between Creditor, on the one hand, and the Lenders, on the other hand, with respect to the Senior Debt, the Subordinated Debt, the Senior Debt Collateral and the Subordinated Debt Collateral, and may be modified only by a writing signed by Creditor and Lenders.

(b) Any Lender's failure to exercise any right hereunder shall not be construed as a waiver of such Lender's right to exercise the same or any other right at any other time and from time to time thereafter, and such rights shall be cumulative and not exclusive.

(c) The knowledge by any Lender of any breach or other non-observance by Creditor of the terms of this Agreement shall not constitute a waiver thereof, or of any obligations to be performed by Creditor.

(d) As between Lenders, on the one hand, and Creditor, on the other hand, in the event of any conflict between any term, covenant or condition of this Agreement and any term, covenant or condition of the Subordinated Agreements, the provisions of this Agreement shall govern and control. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

(e) This Agreement shall continue in full force and effect until the Senior Debt is fully and finally paid and satisfied, and (i) shall be binding upon Creditor and its successors and assigns, including, without limitation, any future holder or secured party assignee of all or any part of the Subordinated Debt Collateral, it being expressly understood that Creditor's rights under this Agreement may be assigned by Creditor in connection with any assignment or transfer of all or any portion of its interest in the Subordinated Debt Collateral and each subsequent holder of any portion of such interest in the Subordinated Debt Collateral shall be equally and ratably entitled to the benefits of this Agreement, and (ii) shall inure to the benefit of Lenders and their respective successors and assigns, including, without limitation, any future holder of all or any part of the Senior Debt, it being expressly acknowledged that any Lender's rights under this Agreement may be assigned by such Lender in connection with any assignment or transfer of all or any portion of Senior Debt and that each subsequent holder of any portion of Senior Debt shall be equally and ratably entitled to the benefits of this Agreement. References herein to any Company or any Guarantor shall include any successor to, or assign of, such Company or Guarantor, including without limitation any debtor-in-possession or trustee for any Company or any Guarantor in any proceeding under the Bankruptcy Code. The obligations of Creditor under this Agreement shall continue to be effective, or be reinstated, as the case may be, as to any payment in respect of any Senior Debt that is rescinded or must otherwise be returned by the holder of such Senior Debt upon the occurrence or as a result of any Event of Bankruptcy, all as though such payment had not been made.

(f) A counterpart of this Subordination Agreement shall be filed in the real estate records of every county in which a mortgage or deed of trust in favor of any Lender securing the Senior Debt has been or will be recorded, as more particularly set forth in Exhibit B-1 attached hereto. Creditor acknowledges and agrees that any purported limit on the maximum amount of indebtedness secured by any such mortgage or deed of trust in favor of Lenders shall not be operative and effective against Creditor and that the terms and conditions of this Subordination Agreement shall control between the parties.

(g) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original hereof, and all of which together shall be deemed to be a single agreement.

(h) Nothing contained in this Subordination Agreement shall impair as between the Companies and the Guarantors, on the one hand, and each Lender and Creditor, on the other hand, the unconditional and absolute obligations of the Companies and Guarantors to pay all Senior Debt and Subordinated Debt and the GECC Obligations as and when the same shall become due and payable, and nothing herein shall entitle any Company or Guarantor to challenge or object to the exercise of any remedy provided for in the Senior Financing Agreements or the Subordinated Agreements or the Lease Documents or otherwise permitted by applicable law. Without limiting the generality of the foregoing, as to the Companies and the Guarantors, the provisions of Sections 4 and 5 hereof are included solely for the purpose of establishing the terms and conditions on which the Lenders may restrict the exercise of the Creditor's rights and remedies, and the Companies and the Guarantors shall not have any

right to assert that any such term, condition or restriction modifies or limits, or constitutes a waiver of, or requires that any particular notice be given to any Company or Guarantor in order to enforce the rights of the Creditors against the Companies and Guarantors of the Subordinated Debt Collateral under the Subordinated Agreements and applicable law.

(i) Notwithstanding anything contained herein to the contrary, no term or provision of this Agreement shall be deemed to affect or impact in any manner the rights and priorities of the Lenders vis-a-vis each other and the Companies as set forth in the Lenders Intercreditor and Subordination Agreements.

(j) Notwithstanding anything contained herein to the contrary, no term or provision of this Agreement shall be deemed to affect or impact in any manner the rights and priorities of the Creditor and GECC vis-a-vis the Companies or any Guarantor as set forth in the Lease Documents, or the obligations of the Companies or any Guarantor under the Lease Documents.

