

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

JENNIFER CONVERTIBLES, INC.

Debtors.

Chapter 11

Case No. 10-13779 (ALG)

ADMINISTRATIVE CLAIM REQUEST PURSUANT TO 11 U.S.C. § 503(a) AND (b)

1. Name of Claimant: Cipriano Square Plaza Corporation
2. Nature and description of the claim incurred during or arising on or after July 18, 2010 through and including July 31, 2010:

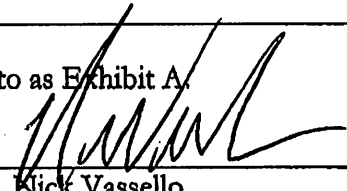
Stub rent and related lease obligations

3. Date(s) claim arose: July 18, 2010

4. Amount of claim: \$5,425.89*

5. Documentation supporting the claim is attached hereto as Exhibit A.

Date: August 10, 2010

Signature: 

Name: Nick Vassello

Address: 270 Commerce Drive
Rochester, NY 14623

Phone: (585) 359-3000

Email: nvassello@firstalliedcorp.com

Fax: (585) 359-4690

RECEIVED

AUG 16 2010

BMC GROUP

* together with any additional post-petition amounts due under the applicable lease.



Occupant: Occupant: Jennifer Convertibles From 7/18/2010 to 7/31/2010

Master Occupant ID		Balance Forward:	64,155.79
Address Id:		Charges (Debit)	5,425.89
BldgId:	CIP	Receipts (Credit)	0.00
LeaseID	001031	Prepaid:	0.00
Income Category:	All	Net	69,581.68
Receipt Type Id	All	Security Deposit	0.00
Rcpt Descriptor	All		

Cat Date	BatchID	BldgId	Lease ID	Sr Description	Charges (Debit)	Receipts (Credit)	Rcpt Desc	Base Open Amt	Inv
AAA 7/18/2010	00093049	CIP	001031	CH 7/18/10-7/31/10 Base Rent	3,420.21	0.00		3,420.21	
CAM 7/18/2010	00093049	CIP	001031	CH 7/18/10-7/31/10 CAM	1,227.65	0.00		1,227.65	
TAX 7/18/2010	00093049	CIP	001031	CH 7/18/10-7/31/10 Tax	778.03	0.00		778.03	
					<u>5,425.89</u>	<u>0.00</u>			

LEASE

THIS INDENTURE OF LEASE, made as of the 7th day of April, 1994 by Cipriano Square Plaza Corporation with its principal offices located at 270 Commerce Drive, Rochester, New York 14623

herein called "Owner", and Jennifer Convertibles, Inc. with its principal offices located at 245 Rogers Avenue, Inwood, New York 11696

herein called "Tenant".

WITNESSETH:

ORIGINAL

Number 3 of
3 executed

counterparts.

ARTICLE I - GRANT AND TERM

SECTION 1.01. Leased Premises.

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of Tenant to be observed and performed, Owner demises and leases to Tenant, and Tenant rents from Owner, those certain premises, now or hereafter to be erected in the Cipriano Square Plaza, (herein called the "Shopping Center") in Greenbelt (City), Prince George's (County), Maryland (State), which premises consists of a store containing an area of approximately 5,680 square feet, herein collectively called the "leased premises". The above measurements are computed from exterior front wall and back wall and from center line of demising walls. The boundaries and location of the leased premises are outlined in red on the site plan of the Shopping Center, which is marked Exhibit "A" attached hereto and made a part hereof.

SECTION 1.02. Use of Additional Areas.

The use and occupation by Tenant of the leased premises shall include the use in common with others entitled thereto of the common areas, employees' parking areas, service roads, loading facilities, sidewalks and customer car parking areas, shown and depicted on Exhibit "A", and other facilities as may be designated from time to time by Owner, subject, however, to the terms and conditions of this agreement and to reasonable rules and regulations for the use thereof as prescribed from time to time by Owner.

SECTION 1.03. Commencement and Ending Date of Term.

Tenant's obligation to all of the terms, covenants and conditions of the Lease shall commence upon February 1, 1994. The term of this Lease shall end on January 31, 1999, hereinafter defined ("Termination Date").

SECTION 1.04. Lease Year Defined.

The term "lease year" as used herein shall mean a period of twelve (12) consecutive full calendar months. The first lease year shall begin on the date of commencement of the term hereof if the date of commencement of the term hereof shall occur on the first day of a calendar month; if not, then the first lease year shall commence upon the first day of the calendar month next following the date of commencement of the term hereof. Each succeeding lease year shall commence upon the anniversary date of the first lease year.

SECTION 1.05. Holding Over.

If Tenant shall be in possession of the leased premises after the Termination Date, in the absence of an agreement extending the term hereof, the tenancy under this Lease shall become that of "month to month", terminable by either party upon thirty (30) days' prior written notice, at a monthly rental equal to twice the sum of (i) the monthly installment of minimum rent as defined in SECTION 2.01, payable through the last month of the term, and (ii) one twelfth (1/12) of the highest Percentage Rent, as defined in SECTION 2.02, for the last three (3) lease years, or with respect to a term of less than three (3) years, each complete lease year preceding the Termination Date. Tenant shall also pay all other charges payable under the terms of this Lease, pro rated for each month during which Tenant remains in possession. Such "month-to-month" tenancy shall also be subject to all other conditions, provisions, and obligations of this Lease. Tenant shall not interpose any counterclaim or counterclaims in a summary proceeding or other action based upon such holding over.

SECTION 1.06. Excuse of Owner's Performance.

Anything in this agreement to the contrary notwithstanding, Owner shall be relieved of its obligations and shall not be deemed in default with respect to the performance of any of the terms, covenants and conditions of this Lease if same shall be due to any strike, lockout, civil commotion, warlike operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain any material, service or financing, through Act of God or other cause beyond the control of Owner.

ARTICLE II - RENT

SECTION 2.01. Minimum Rent.

Tenant agrees to pay to Owner at the office of Owner, or at such other place designated by Owner, without any prior demand therefor and without any deduction or set-off whatsoever, and as fixed minimum rent:

- (a) The sum of \$ 13,253.34 in advance upon the first day of each calendar month commencing February 1, 1994 through January 31, 1999; \$ 159,040.08 per annum.
- (b) The sum of \$ 0 in advance upon the first day of each calendar month commencing February 1, 1994 through January 31, 1999; \$ 0 per annum.
- (c) The sum of \$ 0 in advance upon the first day of each calendar month commencing February 1, 1994 through January 31, 1999; \$ 0 per annum.
- (d) The sum of \$ 0 in advance upon the first day of each calendar month commencing February 1, 1994 through January 31, 1999; \$ 0 per annum.

If the term shall commence upon a day other than the first day of a calendar month, then Tenant shall pay, upon commencement date of the term, pro rata portion of the fixed monthly rent described in the foregoing clause (a) prorated on a per diem basis with respect to the fractional calendar month

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preceding the commencement of the first lease year hereof. To secure payment of said rent, Owner is hereby given a lien on all movable property of Tenant placed in the leased premises, but the statutory Owner's lien for rent is not waived, the express lien herein granted being in addition thereto.

The rent for a partial month shall be prorated on a thirty (30) day month basis in all cases.

SECTION 2.02. Percentage Rent.

(a) In addition to the fixed minimum rent aforesaid, Tenant agrees to pay to Owner, in the manner and upon the conditions and at the times hereinafter set forth during each lease year, as percentage rent hereunder, six percent (6%) of the gross receipts in excess of \$ 1,988,000.00 during each lease year. Said percentage rent shall be payable as hereinafter provided at the office of Owner or at such other place as Owner may designate without any prior demand therefor and, except as provided in clause (b) of this SECTION, without any set-off or deduction whatsoever.

→ all other payments

(b) Said percentage rent shall be paid ~~quarter-annually~~. The first payment of percentage rent shall be paid on or before the ~~fifteenth (15th)~~ day after the last day of the first three (3) calendar months of the first lease year of the term hereof, and ~~another payment of percentage rent shall be paid on or before the fifteenth (15th) day after the end of each successive three (3) month calendar period thereafter. The amount of each payment of percentage rent shall be 6% of gross receipts in excess of \$ during each lease quarter. If at the end of any lease year, the total amount of percentage rent paid by Tenant exceeds the total amount of percentage rent required to be paid by Tenant during such lease year, Tenant shall receive a credit equivalent to such excess which may be deducted by Tenant from the next payment of percentage rent due under the foregoing provisions hereof.~~ → forty-fifth (45th)

→ forty-fifth (45th)

(c) For the purpose of computing the percentage rent payable hereunder with respect to the first lease year of the term hereof, the gross receipts received during the first fractional calendar month, if any, of the term hereof shall be added to the gross receipts for the first three (3) month period of the first lease year of the term hereof.

→ lease year

SECTION 2.03. Gross Receipts Defined.

The term "gross receipts" as used herein is hereby defined to mean receipts from gross sales of Tenant and of all licensees, concessionaires, tenants of Tenant and assignees of Tenant, from all business conducted upon or from the leased premises by Tenant and all others, and whether such sales be evidenced by check, credit, charge account, exchange or otherwise, and shall include, but not be limited to the amounts received from the sale of goods, wares and merchandise and for services performed on or at the leased premises, together with the amount of all orders taken or received at the leased premises, whether such orders be filled from the leased premises or elsewhere, and whether such sales be made by means of merchandise or other vending devices in the leased premises. If any one or more departments or other divisions of Tenant's business shall be subject by Tenant or conducted by any person, firm or corporation other than Tenant, then there shall be included in gross receipts for the purpose of fixing the percentage rent payable hereunder all the gross sales of such departments or divisions, whether such sales be made at the leased premises or elsewhere, in the same manner and with the same effect as if the business or sales of such departments and divisions of Tenant's business had been conducted by Tenant itself. Gross sales shall not include sales of merchandise which has been refunded, or allowances made on merchandise claimed to be defective or unsatisfactory; provided they shall have been included in gross sales; and there shall be deducted from gross sales the sales price of merchandise returned by customers for exchange, provided that the sales price of merchandise delivered to the customer in exchange shall be included in gross sales. Gross receipts shall not include the amount of any sales, use or gross receipts tax imposed by any federal, state, municipal or governmental authority directly on sales and collected from customers, provided that the amount thereof is added to the selling price or absorbed therein, and paid by Tenant to such governmental authority. No franchise or capital stock tax and no income or similar tax based upon income or profits as such shall be deducted from gross receipts in any event whatever. Each charge or sale upon installment or credit shall be treated as a sale for the full price in the month during which such charge or sale shall be made, irrespective of the time when Tenant shall receive payment (whether full or partial) therefor.

SECTION 2.04. Additional Rent.

Tenant shall pay as additional rent any money required to be paid pursuant to SECTIONS 2.05, 2.06, 5.01, 7.01, 11.01, 13.01, 13.02, 14.02, 14.04, 14.05 and 15.01, and all other sums of money or charges required to be paid by Tenant under this Lease, whether or not the same be designated "additional rent". If such amounts or charges are not paid at the time provided in this Lease, they shall nevertheless, if not paid when due, be collectible as additional rent with the next installment of rent thereafter falling due hereunder, but nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charge at the time the same becomes due and payable hereunder, or limit any other remedy of Owner.

SECTION 2.05. Late Charge.

Tenant shall pay a "late charge" of \$ 1,300.00 on any rent, percentage rent, additional rent, amount or charges of the character described in SECTION 2.04 hereof when said sums are paid more than ~~three (3)~~ → ten (10) days after the due date thereof, to cover the extra expense involved in handling delinquent payments.

Said clause is inoperative unless Tenant is late more than 2 times in any given lease year.

SECTION 2.06. Rent and Additional Rent More Than Thirty (30) Days Overdue.

If Tenant shall fail to pay within thirty (30) days of receipted notice or when the same is due and payable, any rent, percentage rent, additional rent, amount or charges of the character described in SECTIONS 2.04 and 2.05 hereof, such unpaid amounts shall bear interest from thirty (30) days after receipted notice or when the same is due and payable to the date of payment at a rate equal to the maximum interest rate permitted by law for the overdue amounts or charges of the character described in SECTIONS 2.04 and 2.05 hereof.



ARTICLE III - RECORDS AND BOOKS OF ACCOUNT

SECTION 3.01. Tenant's Records.

For the purpose of ascertaining the amount payable as percentage rent, Tenant agrees to prepare and keep on the leased premises for a period of not less than two (2) years following the end of each lease year adequate records which shall show inventories and receipts of merchandise at the leased premises, and daily receipts from all sales and other transactions on or from the leased premises by Tenant and any other persons conducting any business upon or from said premises. Tenant shall record at the time of sale, in the presence of the customer, all receipts from sales or other transactions whether for cash or credit in a cash register or in cash registers having a cumulative total which shall be sealed in a manner approved by Owner, and having such other features as shall be approved by Owner. Tenant further agrees to keep on the leased premises for at least two (2) years following the end of each lease year the gross income sales and occupation tax returns with respect to said lease years and all pertinent original sales records. Pertinent original sales records shall include: (a) cash register tapes, including tapes from temporary registers; (b) serially numbered sales slips; (c) the original of all mail orders at and to the leased premises; (d) the original records of all telephone orders at and to the leased premises; (e) settlement report sheets of transactions with sub-tenants, concessionaires and licensees; (f) the original records showing that merchandise returned by customers was purchased at the leased premises by such customers; (g) memorandum receipts or other records of merchandise taken out on approval; (h) state and federal income tax returns; (i) records from credit card companies showing all credit card sales; (j) such other sales records, if any, which would normally be examined by an independent accountant pursuant to accepted auditing standards in performing an audit of Tenant's sales; and (k) the records specified in (a) to (j) above of sub-tenants, assignees, concessionaires or licensees. Owner and Owner's authorized representative shall have the right to examine Tenant's records aforesaid during regular business hours.

SECTION 3.02. Reports by Tenant.

Tenant shall submit to Owner on or before the ~~fifteenth (15th) day following each three (3) month period during the term hereof (including the fifteenth (15th) day of the month following the end of the term) at the place then fixed for the payment of rent, together with the remittance of quarterly~~

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→ Forty-fifth (45th)

percentage rent, a written statement signed by Tenant, and certified by it to be true and correct showing in reasonably accurate detail, the amount of gross receipts for each month during the preceding three months and fractional month, if any, prior to the commencement of the first lease year. Tenant shall submit to Owner on or before the ~~thirtieth (30th)~~ day following the end of each lease year at the place then fixed for the payment of rent, a written statement signed by Tenant, and certified to be true and correct showing in reasonably accurate detail satisfactory in scope to Owner the amount of gross receipts during the preceding lease year, and duly certified by independent certified public accountants of recognized standing, which certification shall be one which is satisfactory to Owner in scope and substance. The statements referred to herein shall be in such form and style and contain such details and breakdown as Owner may reasonably determine.

