

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.

Items to be completed in Proof of Claim form**Court, Name of Debtor, and Case Number:**

Fill in the federal judicial district where the bankruptcy case was filed (for example, Central District of California), the bankruptcy debtor's name, and the bankruptcy case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is located at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if the trustee or another party in interest files an objection to your claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

4. Secured Claim:

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). If the claim is based on the delivery of health care goods or services, see instruction 2. Do not send original documents, as attachments may be destroyed after scanning.

Date and Signature:

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS**Debtor**

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

Creditor

A creditor is a person, corporation, or other entity owed a debt by the debtor that arose on or before the date of the bankruptcy filing. See 11 U.S.C. §101 (10).

Claim

A claim is the creditor's right to receive payment on a debt owed by the debtor that arose on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

Secured Claim Under 11 U.S.C. §506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car.

A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. §507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

INFORMATION**Acknowledgment of Filing of Claim**

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system (www.pacer.psc.uscourts.gov) for a small fee to view your filed proof of claim.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

In Re: Jennifer Convertibles, Inc., Debtor
United States Bankruptcy Court for the Southern District of New York
Chapter 11 Bankruptcy Case No. 10-13779-ALG

Creditor: PFF Main Street Chicago, LLC

EXHIBIT "A" TO PROOF OF CLAIM OF PFF MAIN STREET CHICAGO, LLC

Claimant PFF Main Street Chicago, LLC ("PFF Main Street") is the current owner of the real property commonly known as Main Street Square Shopping Center located at 2920 through 2966 Finley Road, Downers Grove, Illinois. PFF Main Street is the successor in interest to Richmarc Partners Phase VI Limited Partnership ("Richmarc") which was the previous owner of the property. On or about December 8, 2000, Richmarc, as lessor, entered into a certain *Lease Agreement* (the "Lease") with Jennifer Convertibles, Inc. ("Jennifer Convertibles"), as tenant, for the premises commonly known as 2960 Finley Road, Downers Grove, Illinois, which contains approximately three thousand ninety (3,090) square feet of floor area (the "Premises"). The term of the Lease was for ten (10) years.

Due to a downturn in the economy, at or about January 2009, Jennifer Convertibles began to experience certain financial difficulties and requested PFF Main Street to modify Jennifer Convertibles' financial obligations under the Lease. Accordingly, on or about May 4, 2009, PFF Main Street and Jennifer Convertibles entered into a certain *Modification to Lease Agreement* ("Lease Modification") which had a retroactive effective date of February 1, 2009. Under the terms of the Lease Modification, among other things, the Minimum Rent and Adjustments due to PFF Main Street for the period covering February 1, 2009 through July 31, 2011 were reduced to \$5,000.00 per month. It was further agreed under the terms of the Lease Modification that, in the event of Jennifer Convertibles' default under the Lease and the Lease Modification (collectively referred to as the "Lease Documents") and Jennifer Convertibles' failure to cure its default in accordance with the terms of the Lease Documents, PFF Main Street, in addition to all other remedies, would be entitled to recover the entire amount of all Minimum Rent together with estimated Adjustments for the period covering February 1, 2009 through July 31, 2011, as if no reduction in rent had occurred. It was further agreed that PFF Main Street would be entitled to recover the late fees, interest, attorney's fees, court costs and other out-of-pocket expenses incurred by it in enforcing Jennifer Convertibles' obligations under the Lease Documents.

Jennifer Convertibles defaulted under the Lease Documents by failing to pay PFF Main Street any amounts for the period commencing April 1, 2010 through the present. Accordingly, on May 13, 2010, PFF Main Street's Counsel served Jennifer Convertibles with a Landlord's Five-Day Notice. On June 9, 2010, Jennifer Convertibles voluntarily vacated the Premises. On June 19, 2010, Jennifer Convertibles filed its voluntary petition for relief under Chapter 11 of Title 11 of the United States Code.

In June, 2010, PFF Main Street initiated a lawsuit against Jennifer Convertibles in the Circuit Court of DuPage County, Illinois, under Docket No. 2010 L 000825. A copy of PFF Main Street's *Verified Complaint* is attached hereto as Exhibit "B." A copy of the Lease is attached to the *Verified Complaint* as Exhibit "1" and a copy of the Lease Modification is attached to the *Verified Complaint* as Exhibit "2."

The amount of PFF Main Street's claim against Jennifer Convertibles as of the date on which its Chapter 11 case was filed is as follows:

February 1, 2009 through December 31, 2009

Abated Rent

($\$5,407.50 - \$5,000.00 = \$407.50$)

$\$407.50 \times 6 \text{ months (02/01-07/31/2009)}$ \$2,445.00

($\$5,665.00 - \$5,000.00 = \$665.00$)

$\$665.00 \times 5 \text{ months (08/01-12/31/2009)}$ \$3,325.00

Abated CAM— $\$713.00 \times 11 \text{ months}$ \$7,843.00

Abated Insurance— $\$144.00 \times 11 \text{ months}$ \$1,584.00

Abated Taxes— $\$852.00 \times 11 \text{ months}$ \$9,372.00

\$24,569.00 \$24,569.00

January 1, 2010 through June 9, 2011

Abated Rent— $\$665.00 \times 3 \text{ months (01-03/2010)}$ \$1,995.00

Rent— $\$5,665.00 \times 14 \text{ months (04/2010-05/2011)}$ \$79,310.00

Rent— $\$5,665.00 \times 9 \text{ days (06/1-19/2011)}$ \$1,699.50

CAM— $\$788.00 \times 17 \text{ months, 9 days}$ \$13,632.40

Insurance— $\$124.00 \times 17 \text{ months, 9 days}$ \$2,145.20

Taxes— $\$860.00 \times 17 \text{ months, 9 days}$ \$14,878.00

\$113,660.10

Additional CAM and Insurance for 2008

\$158.36

\$113,818.46 \$113,818.46

Attorney's Fees through June 19, 2010

\$2,044.00 \$2,044.00

TOTAL

\$140,431.46

An itemization of the attorney's fees incurred from April 1, 2010 through June 19, 2010 is attached hereto and made a part hereof as Exhibit "C."

IN THE CIRCUIT COURT OF THE EIGHTEENTH JUDICIAL CIRCUIT
DUPAGE COUNTY, ILLINOIS

PFF MAIN STREET CHICAGO LLC, a
Colorado limited liability company,

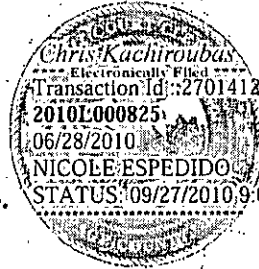
Plaintiff,

v.

JENNIFER CONVERTIBLES, INC., a
Delaware corporation,

Defendant.)

Case No.