[Signature Pages Follow]

UNOFFICIAL COPY

00865666

00865666

Subordination Agreement Signature Page

IN WITNESS WHEREOF, each Lender and Creditor have executed this Agreement as of the date first written above.

STATE STREET BANK AND
TRUST COMPANY,
as Owner Trustee

By: _____

Name: ROBERT L. REYNOLDS

Its: VICE PRESIDENT

STATE OF

CONNECTICUT

COUNTY OF

HARTFORD

I, the undersigned Notary Public, and for said County, in said State, DO HEREBY CERTIFY, that the above named Robert L. Reynolds, the VICE PRESIDENT of STATE STREET BANK AND TRUST COMPANY, personally known to me to be the same person is subscribed to the foregoing instrument as such VICE PRESIDENT, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntarily act of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 27th day of July, 2000.

Notary Public

My Commission Expires

DAWN P. HEINTZ
NOTARY PUBLIC
MY COMMISSION EXPIRES MAY 31, 2002

[signatures continue on following page]

UNOFFICIAL COPY

00865666

GENERAL ELECTRIC CAPITAL CORPORATION

By: [Signature]
Name: Eric A. Schaefer
Its: Manager - Operations

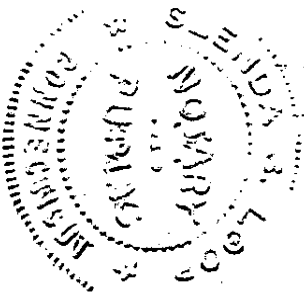
STATE OF ~~NEW YORK~~ ^{CONNECTICUT})
) ss.
COUNTY OF ~~NEW YORK~~ ^{FAIRFIELD})

I, the undersigned Notary Public in and for said County, in said State, DO HEREBY CERTIFY, that the above named Eric A. Schaefer, the Manager - Operations of GENERAL ELECTRIC CAPITAL CORPORATION, personally known to me to be the same person is subscribed to the foregoing instrument as such Eric Schaefer, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntarily act of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 25th day of July, 2000.

[Signature]
Notary Public

My Commission Expires
GLEND A. LOOP
NOTARY PUBLIC
MY COMMISSION EXPIRES OCT. 31, 2002

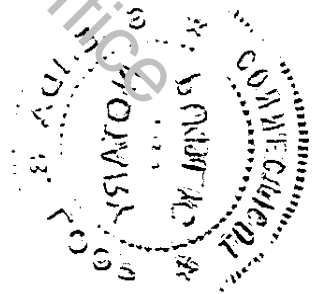


[signatures continue on following page]

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Property of Cook County Clerk's Office

RECEIVED
CLERK'S OFFICE
JAN 13 2003



THE CIT GROUP/BUSINESS CREDIT,
INC., as Agent for the benefit of the CIT Lenders

00865666

By: *R. W. Abler*
Title: *VP*

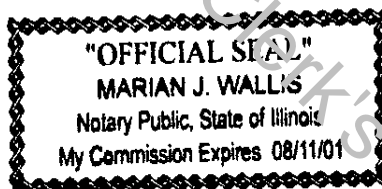
STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

I, the undersigned Notary Public in and for said County, in said State, DO HEREBY CERTIFY, that the above named ROBERT W. ABLER, the V.P. of THE CIT GROUP/BUSINESS CREDIT, INC., personally known to me to be the same person is subscribed to the foregoing instrument as such V.P., appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntarily act of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 25th day of July, 2000.

Marian J. Wallis
Notary Public

My Commission Expires




[signatures continue on following page]

UNOFFICIAL COPY

00865666

GENERAL MOTORS EMPLOYEE
GLOBAL GROUP PENSION TRUST


By: Magten Asset Management Corp.,
as its attorney-in-fact

By: 
Name: Robert Capozzi
Its: Managing Director

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

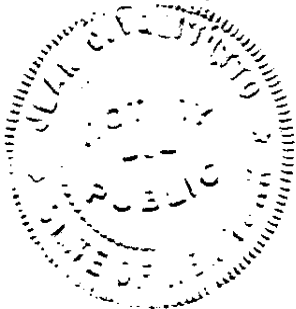
I, the undersigned Notary Public in and for said County, in said State, DO HEREBY CERTIFY, that the above named Robert Capozzi, the Managing Director of Magten Asset Management Corp., personally known to me to be the same person is subscribed to the foregoing instrument as such, Managing Director, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntarily act of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 27 day of July, 2000.