→ together with the remittance of percentage rent,

ARTICLE IV - AUDIT

SECTION 4.01. Right to Examine Books.

The acceptance by Owner of payments of percentage rent shall be without prejudice to Owner's right to an examination of Tenant's books and records of its gross receipts and inventories of merchandise at the leased premises in order to verify the amount of annual gross receipts received by Tenant in and from the leased premises.

SECTION 4.02. Audit.

At its option, Owner may cause, ~~at any reasonable time~~ ^{→ not more than once each lease year,} upon forty eight (48) hours prior written notice to Tenant, a complete audit to be made of Tenant's entire business affairs and records relating to the leased premises for the period covered by any statement issued by Tenant as above set forth. If such audit shall disclose a liability for rent to the extent of two percent (2%) or more in excess of the rentals therefore computed and paid by Tenant for such period, Tenant shall promptly pay to Owner the cost of said audit in addition to the deficiency, which deficiency shall be payable in any event, and in addition, Owner, at Owner's option, may terminate this Lease upon five (5) days notice to Tenant of Owner's election to do so. Any information obtained by Owner as a result of such audit shall be held in strict confidence by Owner. If such audit shall disclose a liability for rent to the extent of five percent (5%) or more in excess of the rentals therefore computed and paid by Tenant for such period, Tenant shall promptly pay to Owner the cost of said audit in addition to the deficiency, which deficiency shall be payable in any event and in addition, Owner, at Owner's option, may terminate this Lease upon five (5) days notice to Tenant of Owner's election to do so.

ARTICLE V - TAXES

SECTION 5.01. Taxes.

Tenant agrees to pay its proportionate share of real property taxes and assessments which may be levied or assessed by any lawful authority against the land and improvements in the Shopping Center. Tenant shall pay that portion of such taxes equal to the product obtained by multiplying the total taxes by a fraction, the numerator being the square foot area of the leased premises, and the denominator of which shall be the total square footage of all leased first floor area of the buildings included in the assessed value upon which the real property taxes and assessments have been levied.

Tenant will make monthly escrow payments towards its proportionate share of all real estate taxes, such amount to be set by Owner. Owner will bill Tenant periodically for its proportionate share of said real estate taxes, accompanied by copies of the appropriate tax bills. The total billing for taxes less the amount previously paid by Tenant will result in an adjustment whereby Tenant will either receive a credit equivalent to the excess of real estate taxes paid which may be deducted by Tenant from the next monthly payment of real estate taxes or shall pay the balance due to Owner for additional taxes within ten (10) days of receipt of the bill. The monthly amount to be paid on account will be revised each year by Owner to more closely reflect one twelfth (1/12) of Tenant's share of real estate taxes due for the next tax year. Tenant shall, on or before the rent commencement date, reimburse Owner for its proportionate share of the then current tax year's real estate taxes covering the period from the rent commencement date through the end of the then current tax year, together with an amount sufficient to bring current its real estate tax escrow fund as aforesaid.

For any portion of the aggregate lease term covered herein which is less than a full calendar year, the allocation of taxes shall be further reduced to limit such charge to a corresponding pro rata portion of such year. This last provision shall apply both at the beginning and the end of the lease term.

"Real estate taxes" shall mean any property taxes and assessments imposed upon the land and improvements upon said land. If due to a change in the method of taxation, any franchise, income, profit tax or any other tax which may be levied against Owner in substitution for or in lieu of any tax which would otherwise constitute a real estate tax, such franchise, income, profit tax or any other tax shall be deemed to be a real estate tax for the purpose hereof. Real estate taxes shall further include any "gross receipts tax" on revenue received from the property. If the Real estate tax assessments are increased because of Tenant's improvements, use or occupancy, either prior to or during the term of the Lease, then Tenant shall be responsible for one hundred percent (100%) of such increase.

Tenant further covenants that if this Lease is terminated by reason of default on its part, or if it fails to take possession of its leased premises prior to the expiration of this Lease, that it shall remain liable to pay such share of such taxes. Tenant agrees that this is not to be construed as a penalty and that it shall be liable therefore only for such period or periods of time as during the term of this Lease.

Included above in taxes and assessments shall be any and all expenses incurred by Owner, at its discretion, in reducing or maintaining the existing level of such tax obligations to the Taxing Authorities.

For the purpose of this agreement, the periods applicable to the payment of real estate taxes shall be determined on the basis of the calendar year in which Owner pays the taxes rather than the period as may be stated within the tax bill.

For the first partial calendar year of this Lease, Tenant will pay its pro rata share of the real property taxes and assessments as provided for in this SECTION for the entire year multiplied by a fraction consisting of the number of days in the calendar year, subsequent to the commencement date of this Lease divided by the number of days in that calendar year.

(continued in Section 29.01 of the Rider to this Lease)



ARTICLE VI - CONSTRUCTION, ALTERATION, AND RELOCATION

SECTION 6.01. Changes and Additions to Buildings.

Owner hereby reserves the right at any time to make alterations or additions to and to build additional stories on the building in which the leased premises are contained and to build adjoining the same. Owner also reserves the right to construct other buildings or improvements in the Shopping Center from time to time and to make alterations thereof or additions thereto and to build adjoining same and to construct double-decker elevated parking facilities. Owner agrees not to erect any buildings in the area highlighted in yellow on Exhibit "A" of the Lease which is attached hereto and made a part hereof.

SECTION 6.02. Right to Relocate.

The purpose of the site plan attached hereto as Exhibit "A" is to show the approximate location of the leased premises. Owner reserves the right at any time to relocate the various buildings, automobile parking areas, and other common areas shown on said site plan. Owner agrees not to erect any buildings in the area highlighted in yellow on Exhibit "A" of the Lease which is attached hereto and made a part hereof.

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ARTICLE VII - CONDUCT OF BUSINESS BY TENANT

SECTION 7.01. Use of the Leased Premises.

Tenant shall use the leased premises solely for the purpose of conducting the business of:

the sale at retail of sofas, furniture, home furnishings and related products and ancillary items

and for no other purpose whatsoever.

Tenant shall occupy the leased premises provided for in SECTION 1.01 hereof, and shall conduct continuously in the leased premises the business above stated. Tenant will not use or permit, or suffer the use of the leased premises for any other business or purpose. Tenant shall not conduct catalogue sales in or from the leased premises except of merchandise which Tenant is permitted to sell "over the counter" in or at the leased premises pursuant to the provisions of this SECTION. Notwithstanding anything contained in this Lease to the contrary, Tenant's use as hereinabove provided for or occupancy of the leased premises shall not conflict with any exclusive use provisions or any restrictive covenants of any other leases within the Shopping Center.

In the event that Tenant vacates or abandons the leased premises during the term of this Lease, or fails to take possession and operate its business as stated in this SECTION, the whole sum to be paid as rental and additional rental throughout the entire term of this Lease including the fixed minimum rental herein provided for, plus the highest average monthly percentage rental earned during any prior lease year, shall immediately become due and payable. Owner, at its option, may re-enter the leased premises and relet the same and it is expressly agreed that Tenant shall not be entitled to credit for the rents so received until the sum due from Tenant to Owner, including damages, expenses, attorney's fees, cost of alterations and repairs as herein provided shall have been fully paid, and nothing in this paragraph shall be deemed to have waived any other right or remedy of Owner.

SECTION 7.02. Operation of Business.

Tenant shall operate all of the leased premises during the entire term of this Lease with due diligence and efficiency so as to produce all of the gross sales which may be produced by such manner of operation, unless prevented from doing so by causes beyond Tenant's control. Subject to inability by reason of strikes or labor disputes, Tenant shall carry at all times in the leased premises a stock of merchandise of such size, character and quality as shall be reasonably designed to produce the maximum return to Owner and Tenant. Tenant shall conduct its business in the leased premises during the regular customary days and hours for such type of business in the city or trade area in which the Shopping Center is located, and will keep the leased premises open for business during the same days, nights and hours as the majority of the stores located in the Shopping Center. Tenant shall install and maintain at all times displays of merchandise in the display windows (if any), of the leased premises. Tenant shall keep the display windows and signs, if any, in the leased premises well lighted during the hours from sundown to 11:00 p.m., unless prevented by causes beyond the control of Tenant.

SECTION 7.03. Competition.

During the term of this Lease, Tenant shall not directly or indirectly engage in any similar or competing business within a radius of three (3) miles from the outside boundary of the Shopping Center. Tenant shall not perform any acts or carry on any practices which may injure the building or be a nuisance or menace to other tenants in the Shopping Center.

SECTION 7.04. Storage, Office Space.

Tenant shall warehouse, store and/or stock in the leased premises only such goods, wares and merchandise as Tenant intends to offer for sale at retail at, in, from or upon the leased premises. This shall not preclude occasional emergency transfers of merchandise to the other stores of Tenant, if any, not located in the Shopping Center. Tenant shall use for office, clerical or other non-selling purposes only such space in the leased premises as is from time to time reasonably required for Tenant's business in the leased premises. No auction, fire or bankruptcy sales may be conducted in the leased premises without the previous written consent of Owner.

ARTICLE VIII - OPERATION OF CONCESSIONS

SECTION 8.01. Consent to Owner.

Tenant shall not permit any business to be operated in or from the leased premises by any concessionaire or licensee without the prior written consent of Owner.

ARTICLE IX - SECURITY DEPOSIT

SECTION 9.01. Amount of Deposit.



~~Tenant, contemporaneously with the execution of this Lease, shall deposit with Owner the sum of _____ Dollars (\$ _____). Said deposit shall be held by Owner, without liability for interest, as security for the faithful performance by Tenant of all of the terms, covenants, and conditions of this Lease by said Tenant to be kept and performed during the term hereof. If at any time during the term of this Lease any of the rent herein reserved shall be overdue and unpaid, or any other sum payable by Tenant to Owner hereunder shall be overdue and unpaid, then Owner may, at the option of Owner (but Owner shall not be required to), appropriate and apply any portion of said deposit to the payment of any such overdue rent or other sum.~~

SECTION 9.02. Use and Return of Deposit.

~~In the event of the failure of Tenant to keep and perform any of the terms, covenants and conditions of this Lease to be kept and performed by Tenant, then Owner at its option may appropriate and apply said entire deposit, or so much thereof as may be necessary, to compensate Owner for loss or damage sustained or suffered by Owner due to such breach on the part of Tenant. Should the entire deposit or any portion thereof, be appropriated and applied by Owner for the payment of overdue rent or other sums due and payable to Owner by Tenant hereunder, then Tenant shall, upon the written demand of Owner, forthwith remit to Owner a sufficient amount in cash to restore said security to the original sum deposited, and Tenant's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this Lease. Should Tenant comply with all of said terms, covenants and conditions and promptly pay all of the rental herein provided for as it falls due, and all other sums payable by Tenant to Owner hereunder, the said deposit shall be returned in full to Tenant at the end of the term of this Lease, or upon the earlier termination of this Lease.~~

SECTION 9.03. Transfer of Deposit.

~~Owner may deliver the funds deposited hereunder by Tenant to the purchaser of Owner's interest in the leased premises, in the event that such interest be sold and thereupon Owner shall be discharged from any further liability with respect to such deposit.~~

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ARTICLE X - PARKING AND COMMON USE AREAS AND FACILITIES

SECTION 10.01. Control of Common Areas by Owner.

All automobile parking areas, driveways, entrances and exits thereto, and other facilities furnished by Owner in or near the Shopping Center, including employee parking areas, the truck way or ways, loading docks, package pick-up stations, pedestrian sidewalks and ramps, landscaped areas, exterior stairways, first-aid stations, comfort stations and other areas and improvements provided by Owner for the general use, in common, of tenants, their officers, agents, employees and customers, shall at all times be subject to the exclusive control and management of Owner, and Owner shall have the right from time to time to establish, modify and enforce reasonable rules and regulations with respect to all facilities and areas mentioned in this ARTICLE. Owner shall have the right to construct, maintain and operate lighting facilities on all said areas and improvements; to police the same; from time to time to change the area, level, location and arrangement of parking areas and other facilities herein above referred to; to restrict parking by tenants, their officers, agents and employees to employee parking areas; to enforce parking charges (by operation of meters or otherwise), with appropriate provisions for free parking ticket validating by tenants; to close all or any portion of said areas or facilities to such extent as may, in the opinion of Owner's counsel, be legally sufficient to prevent a dedication thereof or the accrual of any rights to any person or the public therein; to close temporarily all or any portion of the parking areas or of facilities; to discourage non-customer parking; and to do and perform such other acts in said areas and improvements as, in the use of good business judgment, Owner shall determine to be advisable with a view to the improvement of the convenience and use thereof by Tenant, its officers, agents, employees and customers. Owner will operate and maintain the common facilities referred to above in such manner as Owner, in its sole discretion, shall determine from time to time. Without limiting the scope of such discretion, Owner shall have full right and authority to employ all personnel and to make all rules and regulations pertaining to and necessary for the proper operation and maintenance of the common areas and facilities. All of the rules and regulations that Owner may make shall be enforced uniformly to all tenants of the Shopping Center.

SECTION 10.02. License.

All common areas and facilities not within the leased premises, which Tenant may be permitted to use and occupy, are to be used and occupied under a revocable license, and if the amount of such areas be diminished, Owner shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of rent, nor shall such diminution of such areas be deemed constructive or actual eviction.

ARTICLE XI - COST OF MAINTENANCE OF COMMON AREAS

SECTION 11.01. Definition of Common Charges and Tenant's Proportionate Share.

