

Carolina, Anderson, Anderson County, South Carolina and Easley, Pickens County, South Carolina, as more particularly described on Exhibit "B" annexed hereto (the "Other Premises") (BABC's and Bank's liens being hereinafter collectively referred to as "Liens" and, singly, as a "Lien");

WHEREAS, pursuant to the BABC Documents, Customer has granted to BABC security interests on substantially all its personal property, including its machinery and equipment;

WHEREAS, pursuant to the Bank Documents, Customer has also granted to Bank security interests in its machinery and equipment, as more particularly described on Exhibits "C" and "D" annexed hereto (BABC's and Bank's security interests being hereinafter collectively referred to as the "Security Interests"); and

WHEREAS, the machinery and equipment more particularly described on Exhibit "E" annexed hereto (the "Simpsonville Equipment") has or may become affixed wholly or in part to the Simpsonville Premises; and

WHEREAS, BABC and the Bank wish to enter into this Agreement for the purpose of establishing the priorities of their respective Security Interests and Liens in the property of Customer, and for the purpose of setting forth certain other agreements between them with respect to their respective agreements with the Customer;

NOW, THEREFORE, for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1. Priority. BABC and the Bank agree at all times, whether before, after or during the pendency of any bankruptcy, reorganization or other insolvency proceeding and notwithstanding the priorities which would ordinarily result from the order of granting of any such Security Interest or Lien, or the order of filing of any financing statements or mortgages: (a) BABC's Security Interest in all that property of Customer set forth and described on Exhibit "C" annexed hereto ("BABC's Primary Collateral") shall be first priority liens and security interests in such property, superior to any interest of the Bank in the same property arising pursuant to the Bank Documents, and the Bank's Security Interest therein shall be subordinate to the Security Interest of BABC therein; (b) Bank's Security Interest in all that property of Customer set forth and described on Exhibit "D" annexed hereto ("Bank's Primary Collateral") shall be first priority liens and security interests in such property, superior to any interest of BABC in the same property arising pursuant to the BABC Documents, and BABC's Security Interest shall be subordinate to the Security Interest of the Bank therein; (c) the Liens granted in favor of the Bank pursuant to the Bank Mortgage in that property of Customer described as the