

Location: 3708 W Pioneer Pkwy

Property Owner: Decorator's Warehouse LLP

3708 W Pioneer Pkwy

Arlington TX

About the Project

Decorator's Warehouse purchased 6.9343 acres and an associated 53,000 SF retail property, and invested \$1m in interior improvements to provide an initial 30k SF of retail space. An estimated 21 new jobs were created. The City Council approved a one-time grant in the amount of \$279,629 to facilitate parking lot repavement, facade improvements to the existing structure, and improved lighting in the parking lot.

Goals of the Project

Recruited business activity, job creation, tax base enhancement

Current Status

Approximately \$207k has been collected from sales tax generated by the store, and the full amount is estimated to be repaid by FY17.

Benefit to City

21 jobs created; increased sales tax revenue from the \$6.39 million annual sales

Year Approved by Council	2008
Base Year	n/a
Beginning Year	2009
Ending Year	year that full repayment is reached
Duration	to be determined
Base Year Value	n/a
Property Tax Account Number(s)	n/a
Total Rebate Allowed	\$ 279,629
Total Estimated Investment by Company	\$ 1,000,000

Criteria Evaluated

- Provide proof of ownership of property
- Repave and stripe parking lot
- Construct new parking lot lighting
- Renovate at least 30,000 SF of existing structure
- Obtain certificate of occupancy by November 1, 2009
- Relocate owner's business to the facility in Arlington and remit sales taxes to Arlington
- Purchase construction material for improvements from Arlington vendors if available at a competitive price
- Operate the business at this facility for the term of this agreement
- Render all property to the Tarrant Appraisal District and remain current on property taxes for the term of the agreement
- Provide guaranty that Owner's business has opened at the facility
- Covenant and certify that Owner does not employ undocumented workers

Incentives Allowed

Grant of \$279,629 to be paid after the Owner provides City with proof of ownership of property and satisfactory documentation evidencing completion of paving and striping of existing parking lot on Property; installation of lighting standards on existing parking lot on Property; and improvements to the exterior of the facility in accordance with City regulations.

Equivalent amount of grant amount will be paid back to the Innovation Venture Capital Fund from City sales taxes generated by the retail store at the facility.

Resolution No. 08-104

A resolution authorizing the negotiation and execution of a Chapter 380 Program Agreement for Economic Development Incentives by and between Decorator's Warehouse LLP and the City of Arlington, Texas relative to economic development incentives in the City of Arlington, Texas

WHEREAS, Decorator's Warehouse LLP is considering relocating their retail shopping facility to Arlington and has submitted to the City of Arlington ("CITY") an application for economic development incentives for a retail shopping facility of approximately 30,000 square feet located at 3708 West Pioneer Parkway in the City of Arlington; and

WHEREAS, the Arlington City Council has elected to participate in economic development incentives in accordance with V.T.C.A. Local Government Code, Chapter 380, and has adopted policy statements, guidelines, criteria and procedures for evaluating and considering applications and agreements for such incentives; and

WHEREAS, providing a program of incentives to Decorator's Warehouse LLP in exchange for Decorator's Warehouse LLP relocating their retail shopping facility to Arlington would promote local economic development, stimulate business and commercial activity and possibly create jobs within the City of Arlington; and

WHEREAS, CITY finds that the Chapter 380 Program Agreement for Economic Development Incentives will directly accomplish a public purpose, and that the proposed transactions involving the use of public funds and resources contain sufficient controls to protect the public interest; NOW THEREFORE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON, TEXAS:

I.

That all of the recitals contained in the preamble of this resolution are found to be true and are adopted as findings of fact by this governing body and as part of its official record.

II.

That the City Manager or his designee is authorized to negotiate and execute a Chapter 380 Program Agreement for Economic Development Incentives with Decorator's Warehouse LLP, and other necessary or required parties to provide certain economic

incentives in an amount not to exceed \$279,629, plus additional cost, if any, associated with securing Decorator's Warehouse LLP's obligations under the Chapter 380 Program Agreement.

III.