Tenant shall pay to Owner as additional rent, Tenant's share of common charges for each year of the lease term, or a portion thereof. "Common charges" shall mean all costs and expenses incurred by Owner or Owner's employees, agents or contractors, either pursuant to this Lease or otherwise, arising from or in connection with or as a result of the operating, equipping, policing, protecting, lighting, heating, air conditioning, providing sanitation, sewer, fire protection and other services, insuring, maintaining, repairing and replacing the common areas (as herein defined), all buildings and improvements within the Shopping Center. Tenant shall pay to Owner its proportionate share of the common charges allocated to the entire Shopping Center which shall be calculated by dividing the floor area of the leased premises by the total leased first floor area, minus the first floor area of the tenant with the largest first floor, of the Shopping Center. Such common charges to be allocated to the entire Shopping Center shall include but shall not be limited to: (i) the maintenance, repair and replacement of the Shopping Center curbs, gutters, sidewalks, pylons, and signs, drainage and irrigation ditches, conduits and pipes, utility systems (permanent and temporary), sewage disposal or treatment systems, public toilets and sound systems whether within or without the Shopping Center; (ii) the removal of snow and ice; (iii) landscaping; (iv) supplies; (v) licensing, permits, management fees, service and usage charges; (vi) liability insurance and the cost of any insured event deductible amounts under such liability insurance policies; (vii) the settlement or disposition of any claims against Owner to the extent the same are not covered by insurance; (viii) all capital expenditures together with reserves for capital improvements; (ix) the repaving, restriping, regrading and general maintenance of parking areas; (x) compliance with all rules, regulations and orders of governmental authorities pertaining to the Shopping Center including those pertaining to traffic control, engineering and environmental issues, air pollution control and the cost of monitoring air quality; (xi) any environmental cleanup undertaken by Owner whether or not the same is pursuant to any rule, regulation or order of governmental authority; (xii) personal property taxes; (xiii) licensing and permit fees and taxes; (xiv) costs and expenses of enforcing the rules and regulations established by Owner for the Shopping Center; (xv) the cost, lease payment or depreciation of any equipment used in the operation or maintenance of the Shopping Center; (xvi) total compensation and benefits (including premiums for worker's compensation or any other insurance or other retirement or employee benefits, and including all costs incurred in providing such benefits) paid to or on behalf of employees otherwise providing service to tenants or customers of the Shopping Center whether on or off site including compensation paid for the promotion of the Shopping Center by any employee or independent contractor; (xvii) the maintenance, repair and operation of any mall or enclosed common area; (xviii) the costs of performance of all of Owner's obligations pursuant to this Lease or as contemplated herein except those costs of construction of new building areas, the cost of initial improvements to premises leased to tenants of the Shopping Center other than Tenant, leasing commissions, ground rent and debt service payable under any mortgage; (xix) travel costs incurred during any inspections of the Shopping Center; (xx) other costs and expenses incurred in connection with the operation and management of the Shopping Center; plus (xxi) an amount equal to fifteen percent (15%) of all of the foregoing costs and expenses to compensate Owner for administrative and overhead expenses. Common charges shall include costs and expenses for services, equipment or materials furnished by Owner or its affiliates, including management fees, provided the same are furnished at rates similar to those generally paid. Additionally, Tenant shall pay to Owner its proportionate share of the common charges allocated to the small retail shops which shall be calculated by dividing the floor area of the leased premises by the total leased first floor area of the retail shops crosshatched in green on Exhibit "C" which is attached hereto and made a part hereof. Such common charges to be allocated to such retail shops shall include but shall not be limited to: (i) fire alarm systems; (ii) locks and keys; (iii) trash removal; (iv) fire, extended coverage, rental and boiler broad form insurance (including so-called "extended coverage and/or all risk endorsement") and the cost of any insured event deductible amounts under such insurance policies; (v) the maintenance, repair and replacement of all roofs, exterior walls and other structural portions; and (vi) an amount equal to fifteen percent (15%) of all of the foregoing costs and expenses to compensate Owner for administrative and overhead expenses.



SECTION 11.02. Estimated Payments.

On each date that an installment of Minimum Rent is due, Tenant shall pay Owner an amount equal to one twelfth (1/12) of the estimated common charges (as determined by Owner) for the calendar year in which such payment is made. Owner shall provide Tenant with a statement setting forth the amount due from Tenant on account, the common charges for the preceding calendar year and the amount of estimated common charges paid by Tenant during such year. If the amount due from Tenant exceeds the amount of the estimated payments, Tenant shall pay the difference to Owner within ten (10) days of the receipt of such statement. If the amount of estimated payments exceeds the amount due, Owner shall credit such difference to the next installment or installments of estimated payments due under this SECTION. During any year, Owner, from time to time, may revise its estimate of the common charges which will be due for that year and the monthly payments to be made by Tenant on account thereof. Tenant shall have the right to examine vouchers, bills and supporting data at Owner's office to determine the accuracy of such statements submitted by Owner pursuant to this paragraph. Tenant shall pay to Owner on account of its portion of the common area maintenance charge monthly. Such payment on account, however, shall be adjusted after each yearly computation of common area maintenance charge as stated above.

ARTICLE XII - SIGNS, AWNINGS, CANOPIES, FIXTURES, ALTERATIONS

SECTION 12.01. Installation by Tenant.

All fixtures installed by Tenant shall be new or completely reconditioned. Tenant shall not make or cause to be made any alterations, additions or improvements or install or cause to be installed any trade fixture, exterior signs, floor covering, interior or exterior lighting, plumbing fixtures, shades or awnings or make any changes to the store front without first obtaining Owner's written approval and consent. If Tenant elects to install a new storefront, the framing of the storefront shall be constructed of brown anodized aluminum. Tenant shall present to Owner plans and specifications for

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such work at the time approval is sought. Tenant shall install, at its expense, an identification sign on the facade in front of the leased premises in accordance with the specifications listed on Exhibit "B" attached hereto and made a part hereof. In the event Owner wishes to perform any repairs or maintenance to the facade of the Shopping Center that necessitates the removal of Tenant's identification sign, Tenant, at its sole cost and expense shall immediately remove such sign upon Owner's request and shall immediately re-install such sign when Owner has completed such repairs or maintenance. Notwithstanding the foregoing, Tenant shall have the right, without consent of Owner, to make non-structural repairs and alterations provided that the costs do not exceed \$10,000.00 for the first lease year and \$5,000.00 per lease year thereafter.

SECTION 12.02.

Removal and Restoration by Tenant.

All trade fixtures, equipment, alterations, decorations, additions and improvements made by Tenant, or made by Owner on Tenant's behalf by agreement under this Lease, shall remain the property of Tenant for the term of this Lease, or any extension or renewal thereof. Such trade fixtures, equipment, alterations, decorations, additions and improvements shall not be removed from the premises prior to the end of the term hereof without consent in writing from Owner. Upon expiration of this Lease or any renewal term thereof, Tenant shall remove all such trade fixtures, equipment, alterations, decorations, additions and improvements, and restore the leased premises as provided in SECTION 13.03 hereof. If Tenant fails to remove such trade fixtures, equipment, alterations, decorations, additions and improvements and restore the leased premises, then upon the expiration of this Lease or any renewal thereof, and upon Tenant's removal from the leased premises, all such trade fixtures, equipment, alterations, decorations, additions and improvements shall become the property of Owner.

SECTION 12.03.

Tenant Shall Discharge all Liens.

Tenant shall promptly pay all contractors and materialmen, so as to minimize the possibility of a lien attaching to the leased premises, and should any such lien be made or filed, Tenant shall bond against or discharge the same within ten (10) days after written request by Owner. Tenant authorizes Owner at any time during the term of this Lease, or any extensions thereof, to obtain a consumer report ("Credit History") of Tenant from a consumer reporting agency ("Credit Bureau") or any other credit source. If Tenant becomes in default of this Lease or fails to pay any rent, additional rent, percentage rent or any other charges hereunder, Owner reserves the right to obtain a credit history.

SECTION 12.04.

Signs, Awnings and Canopies.

Tenant will not place or suffer to be placed or maintained on any exterior door, wall, common use areas or window of the leased premises any sign, awning or canopy, or advertising matter or other thing of any kind, and will not place or maintain any decoration, lettering or advertising matter on the glass of any window or door of the leased premises without first obtaining Owner's written approval and consent. Tenant further agrees to maintain such sign, awning, canopy, decoration, lettering, advertising matter or other thing, as may be approved, in good condition and repair at all times. With the exception of the lighted or neon signs, Tenant shall be entitled to place, maintain, and Owner shall allow to be permitted, placed and maintained appropriate dignified displays of customary type for its display windows on the interior of the window area, or elsewhere inside the leased premises so as to be visible to the public as may be allowed by law.

ARTICLE XIII - MAINTENANCE OF LEASED PREMISES

SECTION 13.01.

Maintenance by Tenant.

Tenant shall at all times keep the leased premises (including, but not limited to, maintenance of exterior entrances, all glass and show window moldings, exterior and interior signs) and all partitions, doors, fixtures, equipment and appurtenances thereof (including, but not limited to, lighting, heating and plumbing fixtures, escalators, elevators, heating, ventilating and any air conditioning system) in good order, condition and repair, (including, but not limited to, reasonably periodic painting as determined by Owner), except for structural portions of the leased premises, which shall be maintained by Owner, but if Owner is required to make repairs to structural portions by reason of Tenant's negligent acts or omission to act, Owner may add the cost of such repairs to the rent which shall thereafter become due. Tenant shall be responsible for replacement of any of the aforesaid items, fixtures and equipment. Tenant agrees to sweep and clean, and remove snow and ice from the sidewalk and any handicapped ramps in front of the leased premises. If Tenant prepares food in the leased premises, Tenant shall install grease catching equipment, which must be approved by Owner, on all exhaust, heating, ventilating and air conditioning units serving the leased premises. Tenant shall keep the grease catching equipment in good operating condition and shall maintain, repair or replace the equipment upon Owner's request. Tenant shall be solely responsible for any roof or structural damage resulting from Tenant's occupancy. Tenant shall be responsible for the maintenance, replacement and repair of all undercanopy lights in front of the leased premises. Tenant shall, at all times during the term of this Lease have and keep in force a maintenance contract, in form and with a contractor approved by Owner, providing for inspection, maintenance, and repair or replacement as necessary, at intervals determined by Owner, but in no event shall said intervals be less than quarterly, for all equipment (including, but not limited to, plumbing, electrical, heating, ventilating and air conditioning). Tenant shall send to Owner a copy of all contracts within 30 days of the commencement date of this Lease, and annually thereafter.

(continued in Section 29.03 of the Rider to this Lease)

SECTION 13.02.

Maintenance by Owner.

If Tenant refuses or neglects to repair property as required hereunder and to the reasonable satisfaction of Owner as soon as reasonably possible after written demand, Owner may make such repairs without liability to Tenant for any loss or damage that may occur to Tenant's merchandise, fixtures or other property or to Tenant's business by reason thereof, and upon completion thereof, Tenant shall pay Owner's costs for making such repairs plus twenty percent (20%) for overhead, upon presentation of bill therefor, as additional rent.

SECTION 13.03.

Surrender of Premises.

At the expiration of the tenancy hereby created, Tenant shall surrender the leased premises in the same condition as the leased premises were in upon delivery of possession thereto under this Lease, reasonable wear and tear excepted, and damage by unavoidable casualty excepted, and shall surrender all keys for the leased premises to Owner at the place specified by Owner and shall inform Owner of all combinations on locks, safes and vaults, if any, in the leased premises. Tenant shall remove all its trade fixtures and any alterations or improvements as provided in SECTION 12.02 hereof, before surrendering the leased premises as aforesaid and shall repair any damage to the leased premises caused thereby. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this Lease.

SECTION 13.04.

Rules and Regulations.



The rules and regulations appended to this Lease are hereby made a part of this Lease, and Tenant agrees to comply with and observe the same. Tenant's failure to keep and observe said rules and regulations shall constitute a breach of the terms of this Lease in the manner as if the same were contained herein as covenants. Owner reserves the right from time to time to amend or supplement said rules and regulations and to adopt and promulgate additional rules and regulations applicable to the leased premises and the Shopping Center. Notice of such additional rules and regulations, and amendments and supplements, if any, shall be given to Tenant, and Tenant agrees thereupon to comply with and observe all such rules and regulations; and amendments thereto and supplements thereof.

ARTICLE XIV - INSURANCE AND INDEMNITY

SECTION 14.01.

Liability Insurance.

Tenant shall during the entire term hereof, keep in full force and effect a policy of public liability and property damage insurance with respect to the leased premises, as well as the sidewalks in front of same, and the business operated by Tenant and any subtenants of Tenant in the leased premises in which the limits of public liability and property damage liability shall not be less than \$2,000,000.00 combined single limit. Such insurance shall be an all risk replacement cost policy which shall include as a minimum eighty percent (80%) of the replacement as a minimum fire, extended coverage, vandalism and malicious mischief, sprinkler rent, sign, boiler and casualty and liability insurance. The policy shall name Owner, any person, firms, or corporations designated by Owner, and Tenant as insured, and shall contain a clause that the insurer will not cancel or change the insurance without first giving Owner thirty (30) days prior written notice. The insurance shall be in an insurance company approved by Owner and a copy of the policy or

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a certificate of insurance shall be delivered to Owner. The insurance company shall be a responsible insurance carrier authorized to do business in the State of Maryland. It shall have a policy holders rating of no less than "A" in the most current edition of Best's Insurance Report.

SECTION 14.02. Increase In Fire Insurance Premium.

Tenant agrees that it will not keep, use, sell or offer for sale in or upon the leased premises any article which may be prohibited by the standard form of fire insurance policy. Tenant agrees to pay any increase in premiums for fire and extended coverage insurance that may be charged during the term of this Lease on the amount of such insurance which may be carried by Owner on the leased premises or the building of which they are a part, resulting from the type of merchandise sold by Tenant in the leased premises, whether or not Owner has consented to the same. In determining whether increased premiums are the result of Tenant's use of the leased premises, a schedule, issued by the organization making the insurance rate on the leased premises, showing the various components of such rate, shall be conclusive evidence of several items and charges which make up the fire insurance coverage on the leased premises. Tenant shall comply with all recommendations made by Owner's insurance carrier. In the event Tenant's occupancy causes any increase of premium for the fire, boiler and/or casualty rates on the leased premises or any part thereof above the rate for the least hazardous type of occupancy legally permitted in the leased premises, Tenant also shall pay in such event, any additional premium on the rent insurance policy that may be carried by Owner for its protection against rent loss through fire. Bills for such additional premiums shall be rendered by Owner to Tenant at such times as Owner may elect, and shall be due from, and payable by Tenant when rendered, and the amount thereof shall be deemed to be, and be paid as additional rent.

SECTION 14.03. Indemnification of Owner.