VERIFIED COMPLAINT

Plaintiff PFF MAIN STREET CHICAGO LLC ("Plaintiff"), by and through its attorney, Mark J. Rose, complains against Defendant JENNIFER CONVERTIBLES, INC. ("Defendant") as follows:

THE PARTIES

1. Plaintiff is a Colorado limited liability company which is registered with the Illinois Secretary State as a foreign limited liability company and has its principal place of business at 200 Spruce St., Suite 200, Denver, Colorado 80230.
2. Defendant is a Delaware corporation having its principal place of business at 417 Crossways Park Drive, Woodbury, New York 11797.
3. Plaintiff is the current owner of the real property commonly known as Main Street Square Shopping Center located at 2920 through 2966 Finley Road, Downers Grove, Illinois, which is improved with a fifty-six thousand eighty-three (56,083) square foot shopping center. Plaintiff is the successor in interest to Richmarc Partners Phase VI Limited Partnership ("Richmarc") which was the previous owner of the property.

Exhibit "B"

THE LEASE

4. On or about December 8, 2000, Richmarc, as lessor, entered into a certain *Lease Agreement* (the "Lease") with Defendant, as tenant, for the premises commonly known as 2960 Finley Road, Downers Grove, Illinois, which contains approximately three thousand ninety (3,090) square feet of floor area (the "Premises"). A copy of the Lease is attached hereto and made a part hereof as Exhibit "1."

5. The term of the Lease was for ten (10) years. The Lease Commencement Date was on or about February 1, 2001 and the Lease Termination Date is January 31, 2011. The Lease further grants Defendant the right to renew the Lease for two (2) additional terms of five (5) years each provided that Defendant furnishes written notice to Plaintiff at least sixty (60) days prior to the end of the Term and the first renewal Term and no tenant default is then existing at the end of the respective lease term.

6. Paragraph 6. of the Lease provides as follows:

Minimum Rent. Beginning one hundred eighty (180) days after the Lease Commencement Date ("Rent Commencement Date") and continuing on the first day of each month thereafter for the remainder of the Lease Term, Tenant agrees to pay to Landlord as monthly Minimum Rent (the "Minimum Rent"), without notice, demand, or offset the sum set forth in the "Rent Schedule" attached hereto, made a part hereof, and incorporated herein by reference as Exhibit "C", in advance, on or before the first day of each and every successive calendar month during the Lease Term. Minimum Rent for any period which is for less than one (1) month shall be a prorated portion of the monthly installment herein based upon a thirty (30) day month. All rent (as hereafter defined) shall be paid to Landlord, without abatement, deduction or offset of any kind, in lawful money of the United States of America and at such place as Landlord may from time to time designate in writing. It is the express intention of the parties hereto that, to the full extent permitted by law, Tenant's covenant to pay Rent shall be independent of all other covenants contained in this Lease, including Tenant's continued occupancy of the Premises. Tenant's obligation to pay Rent hereunder through the termination date of this Lease shall survive the Lease Termination Date by lapse of time or otherwise.

7. Under the provisions of Exhibit "C" of the Lease, the Minimum Rent Schedule for the Lease during the Lease Term is as follows:

ANNUAL	MONTHLY
YEARS 1-3	\$ 4,892.50
YEARS 4-5	\$ 5,150.00
YEARS 6-8	\$ 5,407.50
YEARS 9-10	\$ 5,665.00

8. Paragraph 8.A. of the Lease provides as follows:

Adjustments. In addition to the Minimum Rent due hereunder, and beginning sixty-one (61) days after the Lease Commencement Date, Tenant shall pay to Landlord Tenant's pro rata share of the following items apportioned in accordance with the total floor area of the Premises as it relates to the total floor area of the Shopping Center which is from time to time completed as of the first day of each calendar quarter (the "Adjustments"); All costs, expenses, any disbursements to own, manage, operate and maintain the Shopping Center (any of which may be furnished by an affiliate of Landlord), including without limitation: all real estate taxes, including general or special assessments, of any kind or nature relating to the ownership or operation of the Shopping Center; costs of insurance which Landlord is required or otherwise reasonably elects to carry with respect to the Shopping Center; costs of maintaining, repairing, replacing, striping, lighting, and cleaning the parking lots, sidewalks, driveways, landscaping, and other areas used in common by the tenants or occupants of the Shopping Center (the "Common Areas"); all common utility expenses; costs of removal of snow, trash, garbage and other refuse; costs of providing security or traffic control for the Shopping Center; costs of providing seasonal holiday decorations; sanitary sewer and storm drainage expenses; all maintenance costs of any common HVAC or other mechanical or electrical systems, if any; interior and exterior painting supplied by Landlord; costs of fire protection and sprinkler maintenance; all governmental impositions and surcharges with respect to the Shopping Center; costs of purchasing, leasing, maintaining, and lighting Shopping Center identification signs; and an administrative charge equal to 15% of the total costs outlined above. The anticipated Adjustments for the first year of the Lease Term are approximately \$4.04 per square foot (\$12,483.60). Tenants shall have the right to review the documentation of all expenses.

9. Paragraph 18.A. of the Lease provides as follows:

Payment for Service. Tenant shall pay for all water, gas, heat, light, power, sewer charges, telephone service and all other services and utilities supplied to the Premises, together with any taxes and deposits thereon, including, without limitation, trash collection. If any such service or utility is not separately metered to Tenant, Tenant shall pay a reasonable proportion to be determined by Landlord of all charges that are jointly metered with other tenants. If Landlord determines that Tenant uses a disproportionately large amount of any such service or utility that is not separately metered, Landlord shall have the right in its discretion, at Tenant's expense, to install a check meter to assist Landlord in the foregoing allocation.

10. Paragraph 24 of the Lease provides, in relevant part, as follows:

24. Remedies in Default.

24.A. Landlord may, but shall not be obligated to, at any time, without notice, cure any Tenant Default, and whenever Landlord so elects, all costs and expenses paid by Landlord in curing such Tenant Default, including attorneys' fees and expenses so incurred shall be paid by Tenant to Landlord upon demand.

24.B. No consent or waiver, expressed or implied, by Landlord to or of any breach of any covenant, condition or duty of Tenant shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty. No failure by Landlord to insist upon the strict performance or any agreement, term, covenant or condition hereof or to exercise any right or remedy consequent upon a breach thereof, and nonacceptance of full or partial Rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such agreement, term, covenant or condition. No agreement, term, covenant or condition hereof to be performed or complied with by Tenant, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by Landlord. No waiver of any breach shall affect or alter this Lease, but each and every agreement, term, covenant and condition thereof shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

24. C . No receipt of monies by Landlord from Tenant after the termination of this Lease will in any way alter the length of the Term or Tenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Term or affect

any notice given Tenant prior to the receipt of such monies, it being agreed that after the service or notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of Rent shall not waive or affect said notice, suit or judgment nor shall it be deemed to be other than on account of the amount due, nor shall the acceptance of Rent be deemed a waiver of any breach by Tenant of any term, covenant or condition of this Lease. No endorsement or statement on any check or any letter accompanying any check or payment of Rent shall be deemed an accord and satisfaction. Landlord may accept any such check or payment without prejudice to Landlord's right to recover the balance due of any installment or payment of Rent or pursue any other remedies available to Landlord with respect to any existing Tenant Default.

