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Cook County Recorder 75.00



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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 14th day of June, 1999, by and among D.P. KELLY & ASSOCIATES, LTD., a Delaware limited partnership (the "Creditor") and THE CIT GROUP/BUSINESS CREDIT, INC., a New York corporation, as agent ("Agent") on behalf and for the benefit of the lenders ("Lenders") party to that certain Financing Agreement of even date herewith by and among Agent, Lenders, each of Viskase Corporation, a Pennsylvania corporation, and Viskase Sales Corporation, a Delaware corporation (each a "Company" and collectively, the "Companies"), as the same may be amended, modified, supplemented or restated from time to time (the "Financing Agreement").

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RECITALS

A. The Companies are indebted to Creditor in an aggregate principal amount equal to \$5,000,000 as of the date hereof. Such indebtedness will be evidenced by the Junior Secured Financing Documents (as defined herein) and the repayment thereof is secured by a second priority, fully perfected security interest in the Subordinated Debt Collateral (as defined herein).

B. The Companies and Agent, for the benefit of the Lenders, intend to enter into financing arrangements pursuant to which the Lenders will provide the Companies with revolving loans (collectively, the "Revolving Line of Credit"), a \$50,000,000 term loan (the "Term Loan") and certain other financial accommodations, all as more fully described in the Financing Agreement. All liabilities and obligations of the Companies to the Lenders under the Financing Agreement will be secured by 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.

BOX 333-CTI

C. As a condition to Agent's and Lenders' execution of the Financing Agreement, Agent and each Lender require that Creditor enter into this Agreement with Agent.

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

E. The Companies are also indebted to certain Term Financiers (as defined in the Financing Agreement) in an amount equal to \$30,000,000 as of the date hereof. The Term Financiers have a co-lien position with the Creditor on the terms and conditions of that certain Intercreditor Agreement, dated the date hereof, among the Creditor and the Term Financiers (the "Term Financiers-Creditor Intercreditor Agreement"). The Agent, on behalf of the Lenders, has also entered into a Subordination Agreement with the Term Financiers, dated the date hereof (the "Term Financiers-Lenders Subordination Agreement"). The Creditor, the Agent and the Companies each acknowledge that nothing contained in the Term Financiers-Creditor Intercreditor Agreement or the Term Financiers-Lenders Subordination Agreement shall affect 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, Agent and Creditor hereby agrees 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) **Companies:** as defined in the preamble to this Agreement.
- (c) **Creditor:** as defined in the preamble to this Agreement.
- (d) **Default:** as defined in the Financing Agreement.
- (e) **Event of Default:** as defined in the Financing Agreement.
- (f) **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.

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

(h) Guarantors: as defined in the Financing Agreement.

(i) Junior Secured Financing Agreement: that certain Financing Agreement of even date herewith by and among the Creditor and the Companies, as the same may be amended, modified, supplemented or restated from time to time.

(j) 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 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.

(k) Senior Debt Collateral: the "Collateral," as defined in the Senior Financing Agreement, 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 Agent, on behalf of the Lenders, was granted a lien and security interest).

(l) Senior Financing Agreements: collectively, the Financing Agreement, together with (i) all other instruments, documents and agreements executed by each Company, Guarantor and/or Agent in connection therewith, (ii) all other mortgages, deeds of trust, financing agreements, security agreements and instruments now or hereafter existing between Agent and any Company or Agent 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.

(m) Subordinated Agreements: collectively (i) the Junior Secured Financing Agreement, together with all other instruments, documents and agreements executed by each Company, Guarantor and/or Creditor 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 the Junior Secured Financing Agreement, (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.

(n) Subordinated Debt: all of each Company's and each Guarantor's obligations, liabilities and indebtedness now or hereafter owed to Creditor pursuant to the Subordinated Agreements, and 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.

(o) 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 the Subordinated Debt. The Subordinated Debt Collateral shall be comprised of all the property that comprises the Senior Debt Collateral.

2. Subordination. Subject to the provisions of Section 3 of this Agreement and that certain side letter to this Agreement, dated June 14, 1999, from the Agent to the Creditor (which side letter is hereby incorporated by reference and made a part hereof), 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 Agent in the Senior Debt Collateral.