Tenant will indemnify, defend and save Owner harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the leased premises, or the occupancy or use by Tenant of the leased premises or any part thereof, or occasioned wholly or in part by any act or omission of Tenant, its agents, contractors, employees, servants, lessees or concessionaires. In case Owner shall, without fault on its part, be made a party to any litigation commenced by or against Tenant, Tenant shall protect, defend and hold Owner harmless and shall pay all costs, expenses and reasonable attorney's fees incurred or paid by Owner in connection with such litigation. Tenant shall also pay all costs, expenses and reasonable attorney's fees that may be incurred or paid by Owner in enforcing the covenants and agreements in this Lease. Tenant shall accept full responsibility for and protect, defend, indemnify and save harmless Owner, its officers, agents and employees from and against any and all claims, actions, suits, losses, damages, liability and expenses of any character including, but not limited to, costs of investigation, remediation, consequential damages, including loss of rent with respect to the leased premises or with respect to any other portion of the Shopping Center, fines or penalties, and legal fees in connection with (but not limited to): loss of life, personal or bodily injury, disease, sickness, mental distress and/or damage to any property (including the loss of use resulting therefrom) or to the environment arising or resulting during or subsequent to the lease term from or out of any conduct, activity, act, omission or operation involving the use, handling, generation, treatment, storage, disposal, other management or release of any hazardous substances or waste at or from the leased premises.

SECTION 14.04. Plate Glass.

Tenant shall replace, at its expense, any and all plate and other glass damaged or broken from any cause whatsoever in and about the leased premises. Tenant shall insure, and keep insured, at its expense, all plate and other glass in the leased premises for and in the name of Owner. Tenant is permitted to self-insure such plate glass.

SECTION 14.05. Waiver of Subrogation Rights.

~~Tenant and all parties claiming under Tenant release and discharge Owner from all claims and liabilities arising from or caused by any casualty or hazard covered or required hereunder to be covered in whole or in part by insurance on the leased premises or in connection with property on or activities conducted on the leased premises, and waive any right of subrogation which might otherwise exist in or accrue to any person on account thereof, and evidence such waiver by endorsement to the required insurance policies.~~

(continued in Section 29.04 of the Rider to this Lease)

ARTICLE XV - UTILITIES

SECTION 15.01. Utility Charges.

Tenant shall be solely responsible for and promptly pay all charges for heat, water, gas, electricity, air conditioning or any other utility used or consumed in the leased premises. Should Owner elect to supply the water, gas, heat, electricity, air conditioning or any other utility used or consumed in the leased premises, Tenant agrees to purchase and pay for the same as additional rent at the rates determined by Owner. In no event shall Owner be liable for an interruption or failure in the supply of any such utilities to the leased premises. Tenant shall be responsible for all sewer charges, sewer taxes or sewer rent irrespective of the manner billed or assessed. At Owners request, Tenant shall, at its expense, install a separate utility service for all utilities serving the leased premises. Tenant shall be responsible for installing and maintaining the utility meters in the leased premises. In no event shall Tenant be required to pay with respect to any utility service or service provided or designated by Owner, an amount in excess of the amount that Tenant would be required to pay if purchasing directly from such utility or other company.

ARTICLE XVI - OFFSET STATEMENT, ATTORNEY, SUBORDINATION

SECTION 16.01. Offset Statement.

Within ten (10) days after request therefor by Owner, or in the event that upon any sale, assignment or hypothecation of the leased premises and/or the land thereunder by Owner and offset statement shall be required from Tenant, Tenant agrees to deliver in recordable form, a certificate to any proposed mortgagee or purchaser, or to Owner, certifying (if such be the case) that this Lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Tenant.

SECTION 16.02. Attornment.

Tenant shall, in the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under any mortgage made by Owner covering the leased premises, attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as Owner under this Lease.



SECTION 16.03. Subordination.

~~This Lease is hereby made subject and subordinate to any future or present mortgages. Tenant agrees to confirm the subordination in a written instrument upon request of Owner.~~

(continued in Section 29.05 of the Rider to this Lease)

SECTION 16.04. Attorney-in-Fact.

Tenant, upon request of any party in interest, shall execute promptly such instruments or certificates to carry out the intent of SECTIONS 16.02 and 16.03 above as shall be requested by Owner. ~~Tenant hereby irrevocably appoints Owner as attorney-in-fact for Tenant with full power and authority to execute and deliver in the name of Tenant any such instruments or certificates.~~ If fifteen (15) days after the date of a written request by Owner to execute such instruments, Tenant shall not have executed the same, Owner may, at its option, cancel this Lease without incurring any liability on account thereof, and the term hereby granted is expressly limited accordingly. Owner will make its best efforts to get non-disturbance agreements.

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ARTICLE XVII - ASSIGNMENT AND SUBLETTING

SECTION 17.01. Assignment and Subletting.

~~shall not be unreasonably withheld~~

Tenant shall not assign this Lease or any interest therein or sublet the leased premises or any portion thereof without the prior written consent of Owner, which consent may be granted or withheld in the sole discretion of Owner, and no permitted assignment or subletting shall relieve Tenant of Tenant's covenants and agreements hereunder. The consent of Owner to any one assignment or sublease pursuant hereto shall not be deemed to be a waiver of the provisions of this SECTION with respect to any subsequent assignment or sublease. Each such permitted sublease shall expressly be made subject to the provisions of this Lease. If Tenant assigns any of its rights and interests under this Lease, the assignee under such assignment shall expressly assume all of the obligations of Tenant hereunder in a written instrument satisfactory to Owner at the time of such assignment. No assignment or sublease shall relieve Tenant of its obligations hereunder, and all such obligations shall continue in full effect as obligations of a principal and not as obligations of a guarantor or surety to the same extent as though no assignment or subletting has been made. In the event Tenant shall assign this Lease or sublease the leased premises for rent or other consideration in excess of the rent payable hereunder, Owner shall receive all such excess rent or other consideration as additional rent hereunder. The assignee or sublessee shall be required to make all payments due to Owner. Tenant shall, concurrently with the execution and delivery of any such permitted assignment or sublease, deliver a duplicate original thereof to Owner. A change in the beneficial or record ownership of any class of capital stock of Tenant, a transfer of partnership interests of the beneficial interest in Tenant, and a sale of substantially all of the merchandise on the leased premises to one purchaser shall be treated as and deemed to be an event of assignment of this Lease within the foregoing provisions of this SECTION, if the effect of same shall be to result in a change in management or control of Tenant which shall be subject to the terms hereof. In the event Tenant seeks to assign this Lease under Section 365 of the Bankruptcy Code or any other provisions relating to the assignment of leases, Owner shall have the option at its sole discretion, to purchase Tenant's interest in this Lease at the same price as is approved by final order of the Bankruptcy Court, for assignment of this Lease.

Tenant further agrees that it will reimburse Owner for Owner's expense arising out of said assignment and sublet, including reasonable attorney's fees, whether approved by Owner or not.

(continued in Section 29.06 of the Rider to this Lease)

SECTION 17.02.

Criteria for Assigning and Subletting.

Owner has retained the prior right of consent to proposed assignment or sublease for several substantial business and equity reasons which were considerations for this Lease, including, without limitation, the fact that the success and continuation thereof the Shopping Center is directly related to the use and operation of each particular store in the concept of the overall and integrated merchandising scheme of the Shopping Center; the obligations of Owner to mortgages, major tenants, other nearby shopping centers and the public; the direct economic benefits to be derived to Owner in the form of percentage rent based on gross sales, and the reputation and expertise of Tenant. In evaluating and determining whether or not to consent to a requested assignment or sublease of the leased premises by Tenant, Owner must be satisfied in its sole reasonable determination that the criteria elements set forth above must continue to be satisfied and Owner must receive adequate assurance of the financial condition and stability of the proposed assignee, sublease or subtenant ("assignee"); the reputation and expertise of the assignee, the ability and likelihood of payment of rents and other amounts due hereunder including the expectation of percentage rent in amounts no less than that previously received from Tenant and expected to be received in the future based upon increased reasonable sales projection, and such other assurances as Owner requires including those assurances that Owner has the right to receive in accordance with Section 365 (b)(3) of the Bankruptcy Reform Act of 1978.

SECTION 17.03. Encumbrances.

Neither this Lease nor any additional term of this Lease shall not be mortgaged, pledged or encumbered by Tenant, nor shall Tenant mortgage, pledge or encumber the interest of Tenant in and to any sublease of the leased premises or the rental payable hereunder, without the prior written consent of Owner, which consent may be granted or withheld in the sole discretion of Owner, and Tenant shall not allow or permit any transfer of this Lease of any interest hereunder or operation of law. Any such mortgage, pledge, encumbrance, sublease or assignment made in violation of this SECTION shall be void.

SECTION 17.04. Corporate Ownership.

If at any time during the term of this Lease any part or all of the corporate shares of Tenant shall be transferred by sale, assignment, bequest, inheritance, operation of law or other disposition so as to result in a change in the present effective voting control of Tenant by the person or persons owning a majority of said corporate shares on the date of this Lease, Tenant shall promptly notify Owner in writing of such change, and Owner may terminate this Lease at any time after such change in control by giving Tenant ninety (90) days' prior written notice of such termination. Owner shall not have the right to terminate this Lease provided: (i) Tenant remains fully liable for full performance of all its obligations under this Lease; (ii) the use as defined in Section 7.01 of this Lease remains the same; (iii) the net worth of such transferee is at least \$10,000,000.00.

ARTICLE XVIII - WASTE, GOVERNMENTAL REGULATIONS

SECTION 18.01. Waste or Nuisance.

Tenant shall not commit or suffer to be committed any waste upon the leased premises or any nuisance or other act or thing which may disturb the quiet enjoyment of any other tenant in the building in which the leased premises may be located, or in the Shopping Center, or which may disturb the quiet enjoyment of any person within five hundred (500) feet of the boundaries of the Shopping Center.

SECTION 18.02. Governmental Regulations.

Tenant shall, at Tenant's sole cost and expense, comply with all of the requirements of all county, municipal, state, federal and other applicable governmental authorities, now in force, or which may hereafter be in force, pertaining to the leased premises, and shall faithfully observe in the use of the leased premises all municipal and county ordinances and state and federal statutes now in force or which may hereafter be in force.

ARTICLE XIX - ADVERTISING

SECTION 19.01. Change of Name.

With the exclusion of the trading name of Jennifer Leather,

Tenant agrees not to change the advertising name of the business operated in the leased premises without the written permission of Owner.



SECTION 19.02. Solicitation of Business.

Tenant and Tenant's employees and agents shall not solicit business in the parking or other common areas, nor shall Tenant distribute any handbills or other advertising matter in automobiles parked in the parking area or in other common areas.

ARTICLE XX - DESTRUCTION OF LEASED PREMISES

SECTION 20.01. Total or Partial Destruction.

~~If the leased premises and any necessary common areas ancillary or adjacent thereto shall be damaged by fire, the elements, unavoidable accident or other casualty, but are not thereby rendered untenable in whole or in part, Owner shall at its own expense cause such damage to be repaired, and the rent shall not be abated. If by reason of such occurrence, the leased premises shall be rendered untenable only in part, Owner shall at its own~~

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expense cause the damage to be repaired, and the fixed minimum rent meanwhile shall be abated proportionately as to the portion of the leased premises rendered untenantable provided that the same can be accomplished within ninety (90) days of such destruction. ~~If the leased premises shall be rendered wholly untenantable by reason of such occurrence, Owner shall, at its own cost and expense, cause such damage to be repaired, and the fixed minimum rent meanwhile shall abate until the leased premises have been restored and rendered tenantable, or Owner may, at its election, terminate this Lease and the tenancy hereby created by giving to Tenant within the next sixty (60) days following the date of said occurrence, written notice of Owner's election to do so, and in event of such termination, rent shall be adjusted as of such date. Nothing in this SECTION shall be construed to permit the abatement in whole or in part of the percentage rent, but for the purpose of SECTION 2.02 hereof, the computation of percentage rent shall be based upon the revised minimum rent as the same may be abated pursuant to this SECTION.~~
(continued in Section 29.07 of the Rider to this Lease)
SECTION 20.02. Partial Destruction of Shopping Center.

In the event that seventy percent (70%) or more of the rentable area of the Shopping Center shall be damaged or destroyed by fire or other cause, notwithstanding that the leased premises may be unaffected by such fire or other cause, Owner may terminate this Lease and the tenancy hereby created by giving to Tenant five (5) days prior written notice of its election to do so; which notice shall be given, if at all, within thirty (30) days following the date of said occurrence. Rent shall be adjusted as of the date of such termination.

ARTICLE XXI - EMINENT DOMAIN

SECTION 21.01. Total Condemnation of Leased Premises.

If the whole of the leased premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, then the term of this Lease shall cease and terminate as of the date of title vesting in such proceeding and all rentals shall be paid up to that date and Tenant shall have no claim against Owner for the value of any unexpired term of this Lease. The date of title vesting, whenever used herein shall mean the date in which Owner no longer has use of the facilities which have been condemned or acquired.

SECTION 21.02. Partial Condemnation.

If any part of the leased premises shall be acquired or condemned as aforesaid, and in the event that such partial taking or condemnation shall render the leased premises unsuitable for the business of Tenant, then the term of this Lease shall cease and terminate as of the date of title vesting in such proceeding. Tenant shall have no claim against Owner for the value of any unexpired term of this Lease and rent shall be adjusted to the date of such termination. In the event of a partial taking or condemnation which is not extensive enough to render the leased premises unsuitable for the business of Tenant, then Owner shall promptly restore the leased premises to a condition comparable to its condition at the time of such condemnation, less the portion lost in the taking, and this Lease shall continue in full force and effect without any reduction or abatement of rent.

SECTION 21.03. Total or Partial Condemnation of Parking Area.

→ or Tenant,
If whole or part of the parking area in the Shopping Center shall be acquired or condemned as aforesaid, and if, as the result thereof, the ratio of square feet of parking field to square feet of the sales area of the entire Shopping Center buildings is reduced to a ratio below one to one, then Owner, at its option, shall have the right to terminate this Lease. In the event of termination of this Lease as aforesaid, Tenant shall have no claim against Owner nor the condemning authority for the value of any unexpired term of this Lease and rent shall be adjusted to the date of said termination.

SECTION 21.04. Owner's Damages.

In the event of any condemnation or taking as aforesaid, whether whole or partial, Tenant shall not be entitled to any part of the award paid for such condemnation and Owner is to receive the full amount of such award. Tenant hereby expressly waives any right or claim to any part thereof.

SECTION 21.05. Tenant's Damages.

Although all damages in the event of any condemnation are to belong to Owner, whether such damages are awarded as compensation for diminution in value of the leasehold or to the fee of the leased premises, Tenant shall have the right to claim and recover from the condemning authority, but not from Owner, such compensation as may be separately awarded or recoverable by Tenant in Tenant's own right on account of any and all damage to Tenant's business by reason of the condemnation and for or on account of any cost or loss to which Tenant might be put in removing Tenant's business by reason of the condemnation and for or on account of any cost or loss to which Tenant might be put in removing Tenant's merchandise, furniture, fixtures, leasehold improvements and equipment.