24.D. Tenant shall pay all costs, charges and expenses, including court costs and reasonable attorneys' fees, incurred by Landlord (i) in enforcing Tenant's obligations under this Lease, (ii) in the exercise by Landlord of any of its remedies upon the occurrence of a Tenant Default, (iii) in any litigation, negotiation or transaction in which Tenant causes Landlord, without Landlord's fault, to become involved or concerned, or in which Landlord becomes involved or concerned as a result of or in connection with this Lease, or (iv) in consideration of any request or approval of or consent to any action by Tenant which is prohibited by this Lease or which may be done only with Landlord's approval or consent, whether or not such approval or consent is given.

24.E. No remedy herein or otherwise conferred upon or reserved to Landlord shall be considered to exclude or suspend any other remedy but the same shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute, and every power and remedy given by this Lease to Landlord may be exercised from time to time consecutively or concurrently and so often as occasion may arise or as may be deemed expedient by Landlord.

11. Paragraph 33 of the Lease provides as follows:

Late Charges and Interest on Late Payments. Tenant recognizes late payment of any Rent or other sums due hereunder (collectively, for purposes of this paragraph, "Rent") will result in administrative and other expenses to Landlord, the extent of which additional expenses is difficult and economically impractical to ascertain. Tenant, therefore, agrees that if any Rent due or any other such sum due and payable pursuant to this Lease is not paid within ten (10) days of when due, such amount shall be

increased by a late charge in an amount equal to ten percent (10%) of the unpaid Rent. The amount of the late charge to be paid by Tenant shall be added to Tenant's obligation and shall thereafter bear interest until paid as hereafter provided. In addition, with respect to any Rent which Tenant fails to timely pay to Landlord as required herein, interest shall accrue commencing five (5) days after the due date thereof until paid in full at a rate equal to eighteen percent (18%) per annum. All such interest, together with the late charges, must be paid before the default shall be deemed cured. The provisions of this Article in no way relieve Tenant of the obligation to pay Rent on or before the date on which it is due, or affect Landlord's remedies pursuant to Article 24, but shall be in addition thereto.

12. Paragraph 49(m) of the Lease provides as follows:

Attorneys' Fees. In the event of any action or proceeding brought in a court of law by either party against the other under this Lease, the prevailing party shall be entitled to recover for the fees of its attorneys in such action or proceeding, including costs of appeal, if any, such amounts as the court may adjudge reasonable as attorneys' fees. In addition, should it be necessary for Landlord to employ legal counsel to enforce any of the provisions herein contained, Tenant agrees to pay all reasonable attorneys' fees whether or not a suit is commenced or if commenced, prosecuted to judgment and court costs reasonably incurred.

MODIFICATION TO LEASE AGREEMENT

13. Due to a downturn in the economy, at or about January 2009, Defendant began to experience certain financial difficulties and requested Landlord to modify Defendant's financial obligations under the Lease.

14. Accordingly, on or about May 4, 2009, Plaintiff and Defendant entered into a certain *Modification to Lease Agreement* ("Lease Modification") which had a retroactive effective date of February 1, 2009. A copy of the Lease Modification is attached hereto and made a part hereof as Exhibit "2." Under the terms of the Lease Modification, among other things, the Minimum Rent and Adjustments due to Plaintiff for the period covering February 1, 2009 through July 31, 2011 were reduced to \$5,000.00 per month. It was further agreed under the terms of the Lease Modification that, in the event of Defendant's default under the Lease and

the Lease Modification (collectively referred to as the "Lease Documents") and Defendant's failure to cure its default in accordance with the terms of the Lease Documents, Plaintiff, in addition to all other remedies, would be entitled to recover the entire amount of all Minimum Rent together with estimated Adjustments for the period covering February 1, 2009 through July 31, 2011, as if no reduction in rent had occurred. It was further agreed that Plaintiff would be entitled to recover the late fees, interest, attorney's fees, court costs and other out-of-pocket expenses incurred by it in enforcing Defendant's obligations under the Lease Documents.

DEFENDANT'S DEFAULT

15. Defendant has defaulted under the Lease Documents by failing to pay Plaintiff any amounts for the period commencing April 1, 2010 through the present. Accordingly, on May 13, 2010, Plaintiff's Counsel served Defendant with a Landlord's Five-Day Notice, a copy of which is attached hereto and made a part hereof as Exhibit "3."

16. Based on Defendant's failure to cure its default under the Lease Documents, Plaintiff is entitled to recover the following amounts for the period covering February 1, 2009 through July 31, 2011 as if no reduction in rent had occurred:

February 1, 2009 through December 31, 2009

Rent

(\$5,407.50-\$5,000.00=\$407.50)		
\$407.50 x 6 months (02/01-07/31/2009)	\$2,445.00	
(\$5,665.00-\$5,000.00=\$665.00)		
\$665.00 x 5 months (08/01-12/31/2009)	\$3,325.00	
CAM \$713.00 x 11 months	\$7,843.00	
Insurance \$144.00 x 11 months	\$1,584.00	
Taxes \$852.00 x 11 months	\$9,372.00	
	<u>\$24,569.00</u>	\$24,569.00

January 1, 2010 through July 31, 2011

Rent	\$665.00 x 3 months (01-03/2010)	\$1,995.00
Rent	\$5,665.00 x 16 months (04-07/2010)	\$90,640.00

CAM	\$788.00 x 19 months	\$14,972.00	
Insurance	\$124.00 x 19 months	\$2,356.00	
Taxes	\$860.00 x 19 months	\$16,340.00	
		<u>\$126,303.00</u>	<u>\$126,303.00</u>
			<u>\$150,872.00 *</u>

*Plus undetermined amounts for interest on all unpaid amounts at the rate of 18.00% per annum.

17. Additionally, based on a reconciliation of the actual 2008 expenses for Common Area Maintenance and Insurance, Defendant owes Plaintiff the amount of \$158.36 for 2008 Common Area Maintenance and Insurance. A copy of Plaintiffs 2008 reconciliation invoice to Defendant is attached hereto and made a part hereof as Exhibit "4."

18. Additionally, by reason of Defendant's default under the Lease Documents, pursuant to Paragraphs 24.D. and 49(m) of the Lease, Plaintiff is entitled to recover the attorney's fees, expenses and court costs incurred by it in enforcing Defendant's obligations under the Lease. Such attorney's fees, expenses and court costs are undetermined at this time.

PLAINTIFF'S TOTAL DAMAGES

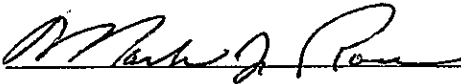
19. Accordingly, based on Defendant's aforescribed default under the Lease Documents, Plaintiff has sustained damages totaling \$151,030.36 plus interest on all of the past due Rent and other past due sums at a rate equal to eighteen percent (18.00%) per annum from the date such items became due and the attorney's fees, expenses and court costs incurred by Plaintiff in enforcing Defendant's obligations under the Lease Documents.