Notary Public

My Commission Expires

JEAN C. VALITUTTO
Notary Public, State of New York
No. 31-4679075
~~Qualified in New York County~~
Commission Expires March 30, 2001



[signatures continue on following page]

UNOFFICIAL COPY

DEPARTMENT OF PENSIONS - CITY
OF LOS ANGELES

00865666

By: Magten Asset Management Corp.,
as its attorney-in-fact

00865666

By: [Signature]
Name: Robert Capozzi
Its: Managing Director

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

I, the undersigned Notary Public in and for said County, in said State, DO HEREBY CERTIFY, that the above named Robert Capozzi, the Managing Director of Magten Asset Management Corp., personally known to me to be the same person is subscribed to the foregoing instrument as such Managing Director, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntarily act of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 27th day of July, 2000.

[Signature: Kenneth S. Browd]
Notary Public

My Commission Expires

KENNETH S. BROWD
Notary Public, State of New York
No. 01BR5071618
Qualified in Kings County
Commission Expires January 21, 2001

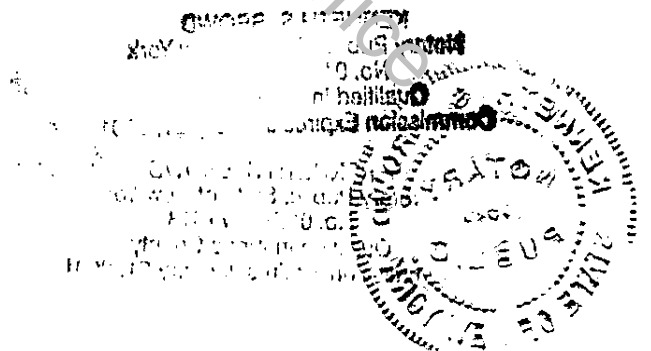
KENNETH S. BROWD
Notary Public, State of New York
No. 01BR5071618
Qualified in Kings County
Commission Expires January 21, 2001

[signatures continue on following page]

UNOFFICIAL COPY

2000-01

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NAVY EXCHANGE SERVICE
COMMAND RETIREMENT TRUST

00865666

By: Magten Asset Management Corp.,
as its attorney-in-fact

By: [Signature]
Name: Robert Capozzi
Its: Managing Director

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

I, the undersigned Notary Public in and for said County, in said State, DO HEREBY CERTIFY, that the above named Robert Capozzi, the Managing Director of Magten Asset Management Corp., personally known to me to be the same person is subscribed to the foregoing instrument as such Managing Director, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntarily act of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 27 day of July, 2000.

[Signature]
Notary Public

My Commission Expires

JEAN C. VALITUTTO
~~Notary Public, State of New York~~
No. 31-4679675
Qualified in New York County
Commission Expires March 30, 182001



[signatures continue on following page]

UNOFFICIAL COPY

RAYTHEON CO. MASTER PENSION TRUST

By: Norman M. Pao

Name: NORMAN M. PAO

Its: DIRECTOR, PENSION & INVESTMENTS

00865666

Commonwealth Massachusetts

~~STATE OF NEW YORK~~)

) ss.

COUNTY OF NEW YORK)

Middlesex

Pension & Investments

I, the undersigned Notary Public in and for said County, in said State, DO HEREBY CERTIFY, that the above named Norman M. Pao, the Director of RAYTHEON CO. MASTER PENSION TRUST, personally known to me to be the same person is subscribed to the foregoing instrument as such , appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntarily act of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 7 day of July, 2000.

August

Melissa A. Keddy
Notary Public



My Commission Expires

MELISSA A. KEDDY

Notary Public

My Commission Expires

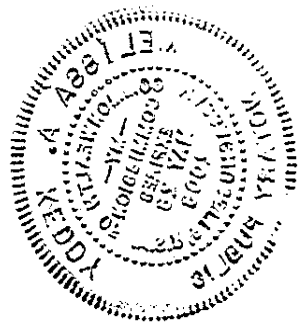
May 26, 2006

[signatures continue on following page]

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2/16/18

Property of Cook County Clerk's Office



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FIRST DATA CORPORATION MASTER RETIREMENT TRUST

By: Magten Asset Management Corp.,
as its attorney-in-fact

By: [Signature]
Name: Robert Capozzi
Its: Managing Director

00865666

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

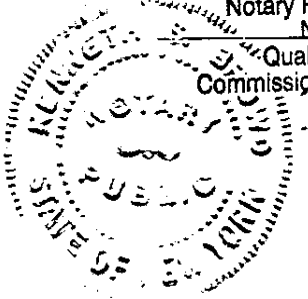
I, the undersigned Notary Public in and for said County, in said State, DO HEREBY CERTIFY, that the above named Robert Capozzi, the Managing Director of Magten Asset Management Corp., personally known to me to be the same person is subscribed to the foregoing instrument as such Managing Director, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntarily act of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 27th day of July, 2000.