The City Manager or his designee, with concurrence of the City Attorney, is hereby authorized to take any and all other action that may be necessary or appropriate, including the execution and delivery of such further agreements and documents as may be negotiated with Decorator's Warehouse LLP, and any other necessary or required parties, to secure Decorator's Warehouse LLP's obligations under the Chapter 380 Program Agreement.

IV.

In authorizing the negotiation and execution of and in executing the referenced agreement, the City of Arlington, Texas, through its City Council and City officials, hereby exercises a governmental function in accordance with but not limited to Section 101.0215 of the Texas Civil Practices and Remedies Code.

V.

A substantial copy of the Chapter 380 Program Agreement for Economic Development Incentives is attached hereto as Exhibit "A" and incorporated herein for all intents and purposes.

PRESENTED AND PASSED on this the 1st day of April, 2008, by a vote of 8 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.



ROBERT N. CLUCK, Mayor

ATTEST:


KAREN BARRAR, City Secretary

APPROVED AS TO FORM:
JAY DOEGEY, City Attorney

BY 

Resolution No. 08-393

A resolution rescinding Resolution 08-104 and authorizing the execution of a Chapter 380 Program Agreement for Economic Development Incentives by and between Decorator's Warehouse LLP and the City of Arlington, Texas relative to economic development incentives in the City of Arlington, Texas

- WHEREAS, Decorator's Warehouse LLP is considering relocating their retail shopping facility to Arlington and has submitted to the City of Arlington ("CITY") an application for economic development incentives for a retail shopping facility of approximately 30,000 square feet located at 3708 West Pioneer Parkway in the City of Arlington; and
- WHEREAS, the Arlington City Council has elected to participate in economic development incentives in accordance with V.T.C.A. Local Government Code, Chapter 380, and has adopted policy statements, guidelines, criteria and procedures for evaluating and considering applications and agreements for such incentives; and
- WHEREAS, providing a program of incentives to Decorator's Warehouse LLP in exchange for Decorator's Warehouse LLP relocating their retail shopping facility to Arlington would promote local economic development, stimulate business and commercial activity and possibly create jobs within the City of Arlington; and
- WHEREAS, CITY finds that the Chapter 380 Program Agreement for Economic Development Incentives will directly accomplish a public purpose, and that the proposed transactions involving the use of public funds and resources contain sufficient controls to protect the public interest; and
- WHEREAS, on April 1, 2008, by Resolution No. 08-104, City Council authorized the negotiation and execution of a Chapter 380 Program Agreement for Economic Development Incentives by and between Decorator's Warehouse LLP; and
- WHEREAS, Resolution No. 08-104 has attached to it as Exhibit "A" a substantial copy of the Chapter 380 Program Agreement for Economic Development Incentives (hereinafter "Prior Agreement") incorporated therein for all intents and purposes; and
- WHEREAS, the Prior Agreement has not been signed by the parties but has been substantially altered since Resolution No. 08-104 was approved; NOW
THEREFORE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON, TEXAS:

I.

That all of the recitals contained in the preamble of this resolution are found to be true and are adopted as findings of fact by this governing body and as part of its official record.

II.

That Resolution No. 08-104, presented and passed on March 1, 2008, authorizing the negotiation and execution of a Chapter 380 Program Agreement for Economic Development Incentives by and between Decorator's Warehouse LLP and the City of Arlington, Texas relative to economic development incentives in the City of Arlington, is hereby rescinded.

III.

That the City Manager or his designee is authorized to execute a Chapter 380 Program Agreement for Economic Development Incentives with Decorator's Warehouse LLP, and other necessary or required parties to provide certain economic incentives in an amount not to exceed \$279,629.

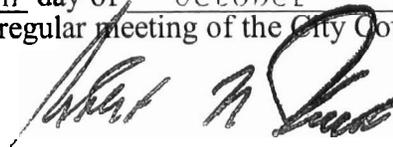
IV.

In authorizing the execution of and in executing the referenced agreement, the City of Arlington, Texas, through its City Council and City officials, hereby exercises a governmental function in accordance with but not limited to Section 101.0215 of the Texas Civil Practices and Remedies Code.

V.

A substantial copy of the Chapter 380 Program Agreement for Economic Development Incentives is attached hereto as Exhibit "A" and incorporated herein for all intents and purposes.