3. Permitted Payments to Creditor.

(a) So long as no Default or Event of Default has occurred and is continuing, the Creditor may receive and retain (i) all fees and expenses that are requested to be paid by the Companies under the Junior Secured Financing Agreement, and (ii) payments of interest in respect of Subordinated Debt at the rates and times specified in the Junior Secured Financing Agreement.

(b) Should Creditor receive (i) a payment in any form and from any source with respect to the Subordinated Debt, other than (x) a payment permitted to be made under clause (a) of this Section 3 or (y) an adequate protection payment made after an Event of Bankruptcy, or (ii) any Senior Debt Collateral or proceeds thereof, Creditor shall immediately deliver to Agent, for application against the Senior Debt, 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. Pending such delivery, such Creditor shall hold such payment or Senior Debt Collateral in trust for the account of Agent.

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

(b) Creditor shall not, without Agent's prior written consent, (i) commence or join with any other creditor of any Company or Guarantor in commencing any bankruptcy, reorganization, receivership or insolvency proceeding against any Company or Guarantor, or (ii) take any action to enforce or foreclose any liens on or security interests in, or levy against, or exercise any other rights or remedies which Creditor may have under the Subordinated Agreements or applicable law with respect to, the Subordinated Debt Collateral or any other property of any Company or Guarantor, until the Senior Debt has been fully and finally paid and satisfied.

(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 promptly paid to Agent in accordance with the provisions of this Subordination Agreement.

(d) Notwithstanding anything contained in this Agreement to the contrary, the Creditor may bring and maintain an action against the Companies to collect accrued and unpaid interest and fees under the Junior Secured Financing Agreement so long as no Default or Event of Default exists and is continuing under the Financing Agreement other than that caused solely by the Companies' failure to pay interest or fees, as the case may be, due under the Junior Secured Financing 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

remaining unpaid, to the extent necessary to pay the Senior Debt in full after giving effect to any concurrent payment or distribution, or provision therefor, to Agent.

(b) Without the prior written consent of the Agent, 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, Creditor shall not contest (or support any other entity contesting) either (i) any request by Agent for adequate protection pursuant to section 361 of the Bankruptcy Code or otherwise, (ii) any objection by Agent to any motion, relief, action or proceeding based on Agent 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 Agent or Lenders, or (iv) the entry of any financing order in favor of Agent or Lenders 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 Agent 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 if the action sought to be taken by the Agent or Lenders would violate Section 9 hereof.

(e) Agent and 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 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 Agent 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 Agent. (a) In the event that any Company or any Guarantor defaults on its obligations to Agent and, as a result, Agent undertakes to enforce Agent's liens and security interests in the Senior Debt Collateral, Creditor agrees that it will not hinder, delay or otherwise prevent Agent from taking any and all action which Agent deems necessary to enforce Agent's 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 Agent in the Senior Debt Collateral.

(b) If Agent 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 Agent such termination statements, releases and other documents as Agent 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 Agent, and covenants with Agent, that:

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

(b) all of the Subordinated Agreements to which Creditor is a party (or under which Creditor are a payee) are set forth on Exhibit B attached hereto, and Creditor has delivered to Agent true, correct and complete copies of such Subordinated Agreements;

(c) Creditor is the lawful owner of the Subordinated Debt, free and clear of all liens and encumbrances, and Creditor has not subordinated any right, claim or interest of any kind in or to the Subordinated Debt;

(d) Creditor will not subordinate at any time while this Agreement remains in effect, any right, claim or interest of any kind in or to the Subordinated Debt;

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

(f) notwithstanding anything contained in the Subordinated Agreements to the contrary, without the prior written consent of Agent, Creditor shall not amend, modify, restate or supplement any of the Subordinated Agreements, if the direct or indirect effect of such amendment, modification, restatement or supplement would (i) cause the effective rate of interest charged thereunder to increase, (ii) cause the principal amount of the Subordinated Debt, or any installment of principal or other amounts payable thereunder, to increase, (iii) change the maturity date of any payment for principal or interest to accelerate the payment thereof, (iv) change the form or method of payment, (v) obtain collateral security for the Subordinated Debt in addition to the Subordinated Debt Collateral or (vi) increase the amount of any fees payable by any Company to Creditor thereunder; and

(g) Creditor agrees to waive the compliance by the Companies with any financial covenant set forth in Sections 7.10 and 7.11 of the Financing Agreement if, and to the extent, any such financial covenant is waived by Agent.