WHEREFORE, Plaintiff PFF MAIN STREET CHICAGO LLC prays for the entry of an Order as follows:

- A. Awarding Plaintiff a judgment against Defendant Jennifer Convertibles, Inc. in the amount of \$151,030.36;

- B. Awarding Plaintiff a judgment against Defendant for pre-judgment interest on all past due Rent and other past due sums at a rate equal to eighteen percent (18.00%) per annum from the date such items became due;
- C. Awarding Plaintiff a judgment for the attorney's fees, expenses and court costs incurred by it in enforcing Defendant's obligations under the Lease Documents; and
- D. For such further relief as to the Court shall seem just and proper.

PFF MAIN STREET CHICAGO LLC

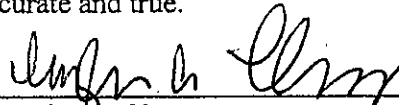
By: 
Its Attorney

#8110
Mark J. Rose, Esq.
LAW OFFICES OF MARK J. ROSE
200 W. Adams Street, Suite 2850
Chicago, Illinois 60606
312.704.1446

STATE OF COLORADO)
) SS
COUNTY OF DENVER)

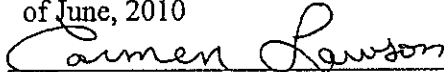
VERIFICATION

I, Douglas A. Pluss, being first duly sworn, depose and state that I am a Manager of PFF Main Street Chicago LLC; that I have reviewed the statements contained in the foregoing *Verified Complaint*; and that such statements are accurate and true.

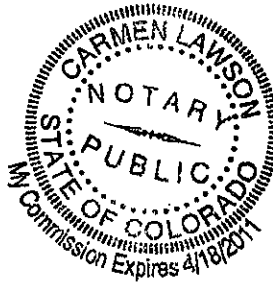


Douglas A. Pluss

Subscribed and sworn to
before me this 23rd day
of June, 2010



Notary Public



#8110
Mark J. Rose, Esq.
LAW OFFICES OF MARK J. ROSE
200 W. Adams Street, Suite 2850
Chicago, Illinois 60606
312.704.1446

LEASE AGREEMENT

MAIN STREET SQUARE SHOPPING CENTER

By and Between

RICHMARC PARTNERS PHASE VI LIMITED PARTNERSHIP

(herein "Landlord")

and

JENNIFER CONVERTIBLES, INC.
(herein "Tenant")

Commence 2/1/01

Assume Cam
Ins 4/1/01
Taxes

Renov 8/1/01

AJH/kk/js

Oct 16, 2000

CLEAN-37X CONVERT-266

EXHIBIT

"1"

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LEASE AGREEMENT

1. Parties. This Lease, dated as of the ____ day of _____, 2000, is made by and between Richmarc Partners Phase VI Limited Partnership, an Illinois limited partnership (herein called "Landlord") and JENNIFER CONVERTIBLES, INC., a Delaware corporation (herein called "Tenant").

2. Premises. Landlord does hereby lease to Tenant and Tenant does hereby lease from Landlord that certain space (herein called "Premises") containing approximately 3,098 square feet of floor area. The location of said Premises is crosshatched in red on Exhibit "A" attached hereto and incorporated by reference herein. Said Premises are located at 2960 Finley Road, Downers Grove, Illinois, and are part of a larger shopping center known as Main Street Square Shopping Center. Said shopping center and the land on which it is constructed are sometimes collectively referred to herein as the "Shopping Center".

This Lease is subject to the terms, covenants and conditions herein set forth and Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenants and conditions by it to be kept and performed.

3. Use. Tenant and all subtenants or assignees shall use the Premises for the retail sale of Jennifer Convertible brand sofas (the "Permitted Use") and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord.

4. Term.

4.A. The Lease Term shall be ten (10) years ("Lease Term"), commencing on the Rent Commencement Date (as hereinafter defined). The parties hereto acknowledge that certain obligations under various articles hereof may commence prior to the Lease Term, i.e., construction, hold harmless, liability insurance, etc.; and the parties agree to be bound by all such terms and provisions hereof at all times subsequent to the date hereof to the extent Tenant or any of its agents, contractors or employees have entered the Premises for the performance of any work therein, or otherwise.

4.B. The Lease Commencement Date shall be the date of substantial completion of the work to be performed by Landlord set forth in the "Work Letter" attached hereto as Exhibit "B" and incorporated by reference herein, which is anticipated to be about December, 2000.

3. Commencement Date Memorandum. Upon either party's request, a Commencement Date Memorandum shall be prepared by Landlord, and executed by both parties which shall set forth the exact commencement and termination dates of the Lease Term (the "Lease Commencement Date" and "Lease Termination Date", respectively). Expiration or termination of this Lease prior to the Termination Date, pursuant to the terms and conditions of this Lease, shall hereafter be referred to as "Early Termination".

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6. Minimum Rent.

Beginning one hundred eighty (180) days after the Lease Commencement Date ("Rent Commencement Date") and continuing on the first day of each month thereafter for the remainder of the Lease Term, Tenant agrees to pay to Landlord as monthly Minimum Rent (the "Minimum Rent"), without notice, demand, or offset the sum set forth in the "Rent Schedule" attached hereto, made a part hereof, and incorporated herein by reference as Exhibit "C", in advance, on or before the first day of each and every successive calendar month during the Lease Term. Minimum Rent for any period which is for less than one (1) month shall be a prorated portion of the monthly installment herein based upon a thirty (30) day month. All Rent (as hereafter defined) shall be paid to Landlord, without abatement, deduction or offset of any kind, in lawful money of the United States of America and at such place as Landlord may from time to time designate in writing. It is the express intention of the parties hereto that, to the full extent permitted by law, Tenant's covenant to pay Rent shall be independent of all other covenants contained in this Lease, including Tenant's continued occupancy of the Premises. Tenant's obligation to pay Rent hereunder through the termination date of this Lease shall survive the Lease Termination Date by lapse of time or otherwise.

7. Security Deposit. There shall be no Security Deposit.

8. Additional Charges.

8.A Adjustments. In addition to the Minimum Rent due hereunder, and beginning sixty-one (61) days after the Lease Commencement Date, Tenant shall pay to Landlord Tenant's pro rata share of the following items apportioned in accordance with the total floor area of the Premises as it relates to the total floor area of the Shopping Center which is from time to time completed as of the first day of each calendar quarter (the "Adjustments"): All costs, expenses, any disbursements to own, manage, operate, and maintain the Shopping Center (any of which may be furnished by an affiliate of Landlord), including without limitation: all real estate taxes, including general or special assessments, of any kind or nature relating to the ownership or operation of the Shopping Center; costs of insurance which Landlord is required or otherwise elects to carry with respect to the Shopping Center; costs of maintaining, repairing, replacing, striping, lighting, and cleaning the parking lots, sidewalks, driveways, landscaping, and other areas used in common by the tenants or occupants of the Shopping Center (the "Common Areas"); all common utility expenses; costs of removal of snow, trash, garbage and other refuse; costs of providing security or traffic control for the Shopping Center; costs of providing seasonal holiday decorations; sanitary sewer and storm drainage expenses; all maintenance costs of any common HVAC or other mechanical or electrical systems, if any; interior and exterior painting supplied by Landlord; costs of fire protection and sprinkler maintenance; all governmental impositions and surcharges with respect to

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the Shopping Center; costs of purchasing, leasing, maintaining, and lighting Shopping Center identification signs; and an administrative charge equal to 15% of the total costs outlined above. The anticipated Adjustments for the first year of the Lease Term are approximately \$4.04 per square foot (\$12,483.60). Tenants shall have the right to review the documentation of all expenses.