PRESENTED AND PASSED on this the 14th day of October, 2008, by a vote of 9 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.



ROBERT N. CLUCK, Mayor



APPROVED AS TO FORM:
JAY DOEGEY, City Attorney

BY *Mary J. Hall*

THE STATE OF TEXAS §

CHAPTER 380 PROGRAM
AGREEMENT FOR
ECONOMIC DEVELOPMENT
INCENTIVES

COUNTY OF TARRANT §

THIS AGREEMENT is executed by and between DECORATOR'S WAREHOUSE, LLP, a Texas limited partnership (hereafter referred to as "OWNER"), its address being 1535 Bowen Road, Pantego Texas 76013, and the CITY OF ARLINGTON, TEXAS, a home-rule city and municipal corporation of Tarrant County, Texas, acting by and through its City Manager or his designee, (hereafter referred to as "CITY").

WITNESSETH:

WHEREAS, CITY has found that providing a program consisting of a grant of funds to OWNER in exchange for OWNER'S completion of the project proposed by OWNER will promote local economic development and stimulate business and commercial activity and create jobs within the CITY (hereafter referred to as "PROGRAM"); and

WHEREAS, CITY has determined that the PROGRAM will directly establish a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of the PROGRAM contain controls likely to ensure that public purpose is accomplished; and

WHEREAS, Chapter 380 of the Local Government Code provides statutory authority for establishing and administering the PROGRAM provided herein; NOW THEREFORE,

The CITY and OWNER, for and in consideration of the mutual covenants and promises contained herein, do hereby agree, covenant and contract as set forth below:

1. **Definitions.**

FACILITY means a retail shopping facility of approximately 30,000 square feet located at 3708 West Pioneer Parkway, Arlington, Texas 76013.

IMPROVEMENTS means the repaving and striping of the parking lot on PROPERTY, the installation of new lighting standards in the parking lot on PROPERTY, improvements to the exterior of the FACILITY, and the renovation of the interior of the FACILITY.

PROPERTY means the tract located at 3708 West Pioneer Parkway, Arlington, Texas 76013, described in Exhibit "A" attached hereto and made a part hereof for all purposes.

2. **Term.**

This Agreement shall be effective as of the date of execution by all parties. This Agreement will terminate on the date CITY has collected from the State Comptroller retail sales tax (excluding dedicated sales tax) resulting from sales at the FACILITY (the "FACILITY SALES TAX") equal to the dollar amount of the grant made to OWNER pursuant to this Agreement ("GRANT AMOUNT"). If after seven years from the effective date of this Agreement the total FACILITY SALES TAX received by CITY is less than the GRANT AMOUNT the OWNER shall repay CITY an amount equal to the difference between the FACILITY SALES TAX and the GRANT AMOUNT.

3. **OWNER Requirements**

a. In consideration of the CITY entering into this Agreement providing for the payment of funds constituting a Grant to OWNER under the terms and conditions set forth herein, OWNER agrees to:

- (1) Provide proof of ownership of PROPERTY.
- (2) Repave and stripe or cause to be repaved and striped the existing parking lot located on PROPERTY by July 1, 2009.
- (3) Design and construct or cause to be designed and constructed new parking lot lighting standards, substantially similar to those depicted in Exhibit "B," on PROPERTY by August 1, 2009.
- (4) Design and construct or cause to be designed and constructed improvements to the exterior of the FACILITY, similar to those depicted in Exhibit "C," by August 1, 2009.
- (5) Renovate or cause to be renovated at least 30,000 square feet of existing retail space within the FACILITY.
- (6) Obtain a certificate of occupancy for said FACILITY by November 1, 2009.
- (6) Relocate OWNER'S business operations from Pantego, Texas to the FACILITY in Arlington, Texas and remit sales taxes to Arlington, Texas.