8. Representations, Warranties and Covenants of Agent. Agent, on behalf of Lenders, represents and warrants to Creditor, and covenants with Creditor, that:

(a) all of the Senior Financing Agreements to which Agent and Lenders are a party (or under which Agent and Lenders are a payee) are set forth on Exhibit C attached hereto; and

(b) Agent, on behalf of the Lenders, 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 Agent, on behalf of the Lenders, enforceable in accordance with its terms.

9. Exercise of Agent's Rights. (a) Creditor agrees that Agent may, in Agent's sole discretion: (i) increase the principal amount of the Senior Debt; (ii) renew, extend or otherwise modify in any manner (x) the rate of interest on the Senior Debt, (y) the time and/or terms of payment of the Senior Debt or (z) any other condition, term or provision of or relative to the Senior Debt or any provision of the 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 or guaranties which may be held as security for all or any part of the Senior Debt; 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 Agent's rights hereunder. Creditor acknowledges that Agent has 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 Agent's 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.

(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, Agent shall have the exclusive right (whether exercised pursuant to an Event of Bankruptcy or otherwise), without the consent of the Creditor: (i) to take action with respect to, or to sell or otherwise dispose of, the Senior Debt Collateral in accordance with the 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 Agent in accordance with the 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 or turnover of all or any portion of the Collateral 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; (iv) to enforce all rights and privileges accruing to Agent by reason of, and in accordance with, the 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 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, Agent shall have sole control over the timing, circumstances and manner of exercising its rights hereunder, provided that Agent shall handle all transactions relating to the Senior Debt Collateral in accordance with its usual practices in the ordinary course of its business.

(c) Until the Senior Debt 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 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. 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. The Agent 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 Financing Agreement, the Agent 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 Agent 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 Agent seeks to enforce or collect the Senior Debt or the liens or security interests granted to Agent in any of the Senior Debt Collateral. With respect to the actions described in clause (b) above, Creditor agrees that Agent shall have no liability to Creditor for, and Creditor hereby waives any claim which Creditor may have at any time against Agent with respect to, any action which Agent takes or omits 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 Agreement) 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" thereunder 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"). It is understood and agreed by the parties to this Agreement that such Secured Parties Rights are subject to the rights, priorities and obligations hereunder, and Creditor agrees (a) Agent, on behalf of the Lenders, shall have the first right to exercise such Secured Parties Rights and (b) not to exercise any such Secured Parties Rights without the prior written consent of Agent. To the extent there are any inconsistencies between the terms of the GECC Intercreditor Agreement and/or the subordination agreements delivered in connection therewith, on the one hand, and the terms of this Agreement, on the other hand, the terms of this Agreement shall control.

10. Procedures for Certain Collateral Transfers. If at any time Agent 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 and Lenders' first and prior security interests in such Subordinated Debt Collateral and, (b) second, on behalf of each Creditor for the purposes of enabling Creditor to perfect its security interests in such Subordinated Debt Collateral. Whenever the Agent holds any Subordinated Debt Collateral in accordance with this section, (i) the obligations of the Agent shall be to exercise reasonable care in the custody, preservation and delivery of such Subordinated Debt Collateral substantially equal to that which Agent accords its own property, and (ii) the Agent shall be entitled to reimbursement for the reasonable out-of-pocket expenses incurred by Agent in delivering such Subordinated Debt Collateral. Notwithstanding anything contained herein to the contrary, the Agent 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 Agent. The Agent shall not 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 Agent'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 Agent and the Lenders established in this Agreement.

11. Waiver of Subrogation Rights. Creditor waives any and all rights to be subrogated to the rights of Agent 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 agrees to advise each future holder of all or any part of the Subordinated Debt that such Subordinated Debt is subordinated to the Senior Debt in the manner and to the extent set forth herein. To that end, Creditor hereby agrees (and is hereby so authorized by each Company) to include the following legend on such promissory note:

"The payment of the indebtedness evidenced by this instrument is subordinated to the payment of the "Senior Debt" defined and described in the Subordination Agreement dated June 14, 1999, between the payee and The CIT Group/Business Credit, Inc., 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 Agent and each Lender against any losses, damages, costs and expenses incurred or suffered by Agent or any Lender by reason of Creditor's failure to so notify any future holder of the Subordinated Debt, or any part thereof. Each Company and each Guarantor hereby authorizes Agent to file such notices of record as Agent 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 contains the entire agreement between Creditor and Agent 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 Agent.