8.8 Subsequent to the Lease Commencement Date, Landlord shall submit to Tenant a statement of the anticipated monthly adjustments for the period between sixty-one (61) days after the Lease Commencement Date and the following January, and Tenant shall pay these Adjustments on a monthly basis on the first day of each month. Tenant shall continue to make, said monthly payments until notified by Landlord of a change thereof. By March 1 of each year Landlord shall endeavor to give Tenant a statement showing the total Adjustments for the Shopping Center for the prior calendar year and Tenant's allocable share thereof, prorated from the Lease Commencement Date. In the event the total of the monthly payments which Tenant has made for the prior calendar year was less than Tenant's actual share of such Adjustments, then Tenant shall pay the difference in a lump sum within ten (10) days after receipt of such statement from Landlord and shall concurrently pay the difference in monthly payments made in the then calendar year and the amount of larger monthly payments which are then calculated as monthly Adjustments based on the prior year's experience. Any overpayment by Tenant shall be credited towards the monthly Adjustments next coming due or, at Landlord's option, applied toward any then existing arrearages of Rent or other monies due or to become due, Landlord pursuant to this Lease. Landlord agrees to calculate the anticipated monthly Adjustments for the then current year in good faith based upon its reasonable determination of amounts which will be incurred for said year, with actual determination of such Adjustments after each calendar year as provided above. Even though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's share of said Adjustments for the calendar year in which the Lease Termination Date occurred, Tenant shall immediately pay any increase due over the estimated Adjustments previously paid and, conversely, any overpayment made shall be paid by Landlord to Tenant upon such determination. Failure of Landlord to submit statements as called for herein shall not be deemed to be a waiver of Tenant's requirement to pay sums as herein provided. The Minimum Rent, Adjustments and all other amounts due and payable to Landlord by Tenant pursuant to this Lease are sometimes collectively referred to herein as "Rent".

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9. Uses Prohibited. Tenant shall not do or permit anything to be done on or about the Premises nor bring or keep anything therein which is not within the Permitted Use of the Premises, which will in any way increase the existing rate of or affect any fire or other insurance upon the Shopping Center or any of its contents, or cause a cancellation of any insurance policy covering said Shopping Center or any part thereof or any of its contents. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Shopping Center or injure or annoy them or use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose; nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or allow to be committed any waste in or upon the Premises.

Tenant shall in no event bring any trash or refuse into the Shopping Center or Premises which is generated from any other place or location and shall dispose of all trash generated on the Premises in the ordinary course of business in such manner as Landlord may from time to time direct.

10. Compliance with Law. Tenant shall not use the Premises, or permit anything to be done in or about the Premises, which will in any way conflict with any law, statute, ordinance, governmental or agency rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, obtain all required licenses and permits for the operation of its business, including without limitation, occupancy permits and a business license, and promptly comply with all laws, statutes, ordinances, governmental or agency rules, regulations or requirements now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar bodies now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of the fact as between Landlord and Tenant.

Tenant will not permit any Hazardous Material (as hereinafter defined) to be placed, held, located or disposed of on, under or at the Premises. The term "Hazardous Material" means any hazardous, toxic or dangerous waste, substance or material defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC § 9601 et seq., or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, as now or any time hereinafter in effect.

11. Alterations and Additions. Prior to the commencement of the Lease Term, Landlord shall deliver the Premises to Tenant in a

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"vanilla box" condition and the Premises shall meet all federal, state and local codes required for Tenant to open its business. Tenant's taking possession of the Premises shall be conclusive evidence that the Premises are in good order and satisfactory condition. Tenant shall not make or allow to be made any alterations, additions or improvements to or of the Premises or any part thereof without first obtaining the written consent of Landlord; and any alterations, additions or improvements to or of said Premises, including, but not limited to, wall covering, paneling and built-in cabinet work, (but excepting moveable furniture and trade fixtures), shall at once become a part of the realty and belong to Landlord and shall be surrendered with the Premises. In the event Landlord consents to the making of any alterations, additions or improvements to the Premises by Tenant, the same shall be made by Tenant at Tenant's sole cost and expense and in compliance with jurisdiction over the Shopping Center, and shall be performed by a licensed contractor first approved by Landlord. Tenant, prior to commencing any such work, shall deliver to Landlord plans, specifications and such other documents as Landlord may require, as well as evidence of insurance coverage to Landlord of such types and kinds as Landlord shall be required, including Performance and Materials Payment Bonds in an amount and form satisfactory to Landlord and workmen's compensation insurance. All work performed in the Premises shall be done in such manner as not to disturb or disrupt the operation of the Shopping Center or of any other tenant situated within the Shopping Center. In the event the proposed alterations, in Landlord's judgment, require review by an architect and/or engineer, the cost of such review shall be paid to Landlord by Tenant. An increase in real estate taxes or insurance premiums on the Shopping Center attributable to such changes, additions, or improvements shall be paid by Tenant.

12. Repairs.

12.A. By entry hereunder, Tenant shall be deemed to have accepted the Premises as being in good, sanitary order, condition and repair. Tenant shall, at Tenant's sole cost and expense, keep the Premises and every part thereof in good condition and repair (except as provided in Article 12.B. below with respect to Landlord's Obligations), including, without limitation, the maintenance, replacement and repair of any storefront, doors, locks, frames, window casements, glazing, plumbing, pipes, electrical wiring and conduits, heating, ventilating and air conditioning system (when there is an air conditioning system). Landlord hereby warrants, for a ninety (90) day period, that the heating, ventilating and air conditioning system will be in good working order. Tenant shall obtain and maintain in full force and effect throughout the term of the Lease a Service Contract for repairs and maintenance of said heating, ventilating and air conditioning system (the "Service Contract"), which Service Contract shall conform to the requirements under the warranty, if any, on said system, and shall supply Landlord with a copy of the Service Contract. If Tenant fails to so obtain a Service Contract, such failure at Landlord's option shall constitute

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a Tenant Default and Landlord shall have the right, but not the obligation, to obtain a Service Contract at Tenant's sole expense, and Tenant shall promptly, upon receipt of demand therefor, reimburse Landlord for all amounts expended in connection with obtaining the Service Contract. Tenant shall, upon the Lease Termination Date or Early Termination, surrender the Premises to Landlord broom clean, ordinary wear and tear excepted. Any damage to adjacent premises or Common Areas caused by Tenant's use of the Premises shall be repaired at the sole cost and expense of Tenant.