- (7) Purchase construction material for the IMPROVEMENTS from vendors within the City of Arlington, if available in Arlington at a competitive price.
- (8) Operate the OWNER's business at the FACILITY for the term of this Agreement.
- (9) Render the PROPERTY to the Tarrant County Appraisal District and remain current on all property taxes for the term of this Agreement.
- (10) Provide CITY with a personal guaranty from David Hanson, President of Decorator's Warehouse LLP, attached hereto as Exhibit "D" and made a part hereof for all purposes. Such guaranty will terminate on the date OWNER provides satisfactory documentation to CITY that OWNER'S business at the FACILITY has opened to the general public.
- (11) Covenant and certify that OWNER does not and will not knowingly employ an undocumented worker as that term is defined by Section 2264.01(4) of the Texas Government Code. In accordance with Section 2265.052 of the Texas Government Code, if the OWNER is convicted of a violation under 8 U.S.D. Section 1324a(f), the OWNER shall repay to the CITY the full amount of the Grant made under Section 4 of this Agreement, plus ten percent (10%) per annum from the date the Grant was made. Repayment shall be paid within one hundred twenty (120) days after the date the OWNER receives notice of violation from the CITY.

b. Should OWNER fail to comply with any material term of this Agreement, the OWNER shall have thirty (30) days after written notice from CITY to come into compliance. If the noncompliance is not cured within that period, the OWNER agrees to remit to the CITY a sum equal to the Grant made by the CITY to the OWNER pursuant to this Agreement, plus interest at ten percent (10%), per annum from the date Grant was made.

4. **Grant by City.**

In exchange for OWNER'S compliance with all terms and provisions of this Agreement, CITY shall, as an incentive, make a one time grant in an amount not to exceed Two Hundred Seventy-Nine Thousand Six Hundred Twenty-Nine Dollars (\$279,629.00) to be paid within 30 days after the OWNER provides CITY with proof of ownership of PROPERTY and satisfactory documentation evidencing completion of paving and striping of existing parking lot on PROPERTY; installation of lighting standards on existing parking lot on

PROPERTY; and improvements to the exterior of the FACILITY in accordance with CITY regulations.

5. **Improvements.**

The OWNER shall be solely responsible for the design and construction of all IMPROVEMENTS and shall comply with all subdivision regulations, building codes and other ordinances of the CITY applicable to the IMPROVEMENTS.

6. **Indemnification.**

THE OWNER IN PERFORMING ITS OBLIGATIONS UNDER THIS AGREEMENT IS ACTING INDEPENDENTLY, AND THE CITY ASSUMES NO RESPONSIBILITIES OR LIABILITIES TO THIRD PARTIES IN CONNECTION WITH THE PROPERTY OR IMPROVEMENTS. THE OWNER AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY, ITS OFFICERS, AGENTS, EMPLOYEES, AND VOLUNTEERS IN BOTH THEIR PUBLIC AND PRIVATE CAPACITIES, FROM AND AGAINST CLAIMS, SUITS, DEMANDS, LOSSES, DAMAGES, CAUSES OF ACTION, AND LIABILITY OF EVERY KIND, INCLUDING, BUT NOT LIMITED TO, EXPENSES OF LITIGATION OR SETTLEMENT, COURT COSTS, AND ATTORNEYS FEES WHICH MAY ARISE DUE TO ANY DEATH OR INJURY TO A PERSON OR THE LOSS OF, LOSS OF USE, OR DAMAGE TO PROPERTY, ARISING OUT OF OR OCCURRING AS A CONSEQUENCE OF THE PERFORMANCE OF THIS AGREEMENT, EXCLUDING ANY ERRORS OR OMISSIONS, OR NEGLIGENT ACT OR OMISSION OF THE CORPORATION, ITS OFFICERS, AGENTS OR EMPLOYEES.

7. **Access to Information.**

The OWNER agrees to provide the CITY access to information related to the construction of the IMPROVEMENTS during regular business hours upon reasonable notice. The CITY shall have the right to require the OWNER to submit any necessary information, documents, invoices, receipts or other records to verify costs and completion of the IMPROVEMENTS.

