

EXHIBIT BLEASE GUARANTY AGREEMENT

FOR VALUE RECEIVED, and as an inducement to and as part of the consideration for the execution and delivery by Greenville County, South Carolina (the "County") of the foregoing Lease (the "Lease") dated as of March 1, 1968, between the County and House of Fabrics of South Carolina, Inc. (the "Lessee") and the leasing by the County of any property thereunder, and as an inducement to and as part of the consideration for the issuance, execution, sale, delivery and purchase of \$1,000,000 Greenville County Industrial Revenue Bonds, 1968 - House of Fabrics Project (the "Bonds") described in the Lease, by the purchasers thereof, and the assignment by the County of all its right, title and interest in, to and under the Lease by the Indenture dated as of March 1, 1968 between the County and First Union National Bank of North Carolina, Charlotte, North Carolina, as Trustee (the "Trustee"), to provide for the acquisition and/or construction of the leased property the undersigned House of Fabrics, Inc., a California corporation (the "Guarantor"), guarantees to the County and the Trustee or assigns the full and prompt payment when due and at all times thereafter of each and all of the rents and other sums required to be paid by the Lessee to the County or the Trustee under the terms of the Lease, as amended or supplemented by an instrument amending or supplementing the Lease (as from time to time amended or supplemented being hereinafter called the "Lease") and the full and prompt performance and observance by the Lessee of each and all of the covenants and agreements required to be performed and observed by the Lessee under the terms of the Lease. Guarantor further agrees to pay all expenses and charges,