(b) Agent's failure to exercise any right hereunder shall not be construed as a waiver of Agent'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 Agent 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 Agent and Creditor, 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 of all or any part of the Subordinated Debt, 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 Subordinated Debt and each subsequent holder of any portion of Subordinated Debt shall be equally and ratably entitled to the benefits of this Agreement, and (ii) shall inure to the benefit of Agent and its successors and assigns, including, without limitation, any future holder of all or any part of the Senior Debt, it being expressly acknowledged that Agent's rights under this Agreement may be assigned by Agent 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 Agent securing the Senior Debt has been or will be recorded, as more particularly set forth in Exhibit C-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 Agent 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 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 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 Agent 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.

[SIGNATURE PAGES FOLLOW]

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

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

By: Paul W. Dwyer
Title: Vice President

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

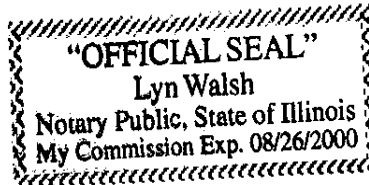
I, the undersigned Notary Public in and for said County, in said State, DO HEREBY CERTIFY, that the above named Paul W. Dwyer, the Vice President of THE CIT GROUP/BUSINESS CREDIT, INC., personally known to me to be the same person is subscribed to the foregoing instrument as such Vice President, appeared 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 14th day of June, 1999.

Lyn Walsh
Notary Public

My Commission Expires

8/26/2000



[SIGNATURES CONTINUED ON NEXT PAGE]

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99604570

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

By: C & G Management Company, Inc.
Its: General Partner

By: *Stephen M. Schuster*
Its: **Stephen M. Schuster**
Vice President

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, the Vice President of C & G Management Co., 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 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, on behalf of such partnership, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 14th day of June, 1999.

[Signature]
Notary Public

My Commission Expires



[SIGNATURES CONTINUED ON NEXT PAGE]

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: _____

Title: _____

Gordon S. Donovan
Vice President

STATE OF ILLINOIS)
) ss.
 COUNTY OF COOK)

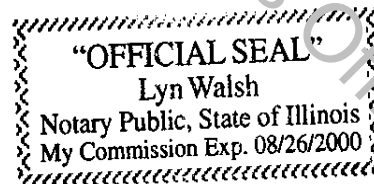
I, the undersigned Notary Public in and for said County, in said State, DO HEREBY CERTIFY, that the above named Gordon S. Donovan, the Vice President of Viskase Corporation, personally known to me to be the same person is subscribed to the foregoing instrument as such Gordon S. Donovan appeared before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

Given under my hand and Notarial Seal this 14th day of June, 1999.

Lyn Walsh
 Notary Public

My Commission Expires

8/26/2000



[SIGNATURES CONTINUED ON NEXT PAGE]

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99604570

VISKASE SALES CORPORATION

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

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

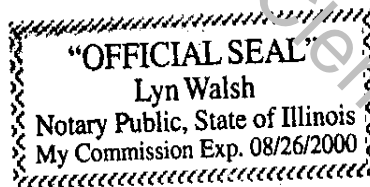
I, the undersigned Notary Public in and for said County, in said State, DO HEREBY CERTIFY, that the above named Gordon S. Donovan, the Vice President of Viskase Sales Corporation, personally known to me to be the same person is subscribed to the foregoing instrument as such Vice President, appeared before 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 14th day of May, 1999.

Lyn Walsh
Notary Public

My Commission Expires

8/26/2000



[SIGNATURES CONTINUED ON NEXT PAGE]

VISKASE COMPANIES, INC.

By: _____

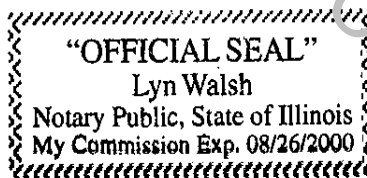
Title: _____

Gordon S. Donovan
Vice PresidentSTATE 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, the Vice President of Viskase Companies, Inc., 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 14th day of June, 1999.Lyn Walsh
Notary Public

My Commission Expires

8/26/2000

[SIGNATURES CONTINUED ON NEXT PAGE]

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99604570

VISKASE HOLDING, INC.