12.B. Notwithstanding the provisions of Article 12.A. hereinabove, Landlord shall repair and maintain the roof in a leak-tight condition and shall repair and maintain the other structural portions of the improvements in the Shopping Center, including the exterior walls and sprinkler systems, unless such maintenance and repairs are caused in part or in whole by the act, neglect, fault or omission by Tenant, its agents, servants, employees, invitees, or any damage caused by breaking and entering, in which case Tenant shall pay to Landlord the actual cost of such maintenance and repairs. Landlord shall not be liable for any failure to make such repairs or to perform any maintenance unless such failure shall materially and adversely affect the Premises and shall persist for twenty (20) days after written notice of the need of such repairs or maintenance is given to Landlord by Tenant. Except as provided in Article 26 hereof, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with, Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Shopping Center or the Premises or in or to fixtures, appurtenances and equipment therein.

Upon the Lease Termination Date or Early Termination of the Lease Term, Tenant shall, upon written demand by Landlord given at least ninety (90) days prior to said date, at Tenant's sole cost and expense, forthwith and with all due diligence, remove any fixture of Tenant, designated by Landlord to be removed, and Tenant shall, forthwith and with all due diligence, at its sole cost and expense, repair any damage to the Premises caused by such removal.

13. Liens. Tenant shall keep the Premises and the property in which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Tenant. No consent granted by Landlord to Tenant to make any alteration, addition or repairs to the Premises shall, in any event, be construed as a consent on the part of Landlord to subject all or any part of the Shopping Center or Premises to any lien or liability under the Mechanic's Lien Law of the State of Illinois. Landlord may require, at Landlord's sole option and expense, a completion bond in an amount equal to one and one-half (1½) times the estimated cost of any improvements, additions or alterations in the Premises which the Tenant desires to make, to insure Landlord against any liability for mechanics' and materialmen's liens and to insure completion of the work. If any lien is filed, with or without Tenant's knowledge, Tenant shall immediately, at its sole expense, take whatever action is necessary

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to cause such lien to be satisfied and discharged, provided however, that for purposes hereof, Tenant may contest such lien if it provides a bond issued by a reputable insurance company reasonably acceptable to Landlord. Landlord may elect to cure said lien without prior notice, in which event Tenant shall reimburse Landlord as additional rent for all costs associated therewith not limited to the amount of the lien, reasonable attorneys' fees, together with fifteen percent (15%) of all costs so incurred as an administrative fee. If Tenant shall be in default in paying any charge for which a mechanic's lien or suit to foreclose the lien has been recorded or filed, and shall not have given Landlord security as aforesaid, Landlord may (but without being required to do so) pay such lien or claim and any costs, and the amount so paid, together with reasonable attorneys' fees incurred in connection therewith, shall be immediately due from Tenant to Landlord. Landlord shall have the right to post notices in the Premises in locations which will be visible by parties performing any work on the Premises stating that Landlord is not responsible for the payment for work done by Tenant or caused to be done by Tenant on the Premises, and setting forth such other information as Landlord may deem necessary.

14. Assignment and Subletting. Tenant shall not either voluntarily, or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber Tenant's leasehold interest herein, and shall not sublet the said Premises or any part thereof, or any right or privilege appurtenant thereto, or allow any other person (the employees, agents, servants and invitees of Tenant excepted) to occupy or use said Premises, or any portion thereof, without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld. Tenant shall also provide written notice to Landlord of any change in the name under which Tenant is doing business, or a transfer of all or substantially all of Tenant's assets, shall constitute a prohibited assignment within the meaning of this Article 14. Tenant may however assign or transfer its leasehold interest herein to any corporation or limited liability company to which Tenant sells substantially all of its assets, provide however that the assets and financial condition of such purchaser are substantially equal to or greater than those of Tenant at the time of such assignment. A consent by Landlord to one assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by any other person. Any such assignment or subletting, whether consent is obtained, if required, or otherwise, shall in no way relieve Tenant of any liability under this Lease. Any such assignment or subletting without a required consent shall be void, and shall, at the option of the Landlord, constitute a Tenant Default under the terms of this Lease. Tenant shall give Landlord at least thirty (30) days prior notice of any such request which said notice shall include the name and address of the proposed assignee or subtenant, all financial information available with respect to said proposed party and any other documentation reasonably required by Landlord. In the event that Landlord shall consent to a sublease or assignment hereunder, Tenant shall pay Landlord a fee of Fifteen Hundred and 00/100 Dollars (\$1,500.00).

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15. Hold Harmless. Tenant releases, indemnifies and holds harmless Landlord and its agents, partners, shareholders, directors, officers, servants and employees from and against:

(a) any and all claims arising from Tenant's use of the Premises or from the conduct of its business or from any activity, work, or other things done, permitted or suffered by Tenant or its agents, employees, invitees or guests, in or about the Premises and/or Shopping Center;

(b) any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, or any officer, agent, employee, guest, or invitee of Tenant, and from all costs, attorneys' fees, and liabilities incurred in or about the defense of any such claim or any action or proceeding brought thereon and in case any action or proceeding be brought against Landlord for any reason relating to such claim or arising out of or in any way related to this Lease, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of loss, theft, misappropriation, or damage to property or injury to persons in, upon or about the Premises, from any cause; and Tenant hereby waives all claims with respect thereof against Landlord. Tenant shall give prompt notice to Landlord in case of casualty or accidents in or about the Premises.

Landlord, or its agents, shall not be liable for any loss or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, noxious odor, noise, water or rain which may leak from any part of the Shopping Center or from the pipes, appliances or plumbing works therein or from the roof, street or subsurface or from any other place resulting from dampness or any other cause whatsoever, except personal injury caused by or due to the willful acts or gross negligence of Landlord, its agents, partners, shareholders, contractors or employees. Landlord, or its agents, shall not be liable for interference with the light, air, or for any latent defect in the Premises.

16. Subrogation. Notwithstanding anything to the contrary contained herein, Landlord and Tenant hereby mutually waive and release their respective rights of recovery against each other for (a) any loss on their respective property capable of being insured against by "all risk" insurance coverage whether carried or not; and (b) all loss, cost, damage or expense arising out of or due to any interruption of business (regardless of the cause therefor), increased or additional costs of operation of business or other costs or expenses whether similar or dissimilar which are capable of being insured against under business interruption insurance whether or not carried. Each party shall apply to its insurer to obtain said waivers. Each party shall obtain any special

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endorsements, if required by its insurer, to evidence compliance within the aforementioned waiver and shall bear the cost therefor.