[Signature]
Notary Public

My Commission Expires

KENNETH S. BROWD
Notary Public, State of New York
No. 01BR5071618
Qualified in Kings County
Commission Expires January 21, 2001



[signatures continue on following page]

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D.P. KELLY & ASSOCIATES, L.P.,
a Delaware limited partnership

By: C&G Management Company, Inc.,
a Delaware corporation, its general partner

By: SM Schuster
Name: Mr. Stephen M. Schuster
Its: Vice President

00865666

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

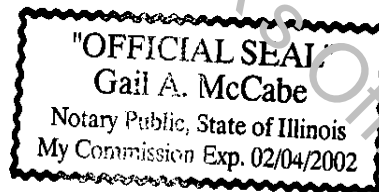
I, the undersigned Notary Public in and for said County, in said State, DO HEREBY CERTIFY, that the above named Stephen M. Schuster, Vice President of C&G Management Company, Inc., the general partner of D.P. Kelly & Associates, L.P., personally known to me to be the same person, is subscribed to the foregoing instrument as such Managing Director, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntarily act of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 25th day of July, 2000.

Gail A. McCabe
Notary Public

My Commission Expires

2-04-2002



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CONSENT

Each undersigned Company and Guarantor acknowledges receipt of a copy of the foregoing Subordination Agreement, consents to all of the terms and conditions thereof, and agrees that it will not pay any Subordinated Debt, except as provided therein.

VISKASE CORPORATION

By: Gordon S. Donovan
Title: Gordon S. Donovan
Vice President

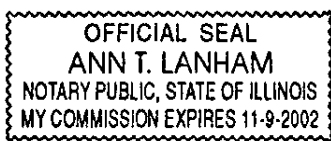
00865666

STATE OF ILLINOIS)

COUNTY OF COOK)

I, the undersigned Notary Public, for said County, in said State, DO HEREBY CERTIFY, that the above named Gordon S. Donovan Vice President of VISKASE CORPORATION, personally known to me to be the same person is subscribed to the foregoing instrument as such , appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntarily act of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 25th day of July, 2000.



Ann T. Lanham
Notary Public

My Commission Expires

11-9-2002

[signatures continue on following page]

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VISKASE SALES CORPORATION

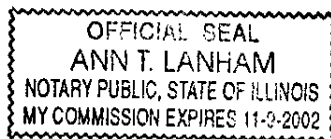
By: Gordon S. Donovan
Title: Gordon S. Donovan
Vice President

00865666

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

I, the undersigned Notary Public in and for said County, in said State, DO HEREBY CERTIFY, that the above named Gordon S. Donovan of VISKASE SALES CORPORATION, personally known to me the Vice President, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntarily act of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 25th day of July, 2000.



Ann T. Lanham
Notary Public

My Commission Expires

11-9-2002

[signatures continue on following page]

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VISKASE COMPANIES, INC.

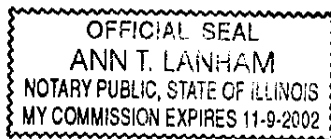
By: Gordon S. Donovan
Title: Gordon S. Donovan
Vice President

00865666

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

I, the undersigned Notary Public in and for said County, in said State, DO HEREBY CERTIFY, that the above named Gordon S. Donovan of VISKASE COMPANIES, Inc., personally known to me ~~the President~~ is subscribed to the foregoing instrument as such , appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntarily act of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 25th day of July, 2000.



Ann T. Lanham
Notary Public

My Commission Expires

11-9-2002

[signatures continue on following page]

UNOFFICIAL COPY

VISKASE HOLDING, INC.

By: Gordon S. Donovan
Title: Gordon S. Donovan
Vice President

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

60865666

I, the undersigned Notary Public in and for said County, in said State, DO HEREBY CERTIFY, that the above named Gordon S. Donovan ~~the~~ vice President of VISKASE HOLDING, INC., personally known to me to be the same person is subscribed to the foregoing instrument as such , appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntarily act of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 25th day of July, 2000.