SECTION 21.06. Condemnation of Less Than a Fee.

In the event of a condemnation of a leasehold interest in all or a portion of the leased premises without the condemnation of the fee simple title also, this Lease shall not terminate and such condemnation shall not excuse Tenant from full performance of all of its covenants hereunder, but Tenant in such event shall be entitled to present or pursue against the condemning authority its claim for and to receive all compensation or damages sustained by it by reason of such condemnation, and Owner's right to recover compensation or damages shall be limited to compensation for and damages, if any, to its reversionary interest; it being understood, however, that during such time as Tenant shall be out of possession of the leased premises by reason of such condemnation, this Lease shall not be subject to forfeiture for failure to observe and perform those covenants not calling for the payment of money. In the event the condemning authority shall fail to keep the leased premises in the state of repair required hereunder, or prohibits Tenant from performing any other covenant not calling for the payment of money, Tenant shall have ninety (90) days after the restoration of possession to it within which to carry out its obligations under such covenant or covenants. During such time as Tenant shall be out of possession of the leased premises by reason of such leasehold condemnation, Tenant shall pay to Owner, in lieu of the minimum and percentage rents provided for hereunder, and in addition to any other payments required of Tenant hereunder, an annual rent equal to the average annual minimum and percentage rents paid by Tenant for the period from the commencement of the term until the condemning authority shall take possession, or during the preceding three (3) full calendar years, whichever period is shorter. At any time after such condemnation proceedings are commenced, Owner shall have the right, at its option, to require Tenant to assign to Owner all compensation and damages payable by the condemnor to Tenant, to be held without liability for interest thereon, as security for the full performance of Tenant's covenants hereunder, such compensation and damages received pursuant to said assignment to be applied first to the payment of rents and all other sums from time to time payable by Tenant pursuant to the terms of this Lease as such sums fall due, and the remainder, if any, to be payable to Tenant, at the end of the term hereof, or on restoration of possession to Tenant, whichever shall first occur, it being understood and agreed that such assignment shall not relieve Tenant of any of its obligations under this Lease with respect to such rents, and other sums except as the same shall be actually received by Owner.

ARTICLE XXII - DEFAULT OF THE TENANT

SECTION 22.01. Right to Re-enter.

→ thirty (30) → fifteen (15)
In the event of any failure of Tenant to pay any rental due hereunder within ten (10) days after the same shall be due, or any failure to perform any other of the terms, conditions or covenants of this Lease to be observed or performed by Tenant for more than ten (10) days after written notice of such default shall have been given to Tenant, or if Tenant or any guarantor of this Lease shall falsify any report required to be furnished to Owner pursuant to the terms of this Lease, or if Tenant or any guarantor of this Lease shall become bankrupt or insolvent, or file any debtor proceedings or take or have taken against Tenant or any guarantor of this Lease in any court pursuant to any statute either of the United States or of any state a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Tenant's or any such guarantor's property, or if Tenant or any such guarantor makes an assignment for the benefit of creditors, or petitions for or enters into an arrangement, or if Tenant

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shall discontinue doing its business in the leased premises as defined in SECTION 7.01 of this Lease, or if Tenant shall abandon the leased premises, or suffer this Lease to be taken under any writ of execution, Owner besides other rights or remedies it may have, shall have the immediate right of re-entry, may re-key any locks on any or all doors to the leased premises, and may remove all persons and property from the leased premises and such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of Tenant, all without service of notice or resort to legal process and without being deemed guilty of trespass, or becoming liable for any loss damage which may be occasioned thereby.

SECTION 22.02. Right to Relet.

Should Owner elect to re-enter, as herein provided, or should it take possession pursuant to any legal proceedings or pursuant to any notice provided for by law, it may either terminate this Lease or it may from time to time without terminating this Lease, make such alterations and repairs as may be necessary in order to relet the leased premises or any part thereof for such term or terms (which may be for a term extending beyond the term of this Lease) and at such rental or rentals and upon such other terms and conditions as Owner at its sole discretion may deem advisable; upon each such reletting, all rentals received by Owner from such reletting shall be applied; first, to the payment of any indebtedness other than rent due hereunder from Tenant to Owner; second, to the payment of any costs and expenses of such reletting, including brokerage fees and attorney's fees and of costs of such alterations and repairs; third, the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by Owner and applied in payment of future rent as the same may become due and payable hereunder. If such rentals received from such reletting during any month be less than that to be paid during that month by Tenant hereunder, Tenant shall pay any such deficiency to Owner. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of the leased premises by Owner shall be construed as an election on its part to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, Owner may at any time thereafter elect to terminate this Lease for such previous breach. Should Owner at any time terminate this Lease for any breach, in addition to any other remedies it may have, it may recover from Tenant all damages it may incur by reason of such breach, including the cost of recovering the leased premises, attorney's fees, and the amount of rent, percentage rent, additional rent and any other charges due, as reserved in this Lease, for the remaining term of this Lease and any extensions thereof, all of which amounts shall be immediately due and payable from Tenant to Owner.

SECTION 22.03. Jurisdiction

Owner and Tenant agree that any controversy between them, pursuant to this Lease or otherwise, must be determined in the state, county or city courts in the City of Rochester, County of Monroe and the State of New York and Tenant specifically agrees to the jurisdiction of New York State Courts and that the laws of the State of New York shall apply to any proceeding. Tenant appoints Lynx Development Corporation as its agent for the service of process for any action commenced by Owner pursuant to this SECTION.

Owner may change, from time to time, the agent for service of process by written notification to Tenant giving the name and address of such new agent and the appointment thereof shall be effective 30 days after the date after receipt by the Owner of such written notice.

SECTION 22.04. Legal Expense.

~~In case suit or demand shall be brought for recovery of possession of the leased premises, for the recovery of rent or any other amount due under the provisions of this Lease, or because of the breach of any other covenant herein contained on the part of Tenant to be kept or performed, and a breach shall be established, Tenant shall pay to Owner all expense incurred therefor, including reasonable attorney's fees.~~

SECTION 22.05. Waiver of Jury Trial and Counterclaims.

The parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Owner and Tenant, Tenant's use or occupancy of the leased premises, and/or any claim of injury or damage. In the event Owner commences any proceedings for non-payment of rent, minimum rent, percentage rent or additional rent, Tenant will not interpose any counterclaim of whatever nature or description in any such proceedings. This shall not, however, be construed as a waiver of Tenant's right to assert such claims in any separate action or actions brought by Tenant.

SECTION 22.06. Waiver of Rights of Redemption.

Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause, or in the event of Owner obtaining possession of the leased premises, by reason of the violation by Tenant of any of the covenants or conditions of this Lease, or otherwise:

ARTICLE XXIII - ACCESS BY OWNER

SECTION 23.01. Right of Entry.



Owner or Owner's agents shall have the right to enter the leased premises at all times to examine the same, and to show them to prospective purchasers or lessees of the building, and to make such repairs, alterations, improvements or additions as Owner may deem necessary or desirable, and Owner shall be allowed to take all material into and upon the leased premises that may be required therefor without the same constituting an eviction of Tenant in whole or in part and the rent reserved shall in no way abate while said repairs, alterations, improvements or additions are being made, by reason of loss or interruption of business of Tenant, or otherwise. During the six (6) months prior to the expiration of the term of this Lease or any renewal term, Owner may exhibit the leased premises to prospective tenants or purchasers, and place upon the leased premises the usual notices "To Let" or "For Sale" which notices Tenant shall permit to remain thereon without molestation. If Tenant shall not be personally present to open and permit an entry into the leased premises, at any time, when for any reason an entry therein shall be necessary or permissible, Owner or Owner's agent may enter the same by a master key, or may forcibly enter the same, without rendering Owner or such agents liable therefor, and without in any manner affecting the obligations and covenants of this Lease. Nothing herein contained, however, shall be deemed or construed to impose upon Owner any obligation, responsibility or liability whatsoever, for the care, maintenance or repair of the building or any part thereof, except as otherwise herein specifically provided. Whenever Owner shall enter, or perform any work in or about the leased premises during a non-emergency situation, such entry shall be made, and such work will be performed, to the extent practicable, without interfering with the conduct of the Tenant's business.

If an excavation shall be made upon land adjacent to the leased premises, or shall be authorized to be made, Tenant shall afford to the person causing or authorized to cause such excavation, license to enter upon the leased premises for the purpose of doing such work as Owner shall deem necessary to preserve the wall or the building of which the leased premises form a part from injury or damage and to support the same by proper foundations, without any claim for damages or indemnification against Owner or diminution or abatement of rent.

ARTICLE XXIV - TENANT'S PROPERTY

SECTION 24.01. Taxes on Leasehold.

Tenant shall be responsible for and shall pay before delinquency all municipal, county or state taxes assessed during the term of this Lease against any leasehold interest or personal property of any kind, owned by or placed in, upon or about the leased premises by Tenant.

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SECTION 24.02.**Loss and Damage.**
Unless caused by Owner's gross negligence,

Owner shall not be liable for any damage to property of Tenant or of others located on the leased premises, nor for the loss of or damage to any property of Tenant or of others by theft or otherwise. Owner shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or snow or leaks from any part of the leased premises or from the pipes, appliances or plumbing works or from the roof, street or sub-surface or from any other place or by dampness or by any other cause of whatsoever nature. Owner shall not be liable for any such damage caused by other tenants or persons in the leased premises, occupants of adjacent property, of the Shopping Center, or the public, or caused by operations in construction of any private, public or quasi-public work. Owner shall not be liable for any latent defect in the leased premises or in the building of which they form a part. All property of Tenant kept or stored on the leased premises shall be so kept or stored at the risk of Tenant only and Tenant shall hold Owner harmless from any claims by Tenant's insurance carrier, unless such damage shall be caused by the willful act or gross neglect of Owner.

SECTION 24.03.**Notice by Tenant.**

Tenant shall give immediate notice to Owner in case of any defects, fire or accidents in the leased premises or in the building of which the leased premises are a part of.

ARTICLE XXV - SUCCESSORS**SECTION 25.01.****Successors.**

All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors and assigns of the said parties; and if there shall be more than one Tenant, they shall all be bound jointly and severally by the terms, covenants and agreements herein. No rights, however, shall inure to the benefit of any assignee of Tenant unless the assignment to such assignee has been approved by Owner in writing as provided in SECTION 17.01 hereof.

ARTICLE XXVI - QUIET ENJOYMENT**SECTION 26.01.****Owner's Covenant.**

Upon payment by Tenant of the rents herein provided, and upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peaceably and quietly hold and enjoy the leased premises for the term hereby demised without hindrance or interruption by Owner or any other person or persons lawfully or equitably claiming by, through or under Owner, subject, nevertheless, to the terms and conditions of this Lease.

ARTICLE XXVII - LIMITATION ON RIGHT OF RECOVERY AGAINST OWNER**SECTION 27.01.****Limitation on Right of Recovery Against Owner.**

Tenant acknowledges and agrees that the liability of Owner under this Lease shall be limited to its interest in the Shopping Center and any judgments rendered against Owner shall be satisfied solely out of the proceeds of sale of its interest in the Shopping Center. No personal judgment shall lie against Owner upon extinguishment of its rights in the Shopping Center and any judgment so rendered shall not give rise to any right of execution or levy against Owner's assets. The provisions hereof shall inure to Owner's successors and assigns including any mortgages and its respective directors, officers, principals and stockholders. The foregoing provisions are not intended to relieve Owner from the performance of any of Owner's obligations under this Lease, but only to limit the personal liability of Owner in case of recovery of a judgment against Owner; nor shall the foregoing be deemed to limit Tenant's rights to obtain injunctive relief or specific performance or to avail itself of any other right or remedy which may be awarded Tenant by law or under this Lease.

ARTICLE XXVIII - MISCELLANEOUS**SECTION 28.01.****Waiver.**

The waiver by Owner of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Owner shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Owner's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term or condition of this Lease shall be deemed to have been waived by Owner, unless such waiver be in writing by Owner.

SECTION 28.02.**Accord and Satisfaction.**

No payment by Tenant or receipt by Owner of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Owner may accept such check or payment without prejudice to Owner's right to recover the balance of such rent or pursue any other remedy in this Lease provided.

SECTION 28.03.**Entire Agreement.**



This Lease, the Exhibits and Rider, if any, attached hereto and forming a part hereof, set forth all the covenants, promises, agreements, conditions and understandings between Owner and Tenant concerning the leased premises and there are no covenants, promises, agreements, conditions and understandings, either oral or written, between them other than herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Owner or Tenant unless reduced to writing and signed by them.

SECTION 28.04.**No Partnership.**

Owner does not, in any way or for any purpose, become a partner of Tenant in the conduct of its business, or otherwise, or joint venturer or a member of a joint enterprise with Tenant. The provisions of this Lease relating to the percentage rent payable hereunder are included solely for the purpose of providing a method whereby the rent is to be measured and ascertained.

SECTION 28.05.**Force Majeure.**

In the event that 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, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulation, riots, insurrection, war or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, 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

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equivalent to the period of such delay. The provisions of this SECTION shall not operate to excuse Tenant from prompt payment of rent, percentage rent, additional rent or any other payments required by the terms of this Lease.

SECTION 28.06. Notices.

~~Any notice, demand, request or other instrument which may be or are required to be given under this Lease shall be delivered in person or sent by United States certified mail, postage prepaid, return receipt obtained and shall be addressed (a) if to Owner at the address first hereinabove given or at such other address as Owner may designate by written notice and (b) if to Tenant at the leased premises or at such other address as Tenant shall designate by written notice. Notwithstanding the foregoing provisions, if an option to renew this Lease is provided for herein, and if Tenant wishes to exercise its right to renew such option, it shall do so by sending Owner notice of its intent to renew by United States registered mail (continued in Section 29.09 of the Rider to this Lease).~~

SECTION 28.07.

Captions and Section Numbers.

The captions, section numbers and article numbers appearing in this Lease are inserted only as a matter of convenience and in no way define, limit construe or describe the scope or intent of such sections or articles of this Lease nor in any way affect this Lease.

SECTION 28.08. Tenant Defined, Use of Pronoun.