8. **General Provisions.**

a. **Mutual Assistance.** The OWNER and the CITY shall do all things necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out the terms and provisions.

b. **Representations and Warranties.** The OWNER represents and warrants to the CITY that it has the requisite authority to enter into this Agreement. The

OWNER represents and warrants to the CITY that it will not violate any federal, state or local laws in operating the FACILITY, that all proposed IMPROVEMENTS shall conform to the applicable building codes, zoning ordinances and all other ordinances and regulations.

c. **Section or Other Headings.** Section or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

d. **Attorneys Fees.** In the event any legal action or process is commenced to enforce or interpret provisions of this Agreement, the prevailing party in any such legal action shall be entitled to recover its necessary and reasonable attorneys' fees and expenses incurred by reason of such action, in accordance with Section 271.159 of the Texas Local Government Code.

e. **Amendment.** This Agreement may only be amended, altered, or revoked by written instrument signed by the OWNER and approved by the CITY through its City Council.

f. **Binding Agreements; Successors and Assigns.** This Agreement shall be binding on and inure to the benefit of the parties, their respective successors and assigns. The OWNER may assign all or part of its rights and obligations hereunder only upon prior written approval of the CITY, which approval shall not be unreasonably withheld or delayed.

g. **Notice.** Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses, or at such other addresses provided by the parties in writing:

OWNER: David Hanson
c/o Decorator's Warehouse, LLP
1535 South Bowen Road
Pantego, Texas 76013

CITY: City of Arlington
Economic Development Manager
P.O. Box 90231
Arlington, Texas 76004-3231

h. **Interpretation.** Regardless of the actual drafter of this Agreement, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against any party.

i. **Applicable Law.** This Agreement is made, and shall be construed and interpreted under the laws of the State of Texas and venue shall lie in Tarrant County, Texas.

j. **Severability.** In the event any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then, and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

k. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

l. **Default.** If a party should default (the "Defaulting Party") with respect to any of its obligations hereunder and should fail, within thirty (30) days after delivery of written notice of such default from another party (the "Complaining Party") to cure such default, the Complaining Party, by action or proceeding at law or in equity, may be awarded its damages and/or specific performance for such default.

m. **Covenant Running with the Land.** All rights, covenants, restrictions, burdens, privileges and charges, set forth in this Agreement shall exist at all times as long as this Agreement is in effect, among all parties having any right, title or interest in any portion of all of the PROPERTY.

n. **Force Majeure.** If either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, inability to procure materials, failure of power, governmental moratorium or other governmental action or inaction (including, failure, refusal or delay in issuing permits, approvals or authorizations), injunction or court order, terrorist attacks, riots, insurrection, war, fire, earthquake, flood or other natural disaster or other reason of a like nature not the fault of the party delaying in performing work or doing acts required under the terms of this Agreement (but excluding delays due to financial inability), then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

o. **Independent Parties.** Nothing herein shall be construed as creating a partnership or joint enterprise between the CITY and the OWNER. Furthermore, the parties hereto acknowledge and agree that the doctrine of respondeat superior shall not apply between the CITY and the OWNER, nor between the CITY and

any officer, director, member, agent, employee, contractor, subcontractor, licensee, or invitee of the OWNER.

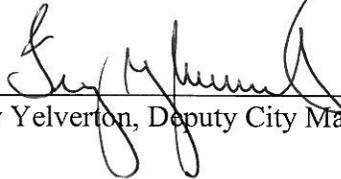
p. **No Rights Conferred on Others.** Nothing in this Agreement shall confer any right upon any person other than the CITY and the OWNER and no other person is considered a third party beneficiary to this Agreement.

q. **Approval Not Guaranteed.** Nothing contained in this Agreement shall be construed as obligating the CITY to approve any application required for development of the PROPERTY that is not in conformity with the CITY's adopted development regulations as of the Effective Date, except as expressly otherwise contemplated herein.

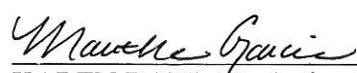
r. **Entire Agreement.** This Agreement contains the entire agreement between the parties with respect to the transaction contemplated herein.