17. Liability Insurance. Tenant shall, at Tenant's expense, obtain and keep in force during the term of this Lease a policy of comprehensive public liability insurance insuring Landlord, any mortgagees of Landlord, and Tenant against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall have single limits of not less than \$2,000,000.00 for injury or death of any person or persons in any one accident or occurrence. Such insurance shall further insure Landlord and Tenant against liability for property damage of at least \$1,000,000.00. Landlord shall have the right to cause such limits to be increased from time to time based upon limits then customarily required of tenants in similarly sized shopping centers. The limit of any such insurance shall not, however, limit the liability of Tenant hereunder. Tenant may provide this insurance under a blanket policy, provided that said insurance shall have a landlord's protective liability endorsement attached thereto. If Tenant shall fail to procure and maintain said insurance, Landlord may, but shall not be required to, procure and maintain same, but at the expense of Tenant, and Tenant shall reimburse Landlord for same, immediately upon demand as additional Rent. Insurance required hereunder shall be obtained from companies satisfactory to Landlord. Tenant shall deliver to Landlord, prior to right of entry and thereafter at least thirty (30) days prior to expiration of then current policies, copies of policies of liability insurance required herein or certificates evidencing the existence and amounts of such insurance with Landlord named as an additional insured thereunder. No policy shall be cancelable or subject to reduction of coverage. All such policies shall be written as primary policies not contributing with and not in excess of coverage which Landlord may carry.

18. Utilities.

18.A. Payment for Service. Tenant shall pay for all water, gas, heat, light, power, sewer charges, telephone service and all other services and utilities supplied to the Premises, together with any taxes and deposits thereon, including, without limitation, trash collection. If any such service or utility is not separately metered to Tenant, Tenant shall pay a reasonable proportion to be determined by Landlord of all charges that are jointly metered with other tenants. If Landlord determines that Tenant uses a disproportionately large amount of any such service or utility that is not separately metered, Landlord shall have the right in its discretion, at Tenant's expense, to install a check meter to assist Landlord in the foregoing allocation.

18.B. Discontinuance of Service. If Tenant shall fail to make any payment for any of the services described in this Article 18, the Landlord may, upon notice to Tenant and in addition to Landlord's other remedies under this Lease, discontinue any or all such services. No failure or discontinuance of any service pursuant to this Article 18 shall result in any liability of

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Landlord whatsoever to Tenant or be deemed to be a constructive eviction or a disturbance of Tenant's use of the Premises.

18.C. Interruption of Service. Interruptions of any service referred to in this Article 18, in whole or in part caused by repairs, renewals, improvements, changes or service, alterations, or any other causes, shall not be deemed an eviction or disturbance of Tenant's use or possession of the Premises or any part thereof, or render Landlord liable for damages to Tenant for interruption of its business or for any other reason whatsoever, and Tenant shall not be entitled to any abatement or reduction of rent or otherwise or to any relief from performance of Tenant's obligations under this Lease. Without limiting the foregoing, the parties agree that compliance with any mandatory or voluntary energy conservation measures or other legal requirements instituted by any governmental authority shall not be considered a violation of any terms of this Lease and shall not entitle Tenant to terminate this Lease or obtain abatement or reduction of Rent hereunder.

19. Personal Property Taxes. Tenant shall pay, or cause to be paid, before delinquency, any and all taxes levied or assessed and which become payable during the Lease Term upon all Tenant's leasehold improvements, equipment, furniture, fixtures, and any other personal property located in the Premises ("Personal Property"). In the event any or all of the Personal Property shall be assessed and taxed with the real property, Tenant shall pay to Landlord its share of such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Personal Property.

20. Rules and Regulations. Tenant shall faithfully observe and comply with the rules and regulations that Landlord shall from time to time, establish and adopt, in good faith, with respect to operation of the Shopping Center, provided, however, that no such rules and regulations shall change any condition or term of this Lease. Landlord shall have the right to rescind, waive, modify and/or amend any such rules, regulations and changes at any time or from time to time. Any default by Tenant under any such rules and regulations shall be a Tenant Default, entitling Landlord to exercise all its rights and remedies arising as a result thereof. The rules and regulations may include but shall not be limited to the following: (1) the restricting of employee parking to a limited, designated area or areas; and (2) the regulation of the removal, storage and disposal of Tenant's refuse and other rubbish at the sole cost and expense of Tenant. The rules and regulations shall be binding upon Tenant upon delivery of a copy thereof to Tenant. Landlord shall not be responsible to Tenant for the nonperformance of any of said rules and regulations by any other tenants or occupants. Another tenant's violation of the rules and regulations or Landlord's failure to enforce same shall not constitute a waiver of Tenant's duty to comply with same. Any changes to the rules and regulation shall be reasonable.

21. Holding Over. Tenant shall vacate the Premises upon the Lease Termination Date or Early Termination. Tenant shall

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reimburse Landlord for and indemnify Landlord against all damages incurred by Landlord from any delay by Tenant in vacating the Premises. If Tenant does not vacate the Premises upon the Lease Termination Date or Early Termination and Landlord thereafter accepts Rent from Tenant, Tenant's occupancy of the Premises shall be a "month-to-month" tenancy subject to all of the terms of this Lease including Minimum Rent. Minimum Rent and Adjustments, except that the Minimum Rent to be in effect shall be two hundred percent (200%) of the then Minimum Rent.

22. Entry by Landlord. Landlord reserves, and shall at any and all times have, the right to enter the Premises to inspect the same, with reasonable prior notice to Tenant except in cases of an emergency, to submit said Premises to prospective purchasers, lenders, or tenants (with respect to prospective tenants, such right of entry shall be within one hundred twenty (120) days prior to the end of the Lease Term and any Renewal Period), to post notices of non-responsibility, to repair the Premises and any portion of the Shopping Center of (other than on entrance doors and display windows), which the Premises are a part that Landlord may deem necessary or desirable, without abatement of Rent, and may for that purpose erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, always providing that the entrance to the Premises shall not be unreasonably blocked thereby, and further providing that the business of Tenant shall not be interfered with unreasonably. Tenant hereby waives any claim for damages or for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the aforesaid purposes, Landlord shall have the right to use any and all means which Landlord may deem proper to obtain entry to the Premises in an emergency, without liability to Tenant. Any entry to the Premises obtained by Landlord by any of said means, or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction, constructive, or otherwise, of Tenant from the Premises or any portion thereof.

23. Tenant's Default. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant ("Tenant Default"):

23.A. Tenant's failure to take possession of the Premises on the Lease Commencement Date or the vacation or abandonment of the Premises by Tenant during the Lease Term.

23.B. The failure of Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder, as and when due where such failure shall continue for a period of five (5) days after such payment is due.

23.C. The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by the Tenant, other than described in Article 23.B above, where such failure shall continue for a

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period of ten (10) days after written notice thereof by Landlord to Tenant.

23.D. The making by Tenant of any general assignment or general arrangement for the benefit of creditors; or the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy; or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease; or the failure of Tenant or of any of the partners of Tenant to generally pay their debts as they become due.