Ann T. Lanham
Notary Public

My Commission Expires

11-9-2002

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EXHIBIT A

SENIOR DEBT COLLATERAL

00865666

All now owned and hereafter acquired right, title and interest of each Company and Guarantor in, to and in respect of all: accounts, interests in goods represented by accounts, returned, reclaimed or repossessed goods with respect thereto and rights as an unpaid vendor; contract rights; chattel paper; investment property; general intangibles (including, but not limited to, tax and duty refunds, registered and unregistered patents, trademarks, service marks, copyrights, trade names, applications for the foregoing, trade secrets, goodwill, processes, drawings, blueprints, customer lists, licenses, whether as licensor or licensee, chooses in action and other claims, and existing and future leasehold interests in equipment and fixtures); documents; instruments; letters of credit, bankers' acceptances or guaranties; cash moneys, deposits, securities, bank accounts, deposit accounts, credits and other property now or hereafter held in any capacity by Agent, its affiliates or any entity which, at any time, participates in Agent's financing of Companies or at any other depository or other institution; agreements or property securing or relating to any of the items referred to above;

All now owned and hereafter acquired right, title and interest of each Company and each Guarantor in, to and in respect of goods, including, but not limited to:

All inventory, wherever located, whether now owned or hereafter acquired, of whatever kind, nature or description, including all raw material, work-in-process, finished goods, and materials to be used or consumed in each Company's and each Guarantor's business; and all names or marks affixed to or to be affixed thereto for purposes of selling same by the seller, manufacturer, lessor or licensor thereof;

All equipment and fixtures, wherever located, whether now owned or hereafter acquired, including, without limitation, all machinery, equipment, motor vehicles, furniture and fixtures, and any and all additions, substitutions, replacements (including spare parts), and accessions thereof and thereto; and

All consumer goods, farm products, crops, timber, minerals or the like (including oil and gas), wherever located, whether now owned or hereafter acquired, of whatever kind, nature or description;

All now owned and hereafter acquired right, title and interests of each Company and each Guarantor in, to and in respect of any personal property in or upon which Agent has or may hereafter have a security interest, lien or right of setoff;

All present and future books and records relating to any of the above including, without limitation, all computer programs, printed output and computer readable data in the possession or control of each Company and each Guarantor, any computer service bureau or other third party; and

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All products and proceeds of the foregoing in whatever form and wherever located, including, without limitation, all insurance proceeds and all claims against third parties for loss or destruction of or damage to any of the foregoing.

Without limitation to the foregoing, all right, title and interest of Viskase Corporation as fee owner of certain parcels of real estate and buildings thereon and as holder of certain leasehold interests pertaining to equipment located on said parcels of real estate which parcels of real estate are identified on Exhibit B-1 attached hereto.

Property of Cook County Clerk's Office

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EXHIBIT B-1

SCHEDULE OF REAL ESTATE

The following are the locations of the parcels of real estate referred to in Exhibit A of this Subordination Agreement to which this Exhibit B-1 is attached:

- Site #1: 2221 East State Highway 198
Osceola, Arkansas
- Site #2: 24th at O'Neal
Centerville, Iowa
- Site #3: U.S. Highway 11
Loudon, Tennessee
- Site #4: 6855 and 6733 West 65th Street
Chicago, Illinois
- Site #5: Bensalem, Pennsylvania
- Site #6: Route 3
Indian Meridian Rd.
Pauls Valley, Oklahoma
- Site #7: Route 1
Kentland, Indiana

A counterpart of this Subordination Agreement is being recorded in the real estate records of Cook County, Illinois (Site # 4), to establish the relative priority of the following Mortgage/Deed of Trusts, which encumber the real estate legally described on Exhibit B-2 attached hereto:

1. Revolving Credit Mortgage, Security Agreement and Assignment of Leases and Rents in favor of each Lender filed in the County referred to above, each recorded on June 23, 1999, as Document Nos. 99604566, 99604567 and 99604569, in the real estate records of the County identified above.
2. Revolving Credit Mortgage, Security Agreement and Assignment of Leases and Rents in favor of Creditor filed in the County referred to above recorded on September 5, 2000, as Document No. 00684754, in the real estate records of the County identified above, which pursuant to the terms and conditions of this Subordination Agreement in subordinate to the foregoing instrument in favor of Creditor.

UNOFFICIAL COPY

EXHIBIT B-2

Premises: 6855 and 6733 West 65th Street, Chicago, Illinois

00865666

PARCEL 1:

THE WEST 180 FEET OF BLOCK 28 (EXCEPT THE NORTH 130.07 FEET THEREOF), ALSO LOTS 1 TO 9 IN BLOCK 29 AND ALL OF THE NORTH-SOUTH VACATED ALLEY EAST OF THE EAST LINE OF LOTS 2 TO 9 AND WEST OF THE WEST LINE OF LOT 1 AND NORTH OF THE SOUTH LINE OF LOT 9 EXTENDED EAST TO THE WEST LINE OF LOT 1 ALL IN FREDERICK H. BARTLETT'S CHICAGO HIGHLANDS IN THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, PLAT RECORDED AUGUST 2, 1921 AS DOCUMENT NUMBER 7222640, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 50 FEET SOUTH OF THE NORTH LINE AND 175 FEET EAST OF THE WEST LINE OF SAID QUARTER QUARTER SECTION, THENCE SOUTH PARALLEL TO THE WEST LINE THEREOF 886.88 FEET, THENCE SOUTHERLY 40.01 FEET TO A POINT 976.88 FEET SOUTH OF THE NORTH LINE AND 176 FEET EAST OF THE WEST LINE OF SAID QUARTER QUARTER SECTION, WHICH POINT IS ALSO THE POINT OF TANGENCY OF A CURVED LINE TANGENT TO A LINE 176 FEET EAST OF THE WEST LINE OF SAID QUARTER SECTION, CURVE CONVEX TO THE SOUTHEAST, RADIUS 296.94 FEET, THENCE SOUTHWESTERLY ALONG SAID CURVED LINE 219.99 FEET TO A POINT OF TANGENCY OF SAID CURVE LYING ON A DIAGONAL LINE 30 FEET NORTHWEST OF AND PARALLEL TO A LINE RUNNING FROM THE SOUTHWEST CORNER OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 19 AFORESAID TO A POINT ON THE NORTH LINE THEREOF 125 FEET WEST OF THE NORTHEAST CORNER THEREOF, THENCE NORTHEAST ALONG SAID DIAGONAL LINE 430.76 FEET, TO A POINT OF TANGENCY OF A CURVED LINE CONVEX TO THE NORTHWEST, RADIUS OF 296.94 FEET, SAID POINT OF TANGENCY LYING ON THE DIAGONAL LINE AFORESAID AND 131.94 FEET SOUTHWEST OF AN INTERSECTION WITH THE NORTH LINE OF THE SOUTH 570 FEET OF SAID QUARTER SECTION, THENCE NORTHEASTERLY ALONG SAID CURVED LINE A DISTANCE OF 201.94 FEET TO A POINT OF REVERSE CURVE, THENCE NORTHEASTERLY ALONG A CURVED LINE CONVEX TO THE SOUTHEAST WITH A RADIUS OF 278.94 FEET A DISTANCE OF 396.37 FEET TO THE POINT OF TANGENCY OF SAID CURVE, LYING ON THE EAST LINE OF THE WEST 801 FEET OF SAID QUARTER QUARTER SECTION AT A POINT 485.23 FEET SOUTH OF THE NORTH LINE THEREOF, THENCE NORTH ALONG SAID LINE 435.23 FEET, THENCE WEST 626 FEET TO THE PLACE OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THE SOUTH 6 FEET OF THE NORTH 416 FEET OF THE EAST 134 FEET OF THE WEST 159 FEET OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 38

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NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.
PARCEL 4:

THE EAST 150 FEET OF THE WEST 175 FEET OF THE SOUTH 360 FEET OF THE NORTH 410 FEET OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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PARCEL 5:

THE SOUTH 184 FEET OF THE NORTH 600 FEET OF THE EAST 134 FEET OF THE WEST 159 FEET OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH A TRIANGULAR PARCEL OF LAND IN SAID 1/4 SECTION DESCRIBED AS BEGINNING AT A POINT ON THE SOUTH LINE OF THE NORTH 600 FEET OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 19, WHICH IS 157.5 FEET EAST OF THE WEST LINE THEREOF; THENCE EAST 1.5 FEET TO THE SOUTHEAST CORNER OF THE TRACT ABOVE DESCRIBED; THENCE SOUTH PARALLEL TO THE WEST LINE OF THE AFORESAID 1/4 SECTION 30 FEET; THENCE NORTHERLY IN A STRAIGHT LINE TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 6:

THAT PART OF THE EAST 134 FEET OF THE WEST 159 FEET OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE NORTH 600 FEET THEREOF, AND NORTH OF THE SOUTH 345 FEET THEREOF, EXCEPTING FROM THE TRACT DESCRIBED A TRIANGULAR PARCEL IN THE NORTHEAST CORNER THEREOF LYING EAST OF A LINE CONNECTING A POINT 30 FEET SOUTH OF THE NORTHEAST CORNER OF THE ABOVE DESCRIBED TRACT WITH A POINT 1 1/2 FEET WEST OF THE AFORESAID NORTHEAST CORNER OF THE TRACT AND ALSO EXCEPT FROM THE FIRST DESCRIBED TRACT OF LAND A PARCEL IN THE SOUTHEAST CORNER THEREOF AND LYING EAST OF A LINE DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EAST LINE OF THE WEST 159 FEET OF SAID QUARTER, QUARTER SECTION WHICH IS 937.01 FEET SOUTH OF THE NORTH LINE THEREOF; THENCE SOUTHERLY 40.01 FEET TO A POINT, 977.01 FEET SOUTH OF THE NORTH LINE AND 158 FEET EAST OF THE WEST LINE OF SAID QUARTER, QUARTER SECTION; THENCE SOUTHERLY ON A CURVED LINE CURVE CONVEX TO THE SOUTHEAST RADIUS 278.94 FEET, A DISTANCE OF 8.18 FEET TO AN INTERSECTION WITH THE NORTH LINE OF THE SOUTH 345 FEET OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 19 TO A POINT 157.88 FEET EAST OF THE WEST LINE THEREOF, IN COOK COUNTY, ILLINOIS.

PARCEL 7:

THAT PART OF THE SOUTH 315 FEET OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING WEST AND NORTH OF A CURVED LINE, CURVE CONVEX TO THE SOUTHEAST,

RADIUS 278.94 FEET, SAID CURVE BEING TANGENT TO A LINE 158 FEET EAST OF THE WEST LINE OF SAID QUARTER, QUARTER SECTION AND INTERSECTING THE SAID WEST LINE, 100.81 FEET NORTH OF THE SOUTHWEST CORNER THEREOF, IN COOK COUNTY, ILLINOIS.

PARCEL 8:

LOTS 10 AND 11 IN BLOCK 29 IN FREDERICK H. BARTLETT'S CHICAGO HIGHLANDS IN THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 9:

THE NORTH 30 FEET OF THE SOUTH 345 FEET OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING WEST AND NORTH OF A CURVED LINE, CURVE CONVEX TO THE SOUTHEAST, RADIUS 278.94 FEET; SAID CURVE BEING TANGENT TO A LINE 158 FEET EAST OF THE WEST LINE OF SAID QUARTER SECTION AND INTERSECTING THE SAID WEST LINE 100.81 FEET NORTH OF THE SOUTHWEST CORNER THEREOF, IN COOK COUNTY, ILLINOIS.

PARCEL 10:

LOTS 1 TO 11 IN BLOCK 36 AND ALL OF THE NORTH-SOUTH ALLEY LYING WEST OF AND ADJOINING LOTS 1 TO 10 AND EAST OF AND ADJOINING LOT 11 IN FREDERICK H. BARTLETT'S CHICAGO HIGHLANDS IN THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 19, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN PLAT RECORDED SEPTEMBER 21, 1921 AS DOCUMENT NUMBER 7263149, IN COOK COUNTY, ILLINOIS.

PARCEL 11:

THAT PART OF THE SOUTH EAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 19, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF THE NORTH 50 FEET OF SAID QUARTER QUARTER SECTION WHICH IS 25 FEET WEST OF THE EAST LINE THEREOF; THENCE WEST ALONG THE SOUTH LINE OF SAID NORTH 50 FEET A DISTANCE OF 260.70 FEET; THENCE SOUTH PARALLEL WITH THE EAST LINE OF THE AFORESAID QUARTER QUARTER SECTION 157.50 FEET; THENCE WESTERLY 158.30 FEET TO A POINT ON THE WEST LINE OF THE EAST 444 FEET OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 19 AFORESAID, WHICH IS 207.50 FEET SOUTH OF THE NORTH LINE THEREOF; THENCE SOUTH ALONG THE WEST LINE OF THE EAST 444 FEET OF SAID QUARTER QUARTER SECTION 332 FEET TO AN INTERSECTION WITH A CURVED LINE CONVEX TO THE NORTHWEST; THENCE NORTHEASTERLY ALONG SAID CURVED LINE WITH A RADIUS OF 278.94 FEET A DISTANCE OF 66.79 FEET TO THE POINT OF TANGENCY OF SAID CURVED LINE LYING ON THE NORTH LINE OF THE SOUTH 800 FEET OF THE AFORESAID SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 19; THENCE EAST ALONG SAID

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LINE 352.80 FEET TO THE WEST LINE OF THE EAST 25 FEET OF SAID QUARTER QUARTER SECTION; THENCE NORTH 480.55 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 12:

THAT PART OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 19, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF THE NORTH 50 FEET OF SAID QUARTER QUARTER SECTION WHICH IS 285.70 FEET WEST OF THE EAST LINE THEREOF; THENCE WEST ALONG THE SOUTH LINE OF SAID NORTH 50 FEET A DISTANCE OF 429.30 FEET; THENCE SOUTH AT RIGHT ANGLES TO THE SOUTH LINE OF THE NORTH 50 FEET OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 19, A DISTANCE OF 558 FEET TO THE POINT OF TANGENCY OF A CURVED LINE CONVEX TO THE SOUTHEAST; THENCE SOUTHWESTERLY ALONG SAID CURVED LINE WITH A RADIUS OF 278.94 FEET, A DISTANCE OF 161.37 FEET TO AN INTERSECTION WITH A DIAGONAL LINE RUNNING ACROSS THE AFORESAID SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 19, DRAWN FROM THE NORTHEAST CORNER TO THE SOUTHWEST CORNER OF SAID QUARTER QUARTER SECTION; THENCE NORTHEASTERLY ALONG SAID DIAGONAL LINE, 59.54 FEET TO AN INTERSECTION WITH A CURVED LINE CONCENTRIC WITH AND 18 FEET DISTANT FROM THE CURVED LINE HERETOFORE DESCRIBED; THENCE SOUTHWESTERLY ALONG SAID CURVED LINE WITH A RADIUS OF 296.94 FEET, A DISTANCE OF 43.04 FEET TO AN INTERSECTION WITH A LINE 14 FEET SOUTHEASTERLY FROM AND PARALLEL WITH THE DIAGONAL LINE HERETOFORE DESCRIBED; THENCE NORTHEASTERLY ALONG THE LAST DESCRIBED LINE 133.86 FEET; THENCE SOUTHEASTERLY AT RIGHT ANGLES 16 FEET; THENCE NORTHEASTERLY FROM AND PARALLEL WITH THE DESCRIBED DIAGONAL LINE RUNNING ACROSS THE AFORESAID QUARTER QUARTER SECTION 85.99 FEET TO THE POINT OF TANGENCY OF A CURVED LINE CONVEX TO THE NORTHWEST; THENCE NORTHEASTERLY ALONG SAID CURVED LINE WITH A RADIUS OF 278.94 FEET (SAID CURVED LINE BEING ALSO TANGENT TO THE NORTH LINE OF THE SOUTH 800 FEET TO AFORESAID SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 19 AT A POINT 377.90 FEET WEST OF THE EAST LINE OF SAID QUARTER QUARTER SECTION) A DISTANCE OF 151.83 FEET TO AN INTERSECTION WITH THE WEST LINE OF THE EAST 444 FEET OF THE QUARTER QUARTER SECTION AFORESAID; THENCE NORTH ALONG THE LAST DESCRIBED LINE 332 FEET TO A POINT 207.20 FEET SOUTH OF THE NORTH LINE OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 19 AFORESAID; THENCE EASTERLY 158.30 FEET TO A POINT ON THE WEST LINE OF THE EAST 285.70 FEET TO SAID QUARTER QUARTER SECTION, WHICH IS 207.50 FEET SOUTH OF THE NORTH LINE THEREOF; THENCE NORTH ALONG THE DESCRIBED LINE 157.50 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

EXCEPTING FROM PARCEL 1 THE FOLLOWING DESCRIBED LAND:

THAT PART OF LOTS 1, 2, 3, 4, 5 AND 6 LYING WITHIN THE NORTH 133 FEET IN BLOCK 29 AND THE NORTH-SOUTH VACATED ALLEY LYING EAST OF THE EAST LINE OF LOTS 2 THRU 6 AND WEST OF THE WEST LINE OF LOT 1 IN FREDERICK H. BARTLETT'S CHICAGO HIGHLANDS IN THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 19 TOWNSHIP

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38 NORTH RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY,
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[Illinois Site #4]

P.I.N.:

19-19-115-005-0000	19-19-117-053-0000	19-19-212-017-0000
19-19-115-006-0000	19-19-212-005-0000	19-19-213-012-0000
19-19-115-007-0000	19-19-212-006-0000	19-19-216-003-0000
19-19-115-008-0000	19-19-212-007-0000	19-19-216-005-0000
19-19-115-009-0000	19-19-212-008-0000	19-19-216-007-0000
19-19-115-010-0000	19-19-212-009-0000	19-19-216-009-0000
19-19-115-011-0000	19-19-212-010-0000	19-19-216-010-0000
19-19-115-012-0000	19-19-212-011-0000	19-19-216-011-0000
19-19-115-013-0000	19-19-212-012-0000	19-19-216-013-0000
19-19-115-014-0000	19-19-212-013-0000	19-19-216-036-0000
19-19-115-015-0000	19-19-212-014-0000	19-19-216-037-0000
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19-19-115-017-0000	19-19-212-016-0000	19-19-216-041-0000

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