The word "Tenant" shall be deemed and taken to mean each and every person or party mentioned as Tenant herein, be the same one or more; and if there shall be more than one Tenant, any notice required or permitted by the terms of this Lease may be given by or to any one thereof, and shall have the same force and effect as if given by or to all thereof. The use of the neuter singular pronoun to refer to Owner or Tenant shall be deemed a proper reference even though Owner or Tenant may be an individual, a partnership, a corporation or a group of two or more individuals or corporations. The necessary grammatical changes required to make the provisions of this Lease apply in the plural sense where there is more than one Owner or Tenant and to either corporations, associations, partnerships or individuals, males or females, shall in all instances be assumed as though in each case fully expressed.

SECTION 28.09. Broker's Commission.

Each of the parties represents and warrants that there are no claims for brokerage commission or finder's fees in connection with the execution of this Lease, except as listed below, and each of the parties agrees to indemnify the other against and hold it harmless from all liabilities arising from any such claim (including, without limitation, the cost of counsel fees in connection therewith) except as follows:

SECTION 28.10. Partial Invalidity.

If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

SECTION 28.11. No Option.

The submission of this Lease for examination does not constitute a reservation of or option for the leased premises and this Lease becomes effective as a lease only upon execution and delivery thereof by Owner and Tenant.

SECTION 28.12. Recording.

Tenant shall not record this Lease without the written consent of Owner, however, upon the request of either party hereto the other party shall join in the execution of a memorandum or so-called "short form" of this Lease for the purpose of recording. Said memorandum or short form of this Lease shall describe the parties, the leased premises and the term of this Lease and shall incorporate this Lease by reference.

SECTION 28.13. Conduct of Business.

Tenant agrees not to use the leased premises for a use that would be detrimental to a Family Type Shopping Center. Tenant will not use or permit any person to use, in any manner whatsoever the leased premises for any purpose, trade, business, occupation or vocation whatever, which may be in any way disreputable, immoral or pornographic in nature. Tenant acknowledges that it is Owner's intent that the Shopping Center be operated in a manner which is consistent with the highest standards of decency and morals prevailing in the community which it serves. Toward that end, Tenant agrees that it will not sell, distribute, display or offer for sale any item which, in Owner's good faith judgment, is inconsistent with the quality of operation of the Shopping Center or may tend to injure or detract from the moral character or image of the Shopping Center within such community. Without limiting the generality of the foregoing, Tenant will not sell, distribute, display or offer for sale (i) any roach clip, water pipe, bong, toke, coke spoon, cigarette papers, hypodermic syringe or other paraphernalia commonly used in the use or ingestion of illicit drugs, or (ii) any pornographic, lewd, suggestive or "adult" newspaper, book, magazine, film, picture, representation or merchandise of any kind. Tenant shall conduct the operation of its business in such a manner so as not to permit unreasonable disturbances or other inconveniences, directly or indirectly, to other tenants, customers or shoppers in the Shopping Center. Tenant shall not permit loitering in, on or about the leased premises.

SECTION 28.14. Parking Lot Lights.

that is substantially comparable to the size and leasehold improvements of the leased premises



The parking lot lights are not in operation after the regular closing hours of the Shopping Center (11:00 p.m. is considered closing). Therefore, it is agreed that if Tenant requires parking lot lighting past the regular hours, Tenant will pay the cost incurred for keeping all the parking lot lights on in the Shopping Center since there is no separate metering or lighting applicable to Tenant's immediate parking area. Owner will be entitled to charge the entire cost of the extended lighting period to Tenant and Tenant will be bound to pay all the additional lighting costs.

SECTION 28.15. Relocation. to another premises

Owner reserves the right, at its option, to ~~either~~ relocate Tenant's leased premises within the Shopping Center at ~~Tenant's~~ **Owner's** sole cost and expense ~~or to terminate this Lease, both upon two (2) weeks prior notice from Owner.~~
~~Should Owner elect to relocate Tenant's leased premises as herein provided for, the Fixed Minimum Monthly Rent shall abate for a period of six (6) months following such relocation provided that Tenant has delivered possession of the leased premises to Owner by or before such two (2) week notice period.~~

~~Should Owner elect to terminate this Lease as herein provided for, Owner shall pay to Tenant an amount equal to the Fixed Minimum Monthly Rent received by Owner from Tenant for the prior six (6) months provided that Tenant has delivered possession of the leased premises to Owner by or before such two (2) week notice period.~~

Tenant acknowledges and agrees that Owner is entitled to possession of the leased premises immediately upon two (2) weeks prior notice to Tenant of such relocation or termination, that Tenant is wrongfully withholding possession beyond such two (2) weeks notice period and that Owner may file an action for possession of the leased premises in the court of appropriate jurisdiction of _____ County, _____
Tenant hereby consents to jurisdiction, waives service of said suit, and upon request from Owner shall direct its attorney or any legal representative of Tenant to file an appearance on its behalf in such suit and shall direct such attorney or legal representative to execute on its behalf, an agreed order for possession of the leased premises, which order shall contain the following terms: (i) judgment for possession of the leased premises shall be entered in favor of Owner and against Tenant; (ii) enforcement of the order for possession shall be stayed until the expiration of such two (2) week notice period and; (iii) in the event Tenant fails to surrender possession of the leased premises to Owner by or before such two (2) week notice period, judgment shall also be entered in favor of Owner and against Tenant for all damages Owner may incur, including the Owner warrants that such relocation shall be substantially completed within 48 hours.

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~~cost of recovering the leased premises, attorney's fees, and the amount of rent, percentage rent, additional rent and any other charges due or received in this Lease, for the remaining term of this Lease and any extensions thereof, all of which amounts shall be immediately due and payable from Tenant to Owner. The court of appropriate jurisdiction as aforesaid shall be applicable to the provisions of this Section only and the court of jurisdiction for any other action, suit or otherwise is defined in Section 22.03 of this Lease.~~

SECTION 28.16. Rider.

A rider consisting of 3 pages, with SECTIONS numbered consecutively 29.01 through 29.11 is attached hereto and made a part hereof.

SECTION 28.17. Computation.

Notwithstanding anything to the contrary herein, for purposes of computing Tenant's pro-rata share of real estate taxes, common area maintenance and insurance expenses of the Shopping Center, Owner reserves the right to make such computations on a basis of a thirty (30) day month and a three hundred sixty (360) day year.

SECTION 28.18. Tenant Contribution.

The initial Tenant contribution (common area maintenance, real estate taxes and fire and extended coverage) for partial months should be pro-rated on a thirty (30) day month basis in all cases.

SECTION 28.19. Owner's Limited Liability

Anything to the contrary in this Lease notwithstanding, the covenants in this Lease to be performed by Owner, shall not be binding personally, but instead said covenants are made for the purpose of binding only the fee simple or leasehold estate which Owner owns in the leased premises.

SECTION 28.20. Utilities.

Upon Tenant taking possession of the leased premises, all utilities are to be in Tenant's name and Tenant is to pay bills directly to the utility company.

SECTION 28.21. Sprinkler System.

Tenant shall pay to Owner ten cents (\$.10) per square foot of the leased premises per year during the term hereof toward Owner's cost of the sprinkler system. Said amount shall be considered as additional rental, but not minimum rental and shall be payable in equal monthly installments in advance on the first day of each full calendar month during the term.

SECTION 28.22. Demolition.

It is understood and agreed between the parties that Owner shall have the option to cancel and terminate this Lease at any time during the term hereof by giving to Tenant one hundred eighty (180) days prior written notice of its intention to do so and stating therein the date on which this Lease shall terminate. Owner agrees that such date of termination will not be between October 1 and January 31 of any year. Owner reserves this right to cancel and terminate this Lease solely for the purpose of demolition of the leased premises and for no other purpose. If this Lease is canceled and terminated as hereinabove provided, the rent for the last month of the term shall be prorated and Owner agrees to refund to Tenant any rent paid in advance. This provision applies to any renewal or extension of this Lease.

SECTION 28.23. Condition of Premises.

Tenant's taking possession of the leased premises shall be conclusive evidence of Tenant's acceptance thereof in good order and satisfactory condition. Tenant agrees that it is taking possession of the leased premises "as is", that no representations respecting the condition of the leased premises or the existence or non-existence of hazardous materials in or about the leased premises, no warranties or guarantees, expressed or implied, with respect to workmanship or any defects in material, and no promise to decorate, alter, repair or improve the leased premises either before or after the execution hereof, have been made by Owner or its agents to Tenant unless the same are contained herein.

SECTION 28.24. Tenant's Work.

All work performed by Tenant shall be at Tenant's own risk and expense and be subject to Owner's prior written approval, including, but not limited to, written approval of Tenant's plans and specifications as prepared by an independent professional and shall be in accordance with good construction practices, all applicable laws and Owner's insurance requirements as set forth in this Lease. Further, Owner shall have no responsibility or liability for any loss or damage to any property belonging to Tenant. Tenant shall obtain at Tenant's sole expense, all certificates, approvals and permits which may be required by any governmental municipality. Copies of all such certificates shall be delivered to Owner.

SECTION 28.25. Extermination.

Tenant agrees that it shall hire a reputable pest control contractor (as approved by Owner) to treat both the leased premises as well as the adjoining tenants on either side of the leased premises if needed at Tenant's sole cost and expense. Tenant shall supply to Owner a copy of its pest control contract prior to the store opening and shall keep said pest extermination contract in full force and effect for the entire term of this Lease and any extensions thereof. Said contract shall allow for extermination service to be performed a minimum of once a month or as often as needed and shall include the extermination of all types of pests, insects and rodents. At Owner's sole discretion, if there is evidence of pest infestation, Tenant shall increase pest control treatment more frequently than monthly until the problem of pests or rodents is corrected. All additional costs shall be the sole responsibility of Tenant.

SECTION 28.26. Early Possession.

Tenant may, prior to the commencement date of this Lease, enter the leased premises to make certain improvements and redecorate the leased premises all in accordance with a schedule and plan which Owner must approve in writing before commencement of the work. Tenant has inspected the leased premises and agrees to accept the leased premises in "as is" condition.



During the period of possession prior to the commencement date of this Lease Tenant shall pay for all gas, electric charges, taxes, water, pure water and similar expenses relating to the leased premises.

Tenant shall obtain liability insurance naming the Owner as named insured in the amount set forth in SECTION 14.01 of this Lease.

Tenant agrees to indemnify and hold Owner harmless from any and all claims or liability of any nature whatsoever arising out of its early occupancy by reason of any acts or omissions of the Tenant, its agent and invitees.

SECTION 28.27. Ansul System.

Tenant shall not permit, allow or cause any noxious disturbing odors, fumes or gases or any smoke or dust, steam or vapors, or any loud or disturbing noise, sound or vibration to originate in or to be emitted from the leased premises. If Tenant prepares food in the leased premises, it shall install an

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OWNER	TENANT

Ansul System with both a gas and electric shut off. With regard to the duct from the leased premises the same shall be protected by an Ansul System in conjunction with entire installation. In lieu of an Ansul System, an alternate installation which is acceptable is a Kiddie System. Said installation shall be approved by Fire Underwriters System and/or local fire ordinances.

SECTION 28.28. Owner's Right of First Refusal

In the event Tenant seeks to assign this Lease under Section 365 of the Bankruptcy Code or any other provisions relating to the assignment of leases, Owner shall have the option at its sole discretion, to purchase Tenant's interest in this Lease at the same price as is approved by final order of the Bankruptcy Court, for assignment of this Lease.

IN WITNESS WHEREOF, Owner and Tenant have signed and sealed this Lease as of the date first written.

CIPRIANO SQUARE PLAZA CORPORATION

Owner:

By: *Malcolm I. Glazer* President
Malcolm I. Glazer

JENNIFER CONVERTIBLES, INC.

Tenant:

By: *Harley Greenfield* President
Harley Greenfield



Tenant:

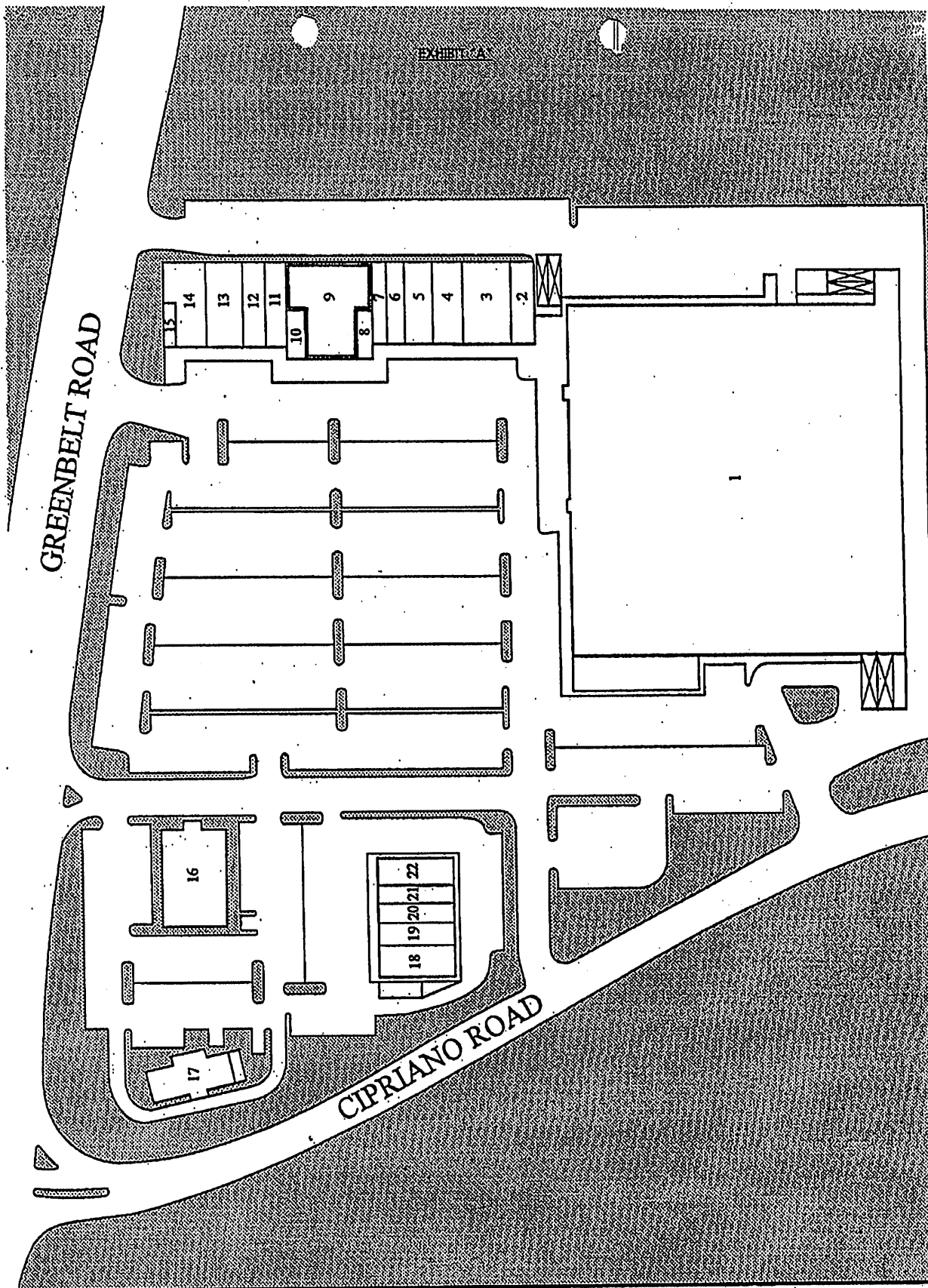
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OWNER	TENANT