By: _____

Title: _____

Gordon S. Donovan
Vice President

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

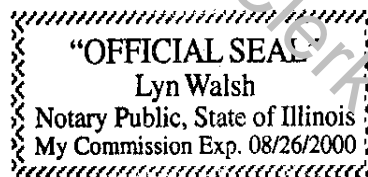
I, the undersigned Notary Public in and for said County, in said State, DO HEREBY CERTIFY, that the above named Gordon S. Donovan, the Vice President of Viskase Holding, Inc., personally known to me to be the same person is subscribed to the foregoing instrument as such Vice President, appeared before 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 14th day of June, 1999.

Lyn Walsh
Notary Public

My Commission Expires

8/26/2000



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EXHIBIT A

99604570

SENIOR DEBT COLLATERAL

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 materials, 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 C-1 attached hereto.

Property of Cook County Clerk's Office

EXHIBIT B

SUBORDINATED AGREEMENTS

1. That certain Financing Agreement made and entered into as of June 14, 1999, by and among D. P. Kelly and the Companies, together with the following agreements in connection therewith:
 - a. GECC Intercreditor Agreement and related subordination agreements;
 - b. Joint and Several Guaranty of each of Viskase Companies and Viskase Holding;
 - c. Security Agreement of each of Viskase Companies and Viskase Holding;
 - d. Stock Pledge Agreement of each of Viskase Companies, Viskase Corporation, Viskase Holding and Viskase Sales;
 - e. Mortgage and Security Agreement and Assignment of Rents and Leases for the following properties:
 - (i) Bedford Park, Illinois
 - (ii) Bensalem, Pennsylvania
 - (iii) Centerville, Iowa
 - (iv) Kentland, Indiana
 - (v) Loudon, Tennessee
 - (vi) Osceola, Arkansas
 - (vii) Pauls Valley, Oklahoma
 - f. Environmental Indemnity Agreement;
 - g. Grant of Security Interest in Patents, Trademarks and Licenses from each of Viskase Corporation, Viskase Sales and Viskase Companies; and
 - h. Collateral Assignment of Claims and Lawsuit Proceeds.

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EXHIBIT C

99604570

SENIOR FINANCING AGREEMENTS

That certain Financing Agreement made and entered into as of June 14, 1999, by and among Agent, Term Lenders and the Companies, together with the following agreements entered into in connection therewith:

- a. Subordination Agreement with Term Lenders;
- b. Subordination Agreement with the Creditor;
- c. GECC Intercreditor Agreement and related subordination agreements;
- d. Joint and Several Guaranty of each of Viskase Companies and Viskase Holding;
- e. Security Agreement of each of Viskase Companies and Viskase Holding;
- f. Stock Pledge Agreement of each of Viskase Companies, Viskase Corporation, Viskase Holding and Viskase Sales;
- g. Mortgage and Security Agreement and Assignment of Rents and Leases for the following properties:
 - (i) Bedford Park, Illinois
 - (ii) Bensalem, Pennsylvania
 - (iii) Centerville, Iowa
 - (iv) Kentland, Indiana
 - (v) Loudon, Tennessee
 - (vi) Osceola, Arkansas
 - (vii) Pauls Valley, Oklahoma
- h. Environmental Indemnity Agreement;
- i. Grant of Security Interest in Patents, Trademarks and Licenses from each of Viskase Corporation, Viskase Sales and Viskase Companies; and
- j. Collateral Assignment of Claims and Lawsuit Proceeds

EXHIBIT C-1

SCHEDULE OF REAL ESTATE

The following are the locations of the parcels of real estate referred to in Exhibit C of this Subordination Agreement to which this Exhibit C-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 C-2 attached hereto:

1. Revolving Credit Mortgage, Security Agreement and Assignment of Leases and Rents in favor of **Agent** filed in the County referred to above recorded on June ____, 1999, as Document No. _____, 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 June ____, 1999, as Document No. _____, 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.

EXHIBIT C-2
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(4)

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

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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. BARTLETTS 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 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 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

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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.

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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 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 416 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.

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 19 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 LINE 352.23 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