EXECUTED on this 23rd day of October, 2008,

CITY OF ARLINGTON, TEXAS

By: 
Trey Yelverton, Deputy City Manager

ATTEST:


for - KAREN BARLAR, Acting City Secretary

APPROVED AS TO FORM:
JAY DOEGEY, City Attorney

BY: 

EXECUTED on this 23rd day of October, 2008,

DECORATOR'S WAREHOUSE, LLP.
Decorator's Warehouse, LLP SEQ 287 &
Debbie GP, LLC

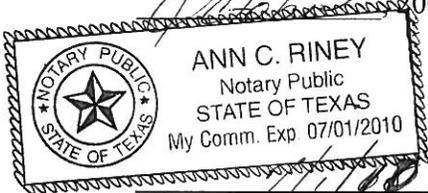
By: 
David Hanson, President

THE STATE OF TEXAS §
§
COUNTY OF TARRANT §

DECORATOR'S WAREHOUSE, LLP
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **David Hanson**, (known to me (or proved to me on the oath of _____ or through _____ (description of identity card or other document))) to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for and as the act and deed of **DECORATOR'S WAREHOUSE, LLP** and as President thereof, and for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 16th day of October, 2008.



My Commission Expires: 7/1/10 Ack

Ann C. Riney
Notary Public In and For
The State of Texas
ANN C. RINEY
Notary's Printed Name

THE STATE OF TEXAS §
§
COUNTY OF TARRANT §

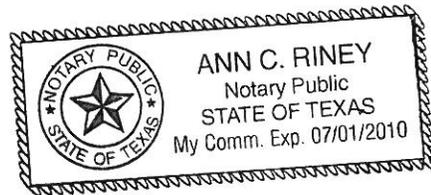
CITY OF ARLINGTON, TEXAS
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **TREY YELVERTON**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for and as the act and deed of the **CITY OF ARLINGTON, TEXAS**, a municipal corporation of the State of Texas, Tarrant County, Texas, and as the **Deputy City Manager** thereof, and for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 23rd day of October, 2008.

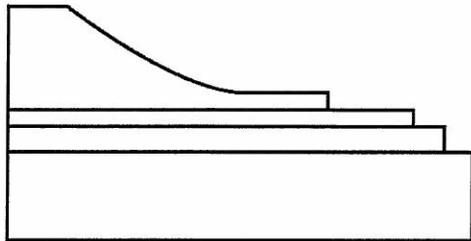
7/1/10
My Commission Expires:

Ann C. Riney
Notary Public In and For
The State of Texas
ANN C. RINEY
Notary's Printed Name

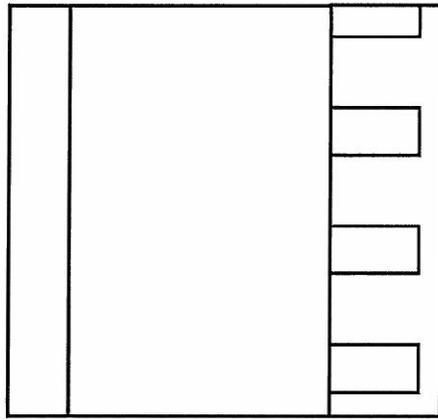




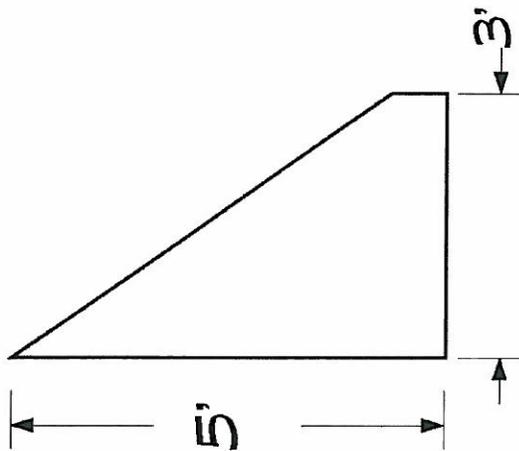
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AWNING



3-5 ARCHES

5 ARCHES WEST END

GUARANTY

IN CONSIDERATION OF and as a material inducement to the CITY OF ARLINGTON ("CITY") executing the 380 Program Agreement ("Agreement") with DECORATOR'S WAREHOUSE, LLP, and in further consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration paid by the CITY, the receipt and sufficiency of which is hereby acknowledged, David Hanson, an individual whose address is _____ (hereinafter "GUARANTOR") does hereby unconditionally covenant and agree with CITY, its successors and assigns, that if default shall at any time under the Agreement be made by DECORATOR'S WAREHOUSE, LLP, their successors and assigns, in the performance of any of the terms, covenants and conditions of the Agreement, and if default shall not have been cured within the time specified in the Agreement for curing the same, then GUARANTOR will cure the default together with such costs and expenses (including without limitation attorney fees) incurred by the CITY as a result of or arising out of the default for which DECORATOR'S WAREHOUSE, LLP, its successors and assigns are obligated to CITY pursuant to the terms of the Agreement.