RULES AND REGULATIONS

Tenant agrees as follows:

- (1) All loading and unloading of goods shall be done only at such times, in the areas, through the entrances, designated for such purpose by Owner.
- (2) The delivery or shipping of merchandise, supplies and fixtures to and from the leased premises shall be subject to such rules and regulations as in the judgment of Owner are necessary for the proper operation of the leased premises of the Shopping Center.
- (3) All garbage and refuse shall be kept in the kind of container specified by Owner, and shall be placed outside of the leased premises prepared for collection in the manner and at the times and places specified by Owner. If Owner shall provide or designate a service for picking up refuse and garbage, Tenant shall use same at Tenant's cost, so long as it does not exceed the normal container cartage in the area. Tenant shall pay the cost of removal of any of Tenant's refuse or rubbish.
- (4) No radio or television or other similar device shall be installed without first obtaining in each instance Owner's consent in writing. No aerial shall be erected on the roof or exterior walls of the leased premises, or on the grounds, without in each instance, the written consent of Owner. Any aerial so installed without such written consent shall be subject to removal without notice at any time.
- (5) No loud speakers, televisions, phonographs, radios or other devices shall be used in a manner so as to be heard or seen outside of the premises without the prior written consent of Owner.
- (6) If the leased premises are equipped with heating facilities separate from those in the remainder of the Shopping Center, Tenant shall keep the leased premises at a temperature sufficiently high to prevent freezing of water in pipes and fixtures.
- (7) The outside areas immediately adjoining the leased premises shall be kept clean and free from snow, ice, dirt and rubbish by Tenant to the satisfaction of Owner, and Tenant shall not place or permit any obstruction or merchandise in such areas.
- (8) Tenant and Tenant's employees shall park their cars only in those portions of the parking areas designated for that purpose by Owner. Tenant shall furnish Owner with state automobile license numbers assigned to Tenant's car or cars, and cars of Tenant's employees, and shall thereafter notify Owner of any changes within five (5) days after such changes occur. In the event that Tenant or its employees fail to park their cars in designated parking areas as aforesaid, Owner at its option shall charge Tenant ten dollars (\$10.00) per day per car parked in any area other than those designated, as and for liquidated damages.
- (9) The plumbing facilities shall not be used for any other purpose than that for which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from a violation of this provision shall be borne by Tenant, who shall, or whose employees, customers, agents or invitees shall have caused it.
- (10) Tenant shall use at Tenant's cost a pest extermination contractor at such intervals as Owner may require.
- (11) Tenant shall not burn any trash or garbage of any kind in or about the leased premises, the Shopping Center, or within one mile outside property lines of the Shopping Center.
- (12) Tenant shall not install, and shall remove any security gates, roll-away doors or any other installations that are not considered a typical glass, aluminum frame store front.
- (13) Tenant shall not operate or have installed in the leased premises amusement devices such as; pinball machines, video games, electronic games and other similar player-operated amusement machines, games and devices. NOTE: Devices include, but are not limited to pinball machines, flipper machines, video games, claw machines, shuffleboard, foosball, air hockey, coin operated pool tables, music boxes and children's rides.
- (14) Those Tenants who use exhaust fans and make-up air systems for the purpose of preparing food will have such systems professionally cleaned a minimum of every ninety (90) days.

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OWNER	TENANT





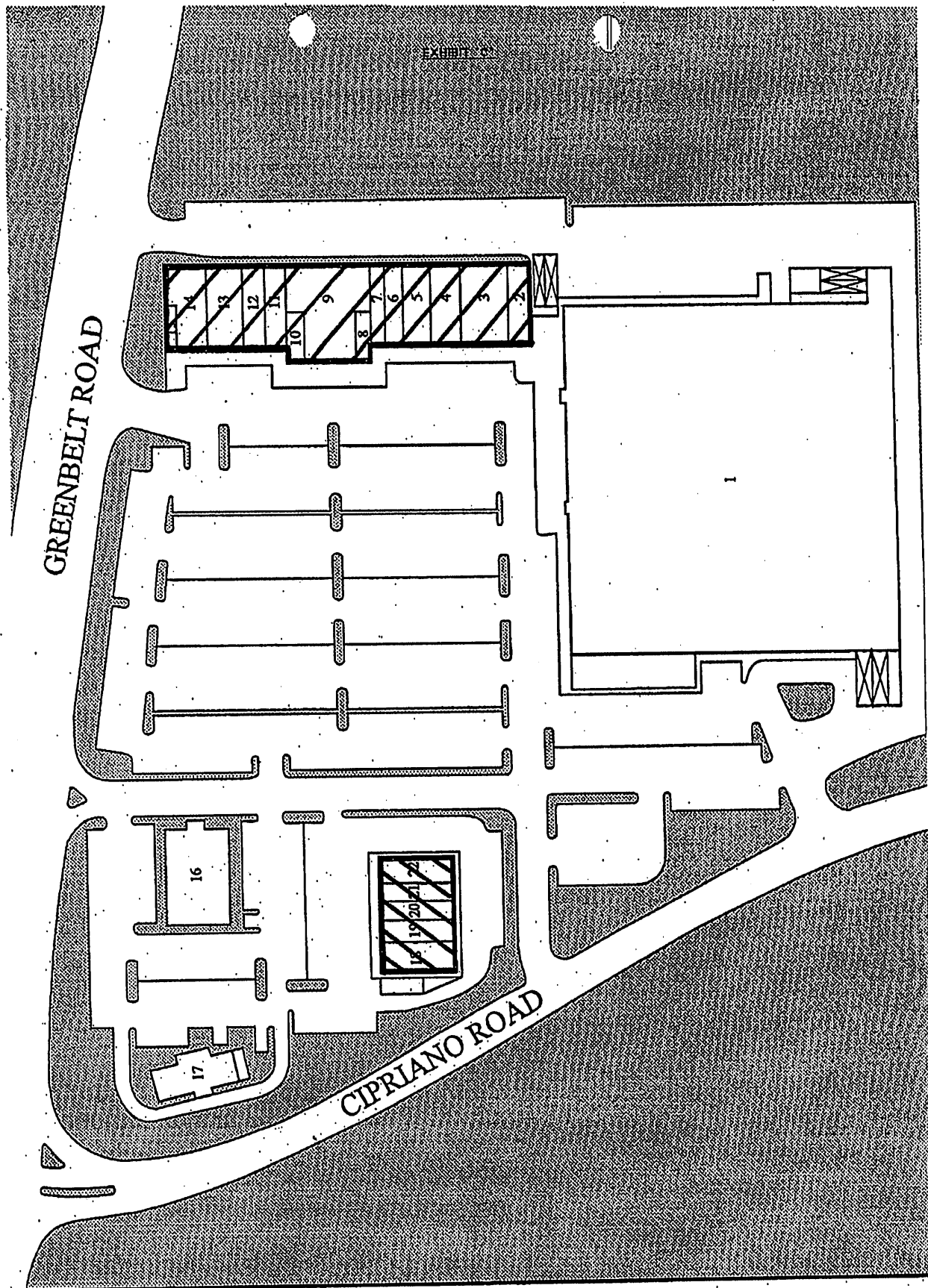
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OWNER	TENANT

EXHIBIT "B"

SIGN SPECIFICATIONS

1. Each single channel letter must be 48" in total height provided that it meets all Governmental Codes. In the event the 48" is too large to meet code, Tenant shall use the maximum size permitted by code.
2. The single channel letter sign cannot cover more than 75% of the front of the store unless use of single channel letters up to 48" in height requires more space.
3. The sign "returns" must be 6" deep, .063 mil aluminum with a bronzetone finish. The trim caps must also have a bronzetone finish.
4. The sign must be neon illuminated. The sign face must be red and when illuminated the sign must show red.
5. The letter style shall be helvetica (upper case).
6. The average width of the single channel letters shall be 38" and the stroke will be between 9 1/4" and 11 1/4".
7. Box type signs are not permitted.
8. Raceways are not permitted.
9. Tenant shall, at its sole cost and expense, erect its sign in accordance with the aforesaid specifications and all governmental codes.
10. Tenant shall erect its sign within thirty (30) days after the date of this Lease. In the event Tenant fails to erect its sign within thirty (30) days after the date of this Lease, Tenant shall pay to Owner, in addition to its minimum rent, percentage rent, additional rent and any other charges which may be due hereunder, \$100.00 per day until its sign is erected.
11. The span of the sign/lettering must be centered in relation to Tenant's storefront.
12. All sign diagrams, which shall include all specifications, must be submitted to Owner and receive Owner's written approval prior to fabrication and/or installation.



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In so far as the following may be contrary to the provisions of the Lease, the following shall control:

Section 29.01 (continued from Section 5.01 of the Lease)

Owner covenants and agrees that it shall timely and fully pay the real estate taxes and assessments levied against the Shopping Center.

If Owner shall obtain any abatement, refund or rebate in real estate taxes, Owner shall forward to Tenant its share of such abatement, refund or rebate (less Tenant's share of the cost and expense of obtaining such abatement, refund or rebate) in a reasonably prompt fashion.

Section 29.02

Provided that Tenant is not, or has never been in default of the Lease or any extensions thereof, Owner agrees not to lease any space in the Shopping Center to another tenant whose primary use is the sale of sofas, furniture and home furnishings. This provision shall not include the existing tenants of the Shopping Center or the premises they occupy. Certain existing leases give existing tenants the right to assign their lease or sublet their premises to an entity for any use whatsoever. This provision shall not apply to such leases. Also, in the event Tenant sublets the leased premises or assigns the Lease to another tenant whose use is not the same as defined in Section 7.01 of the Lease, then this Section shall become null and void.

Section 29.03 (continued from Section 13.01 of the Lease)

Owner agrees to transfer or enforce for the benefit of Tenant the unexpired portions, if any, of any warranties relating to the leased premises, the equipment that is a part thereof, the HVAC system and the like. Owner covenants and agrees that it will, at all times during the term of the Lease, maintain and keep in good order and repair the foundation, floorslab, exterior, exterior walls, steel frame, roof, structural portions, gutters, downspouts, if any, and underground utility lines serving the lease premises, and all utility lines serving the leased premises. Owner shall make all repairs and replacements without, to the extent practicable, not interfering with the conduct of Tenant's business. If during such repairs and replacements the leased premises is wholly or partially unsuitable for the use as provided in the Lease, there shall be a proportionate abatement of minimum annual rent, percentage rent and additional rent until such time as such repairs and replacements have been completed.

Section 29.04 (continued from Section 14.05 of the Lease)

Tenant and Owner hereby waive all rights of recovery against the other for all losses, damages or injuries to the leased premises, the Shopping Center and any improvements, and other property of either party thereon. All insurance that is carried by either party with respect to the leased premises, the Shopping Center or other property thereon, whether or not required, shall include provisions that either designate the other party as one of the insureds or deny to the insurer acquisition by subrogation of rights of recovery against the other party. Neither party shall acquire as insured under any insurance carried by the other any right to participate in the adjustment of loss or to receive insurance proceeds and agrees upon request promptly to endorse and deliver to the other party any checks or other instruments in payment or loss in which it is named as payee.

Section 29.05 (continued from Section 16.03 of the Lease)

Tenant agrees at the request of Owner to subordinate the Lease to any mortgage or deed of trust placed or to be placed upon the leased premises by Owner, provided that the holder of such mortgage enters into an agreement with Tenant in recordable form and in a form satisfactory to such holder and Tenant, binding upon the successors and assigns of the parties thereto, by the terms of which such holder agrees not to disturb the possession and other rights of Tenant under or pursuant to the Lease during the lease term, so long as Tenant continues to perform its obligations hereunder and in the event of acquisition of title, or coming into possession, by said holder through foreclosure proceedings or otherwise, to accept Tenant as Tenant of the leased premises under the terms and conditions hereunder and to assume and perform all of Owner's obligations hereunder.

Section 29.06 (continued from Section 17.01 of the Lease)

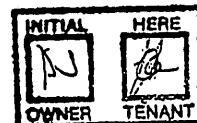
Tenant shall have the right to assign the Lease or sublet the leased premises to a parent, subsidiary or affiliated company or licensee or franchisee without Owner's consent provided that: (i) Tenant remains fully liable for full performance of all of its obligations under the Lease; (ii) the use as defined in Section 7.01 of the Lease remains the same; and (iii) such assignee, sublessee, licensee or franchisee has a net worth of a minimum of \$10,000,000.00.

Section 29.07 (continued from Section 20.01 of the Lease)

If the leased premises shall be damaged by fire, the elements, accident, or other cause or casualty, but are not thereby rendered untenantable or unusable for its intended purpose, Owner shall at its own expense, cause such damage to be promptly repaired and the leased premises restored. If the leased premises shall be damaged by fire, the elements, accident, or other cause or casualty, such that the leased premises shall be rendered untenantable or unusable for its intended purpose only in part, Owner shall at its own expense, cause the damage to be repaired and all rent payments shall abate proportionately as to the portion of the leased premises rendered untenantable or unusable. If the leased premises shall be rendered wholly untenantable or unusable for its intended purpose, Owner shall, at its election, terminate the Lease and the tenancy hereby created by giving to Tenant, within sixty (60) days following the date of said occurrence, written notice of Owner's election to do so, and in the event of such termination, rent shall be adjusted as of the date of said occurrence; provided, however, if within nine (9) months after the occurrence, Owner shall not have fully restored the leased premises and enabled Tenant to lawfully occupy the leased premises for the purposes permitted under the Lease; then, at Tenant's election, Tenant may terminate the Lease by written notice to that effect and in the event of such termination, rent shall be adjusted as of the date of said occurrence.