THIS GUARANTY is an absolute and unconditional guaranty of payment and performance. It shall be enforceable against GUARANTOR, its successors and assigns, without the necessity for any suit or proceedings by CITY against DECORATOR'S WAREHOUSE, LLP, its successors and assigns, and without the necessity of any notice of non-payment, non-performance or non-observance of any notice of acceptance of this Guaranty or any other notice or demand to which GUARANTOR might otherwise be entitled, all of which GUARANTOR hereby expressly waives. GUARANTOR agrees that the validity of this Guaranty and the obligations of GUARANTOR shall in no way be terminated, affected or impaired by reason of CITY'S failure or delay to assert against DECORATOR'S WAREHOUSE, LLP, any of the rights or remedies reserved to CITY pursuant to the provisions of the Agreement. The single or partial exercise of any right, power or privilege under the Guaranty shall not preclude any other or the further exercise thereof or the exercise of any other right, power or privilege by CITY. Should CITY be obligated by any bankruptcy or other law to repay to DECORATOR'S WAREHOUSE, LLP, or to GUARANTOR or to any trustee, receiver or other representative of either of them, any amounts previously paid to CITY, its successors and assigns, this Guaranty shall be reinstated in the amount of such repayment.

THIS GUARANTY shall not be affected and the liability of the undersigned shall not be extinguished or diminished by any non-liability of DECORATOR'S WAREHOUSE, LLP under the Agreement for any reason, including any defect or defense which may now or hereafter exist in favor of DECORATOR'S WAREHOUSE, LLP; or by any extensions, renewals, amendments, indulgences, modifications, transfers or assignments in whole or in part of the Agreement by CITY, whether or not notice thereof is given to GUARANTOR. This Guaranty is of payment and not of collection; it is one of active performance not one of suretyship for damages or otherwise. The

liability of GUARANTOR is co-extensive with that of DECORATOR'S WAREHOUSE, LLP, and also joint and several.

CITY'S ACCEPTANCE of a note or additional collateral of DECORATOR'S WAREHOUSE, LLP or of GUARANTOR shall not be the full cash payment of the active and primary performance required herein. This Guaranty is given in addition to all other guaranties that may pertain to DECORATOR'S WAREHOUSE, LLP's indebtedness, and is not subordinate to any other guaranties. CITY's rights under all guaranties, including this Guaranty, shall be cumulative and independently enforceable. It shall not be a condition to the enforcement of this Guaranty that any other guaranties be resorted to by CITY.

GUARANTOR REPRESENTS and warrants that:

- (a) It is not insolvent, and there are no limitations or prohibitions to the enforcement of this Guaranty; and
- (b) It is immediately benefited by the indebtedness.

AS A FURTHER inducement to CITY to make and enter into the Agreement and in consideration thereof, CITY and GUARANTOR covenant and agree that in any action or proceeding brought on, under or by virtue of this Guaranty, CITY and GUARANTOR shall and do hereby waive trial by jury. Without regard to principles of conflicts of laws, the validity, interpretation, performance and enforcement of this Guaranty shall be governed by and construed in accordance with the laws of the state of Texas.

IF ANY PORTION or application of this Guaranty is invalid, unenforceable or illegal for any reason, the parties agree that such invalid, unenforceable or illegal portion or application shall not be deemed to affect the remainder of this Guaranty.

IN WITNESS WHEREOF, GUARANTOR acting herein in its own personal and individual capacity has executed this Guaranty this 16th day of October, 2008.

WITNESS:

GUARANTOR:


Name


Name

101 W. Abram, Ashil
Address

1535 BOWEN Rd.
Address PANTEGO, TX 76013