Section 29.08

Owner will indemnify, defend and save Tenant harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life and/or damage to property arising from or out of any occurrence in, upon or at the Shopping Center. In case Tenant shall, without fault on its part, be made a party to any litigation commenced by or against Owner, Owner shall protect, defend and hold Tenant harmless.



Section 29.09 (continued from Section 28.06 of the Lease)

Any notice from Owner to Tenant or from Tenant to Owner shall be sent by certified mail, return receipt requested. All notices shall be addressed or delivered, if:

To Owner: Cipriano Square Plaza Corporation
270 Commerce Drive
Rochester, New York 14623

To Tenant: Jennifer Convertibles, Inc.
245 Rogers Avenue
Inwood, New York 11896

With a Copy to:
Law Office of Bernard Wincig
Attn.: Bernard Wincig, Esq.
574 Fifth Avenue
New York, New York 10036

Section 29.10

In determining any damages sustained herein, Owner and Tenant shall use reasonable efforts to mitigate their damages.

Section 29.11

The individuals executing the Lease hereby represent that they are empowered and duly authorized to so execute the Lease on behalf of the parties they represent.

CIPRIANO SQUARE PLAZA CORPORATION

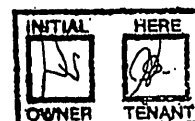
Owner:

By: Malcolm I. Glazer
Malcolm I. Glazer President

JENNIFER CONVERTIBLES, INC.

Tenant:

By: Harley Greenfield
Harley Greenfield President



AMENDMENT TO LEASE

This Amendment to Lease is made on this 15th day of FEBRUARY 1999, by and between Cipriano Square Plaza Corporation (hereinafter called "Owner") and Jennifer Convertibles, Inc. (hereinafter called "Tenant").

WHEREAS, Owner and Tenant wish to amend and extend that certain lease dated April 7, 1994 (hereinafter called "Lease").

NOW THEREFORE, for good and valuable consideration, the parties agree to the following:

1. Section 1.03 of the Lease shall be amended to replace "January 31, 1999" with "January 31, 2004".
2. Section 2.01 of the Lease shall be amended to replace "January 31, 1999" with "January 31, 2000" and to include the following language:

The annual fixed minimum rent commencing February 1, 2000 through January 31, 2001 shall be \$159,040.08 increased by three percent (3%).

When the aforesaid annual fixed minimum rent as it may be increased is determined the same shall be divided by twelve (12) and this amount shall be paid by Tenant monthly in advance from February 1, 2000 through January 31, 2001.

The annual fixed minimum rent for each lease year commencing upon February 1, 2001 through January 31, 2004 shall be the annual fixed minimum rent of the previous lease year increased by three percent (3%).

When the aforesaid annual fixed minimum rent as it may be increased is determined the same shall be divided by twelve (12) and this amount shall be paid by Tenant monthly in advance from February 1, 2001 through January 31, 2004.

3. Tenant shall be liable to all of the terms, covenants and conditions of the Lease and this Amendment to Lease.
4. All other terms, covenants and conditions of the Lease shall remain the same.

Owner:

CIPRIANO SQUARE PLAZA CORPORATION

By: Malcolm I. Glazer

Malcolm I. Glazer, President

Tenant:

JENNIFER CONVERTIBLES, INC.

By: Edward A. Seidner

Name: EDWARD A. SEIDNER

Title: EXECUTIVE V.P.

SECOND AMENDMENT TO LEASE

This Second Amendment to Lease is made on this Seventh day of July, 2004, by and between Cipriano Square Plaza Corporation (hereinafter called "Owner") and Jennifer Convertibles, Inc. (hereinafter called "Tenant").

WHEREAS Owner and Tenant wish to amend and extend that Lease dated April 7, 1984 and that certain Amendment to Lease dated February 1, 1999 (hereinafter called "Lease")

NOW THEREFORE, for good and valuable consideration, the parties agree to the following:

1. The term of this Lease shall be extended for an additional period of 72 calendar months. This period shall commence February 1, 2004 (hereinafter called "Renewal Commencement Date") and shall terminate upon January 31, 2010 (hereinafter called "Renewal Termination Date"). Both Owner and Tenant agree that there are no options in which this Lease may be further extended. The Minimum Rent shall be modified to show the minimum annual rent to be as follows:

The sum of \$13,253.33 in advance upon the first day of each calendar month commencing February 1, 2004 through January 31, 2007; \$159,039.96 per annum (hereinafter called "Base Rent").

Effective as of the first day of the thirty seventh (37th) month after the Renewal Commencement Date and as of the first day of each subsequent Lease Year thereafter during the term hereof, the fixed minimum rent then in effect shall be increased by the product of (i) three percent (3%) and (ii) the fixed minimum rent in effect immediately prior to such increase, and the monthly installments of Base Rent shall be upwardly adjusted accordingly.

2. Notwithstanding anything to the contrary contained in the Lease, the following set forth herein below shall control: Tenant acknowledges and agrees that the amount of recovery for any claim by Tenant under this Lease shall be limited to Owner's equity interest in the Shopping Center. Any judgments rendered shall be satisfied solely out of the proceeds of sale by Owner's sale of its equity interest in the Shopping Center, limited as aforesaid. No personal judgment shall lie against Owner upon extinguishment of its rights in the Shopping Center and any judgment so rendered shall not give rise to any right of execution or levy against Owner's assets. The provisions hereof shall inure to Owner's successors and assigns including any mortgagee and its respective directors, officers, principals and stockholders.
3. Notwithstanding anything in the Lease to the contrary, in the event any of the spaces outlined in blue on the attached Exhibit A-1 become vacant or Landlord determines that any of such spaces will become vacant, upon thirty (30) days prior notice to Tenant, Owner shall have the absolute right to terminate the Lease with respect to any portion of the Demised Premises outlined in green on the attached Exhibit A-1 (the "Terminated Space"). In the event Owner exercises the aforementioned right, (i) Tenant shall vacate the Terminated Space in the condition required by the Lease no later than the date specified in Owner's notice and Tenant shall have no further rights with respect to the Terminated Space, and (ii) effective as of the date specified in Owner's notice, the square footage of the Demised Premises, as defined in the Lease, shall be reduced by an amount equal to the square footage of the Terminated Space.
4. All defined terms used herein, but not defined herein, shall have the same meanings ascribed to them in the Lease.
5. Except as amended hereby, the Lease shall remain unmodified and in full force and effect.

Owner:

CIPRIANO SQUARE PLAZA CORPORATION

By: [Signature]
William Sondericker, Vice President

Tenant:

JENNIFER CONVERTIBLES, INC.

By: [Signature]
Name: EDWARD B. SEDNER
Title: EXECUTIVE V.P.

STATE OF: New York
COUNTY OF: New York

On 24 day of JUNE, 2004, before me, the undersigned, a Notary Public in and for said State, personally appeared [Signature] known to me to be the [Signature] of [Signature] the Corporation that executed the within instrument and known to me that such Corporation herein named, and he/she acknowledged to me that such Corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

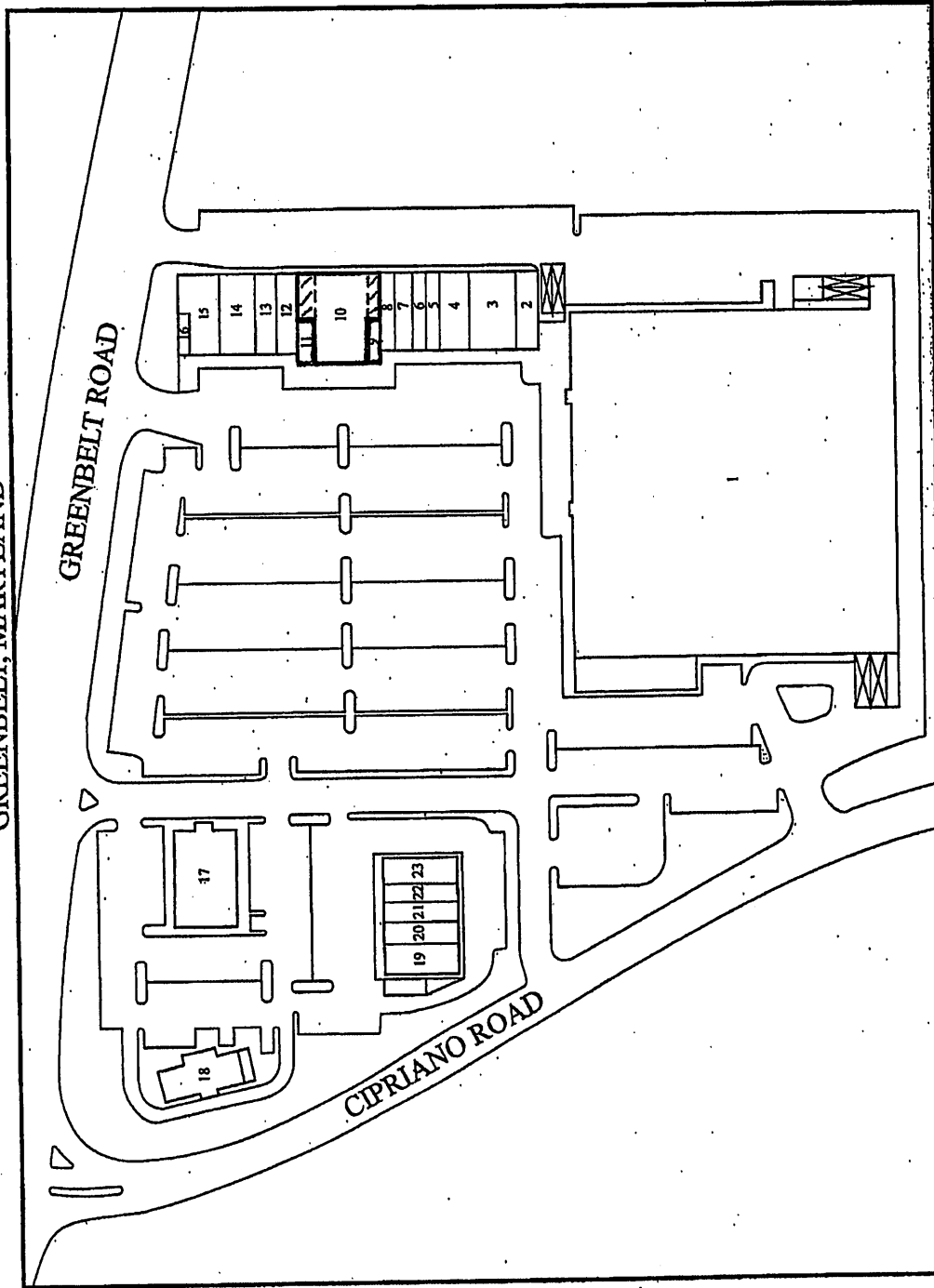
NOTARY STAMP BELOW:

[Signature]
Notary Public

OWEN WINCIE
NOTARY PUBLIC, State of New York
No. 0244714599
Qualified in New York County
Commission Expires Feb. 28, 2007

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<input type="checkbox"/>	<input type="checkbox"/>
OWNER	TENANT

CIPRIANO SQUARE PLAZA
GREENBELT, MARYLAND



FIRST ALLIED CORPORATION
(585) 359-3000

INITIAL	HERE
<input type="checkbox"/>	<input type="checkbox"/>
OWNER	TELEPHONE

THIRD AMENDMENT TO LEASE

This Third Amendment to Lease Agreement is made on this 10 day of February 2010, by and between Cipriano Square Plaza Corporation (hereinafter called "Owner") and Jennifer Convertibles, Inc. (hereinafter called "Tenant").

WHEREAS Owner and Tenant wish to amend that certain Lease dated April 7, 1994, that certain Amendment to Lease dated February 1, 1999 and that certain Second Amendment to Lease dated July 7, 2004 (hereinafter called "Lease").

NOW THEREFORE, for good and valuable consideration, the parties agree to the following:

1. The term of this Lease shall be extended for an additional period of twelve (12) calendar months. This period shall commence February 1, 2010 (hereinafter called "Renewal Commencement Date") and shall terminate upon January 31, 2011 (hereinafter called "Renewal Termination Date"). Both Owner and Tenant agree that there are no options in which this Lease may be further extended.
2. The "Base Rent" shall be modified to show the base annual rent to be as follows:
The sum of \$7,573.33 in advance upon the first day of each calendar month commencing February 1, 2010 through January 31, 2011, \$90,879.96 per annum (hereinafter called "Base Rent").
3. All defined terms used herein, but not defined herein, shall have the same meanings ascribed to them in the Lease.
4. Except as amended hereby, the Lease shall remain unmodified and in full force and effect.

Owner:

CIPRIANO SQUARE PLAZA CORPORATION

By: [Signature]
William Sondericker, Vice President

Date: 2/10/10

TENANT:

Jennifer Convertibles, Inc.

By: [Signature]
Edward B. Seidner, Executive Vice President

Date: Feb 4, 2010

STATE OF New York
COUNTY OF Westchester ss.:

On the 4 day of February in the year 2010 before me, the undersigned, a Notary Public in and for said State, personally appeared Edward B. Seidner, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY STAMP BELOW:

[Signature]
Notary Public

NOTARY PUBLIC, State of New York
No. 02144714599
Qualified in New York County
Commission Expires Feb. 28, 2011

INITIAL	HERE
<u>[Signature]</u>	<u>[Signature]</u>
OWNER	TENANT

KLEHR | HARRISON | HARVEY | BRANZBURG LLP

Jeffrey Kurtzman
Direct Dial: (215) 569-4493
Email: jkurtzma@klehr.com

August 12, 2010

BMC Group, Inc.
Attn: Jennifer Convertibles Claims Processing
P.O. Box 3020
Chanhassen, MN 55317-3020

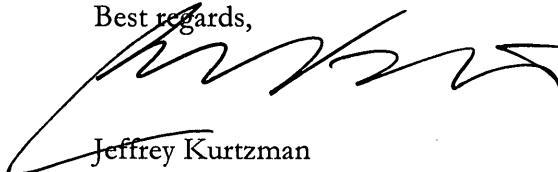
Re: Jennifer Convertibles, Inc.
Case No. 10-13779 (ALF) (Chapter 11)

Dear Sir/Madam:

Enclosed herewith for filing is an original and one copy of the administrative claim of Cipriano Square Plaza Corporation in the above-referenced Chapter 11 case. Please return a time-stamped copy of the administrative claim in the pre-addressed stamped envelope which is enclosed for your convenience.

Thank you for your assistance.

Best regards,



Jeffrey Kurtzman

JK/ap
Enclosures