24. Remedies in Default.

24.A. Landlord may, but shall not be obligated to, at any time, without notice, cure any Tenant Default, and whenever Landlord so elects, all costs and expenses paid by Landlord in curing such Tenant Default, including attorneys' fees and expenses so incurred shall be paid by Tenant to Landlord upon demand.

24.B. No consent or waiver, expressed or implied, by Landlord to or of any breach of any covenant, condition or duty of Tenant shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty. No failure by Landlord to insist upon the strict performance or any agreement, term, covenant or condition hereof or to exercise any right or remedy consequent upon a breach thereof, and nonacceptance of full or partial Rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such agreement, term, covenant or condition. No agreement, term, covenant or condition hereof to be performed or complied with by Tenant, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by Landlord. No waiver of any breach shall affect or alter this Lease, but each and every agreement, term, covenant and condition thereof shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

24.C. No receipt of monies by Landlord from Tenant after the termination of this Lease will in any way alter the length of the Term or Tenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service or notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of Rent shall not waive or affect said notice, suit or judgment nor shall it be

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deemed to be other than on account of the amount due, nor shall the acceptance of Rent be deemed a waiver of any breach by Tenant of any term, covenant or condition of this Lease. No endorsement or statement on any check or any letter accompanying any check or payment of Rent shall be deemed an accord and satisfaction. Landlord may accept any such check or payment without prejudice to Landlord's right to recover the balance due of any installment or payment of Rent or pursue any other remedies available to Landlord with respect to any existing Tenant Default.

24.D. Tenant shall pay all costs, charges and expenses, including court costs and attorneys' fees, incurred by Landlord (i) in enforcing Tenant's obligations under this Lease, (ii) in the exercise by Landlord of any of its remedies upon the occurrence of a Tenant Default, (iii) in any litigation, negotiation or transaction in which Tenant causes Landlord, without Landlord's fault, to become involved or concerned, or in which Landlord becomes involved or concerned as a result of or in connection with this Lease, or (iv) in consideration of any request or approval of or consent to any action by Tenant which is prohibited by this Lease or which may be done only with Landlord's approval or consent, whether or not such approval or consent is given.

24.E. No remedy herein or otherwise conferred upon or reserved to Landlord shall be considered to exclude or suspend any other remedy but the same shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute, and every power and remedy given by this Lease to Landlord may be exercised from time to time consecutively or concurrently and so often as occasion may arise or as may be deemed expedient by Landlord.

25. Default by Landlord. In the event of any default by Landlord ("Landlord Default"), Tenant's exclusive remedy shall be an action for damages. Prior to instituting any such action, Tenant shall advise Landlord, and any mortgagee whose name and address Tenant has been given, by written notice specifying such Landlord Default with particularity and Landlord shall thereupon have thirty (30) days in which to cure any such Landlord Default; provided, however, that if the nature of the Landlord Default is such that more than thirty (30) days are required for its cure, then Landlord shall not be in default if Landlord commences performance within such time period and thereafter diligently prosecutes the same to completion. Unless and until Landlord fails to so cure any Landlord Default after such notice, Tenant shall not have any remedy or cause of action by reason thereof. All obligations of Landlord hereunder will be construed as covenants, not conditions.

26. Reconstruction. In the event the Premises and/or Shopping Center are damaged by fire or peril covered by "all risk" insurance and such insurance proceeds are made available to

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Landlord, Landlord agrees to repair same, and this Lease shall remain in full force and effect, except that other than as hereafter provided, Tenant shall be entitled to a proportionate reduction of the Minimum Rent from the date of damage and while such repairs are being made, such proportionate reduction to be based upon the extent to which the damage and making of such repairs shall reasonably interfere with the business carried on by Tenant in the Premises within the sole discretion of Landlord. If the damage is due to the fault or neglect of Tenant or its employees, there shall be no abatement of Minimum Rent.

In the event the Premises and/or Shopping Center are damaged as a result of any cause other than the perils covered by "all risk" coverage insurance or the insurance proceeds are not made available to Landlord, then Landlord shall repair the same, provided the extent of the destruction is less than ten percent (10%) of the then full replacement cost of the Premises and/or Shopping Center. In the event of the foregoing circumstances, and if the destruction of the Premises and/or Shopping Center is to an extent of ten percent (10%) or more of the full replacement cost thereof, then Landlord shall have the option: (1) to repair or restore such damage, this Lease continuing in full force and effect, but the Minimum Rent to be proportionately reduced as hereinabove in this Article provided; or (2) to give notice to Tenant at any time within sixty (60) days after such damage, terminating this Lease as of the date specified in such notice, which date shall be no more than thirty (30) days after the giving of such notice. In the event of giving such notice, this Lease shall expire and all interest of the Tenant in the Premises shall terminate on the date so specified in such notice and the Minimum Rent, reduced by a proportionate reduction, based on the extent, if any, to which such damage interfered with the business carried on by the tenant in the Premises, shall be paid up to the Early Termination Date.

Notwithstanding anything to the contrary contained in this Article, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises when the damage resulting from any casualty covered under this Article occurs during the last twenty-four (24) months of the Lease Term or any extension or renewal thereof.

Landlord shall not be required to repair any damage by fire or other cause, or to make any repairs or replacement of any leasehold improvements, fixtures, or other Personal Property of Tenant.

27. Eminent Domain. If more than twenty-five percent (25%) of the Premises shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain, or conveyed to any public authority in lieu of a condemnation proceeding, either party hereto shall have the right, at its option, within sixty (60) days after said taking, to terminate this Lease upon thirty (30) days written notice. If (i) less than twenty-five percent (25%) of the Premises is taken or (ii) more than twenty-five percent (25%) of the Premises is taken, but neither party elects to terminate as herein provided, the Minimum Rent thereafter to be paid shall be equitably reduced. If any part of the Shopping Center other than the Premises is so taken,

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appropriated, or conveyed, Landlord shall, within sixty (60) days of said taking, have the right at its option to terminate this Lease upon written notice to Tenant. In the event of any taking or appropriation whatsoever, Landlord shall be entitled to any and all awards and/or settlements which may be given and Tenant shall have no claim against Landlord for any amounts whatsoever.

28. Parking and Common Areas. Subject to Landlord's rights set forth in Article 42 below, an area approximately equal to the Common Areas as shown on the attached Exhibit "A" shall be at all times available for the non-exclusive use of Tenant during the Lease Term or any execution thereof, provided that the condemnation or other taking by any public authority, or sale in lieu of condemnation, of any or all of the Common Areas shall not constitute a violation of this covenant. Landlord reserves the right to change the entrances, exits, traffic lanes and the boundaries and locations of any parking area or areas; provided, however, that anything to the contrary notwithstanding contained in this Article 28, said parking areas shall at all times be at least equal to those required by applicable law.

Landlord shall have the right at any time, and from time to time, to grant easements, rights of way, or other similar rights over and across the Common Areas so long as (i) Tenant is not denied access to its Premises, and (ii) parking areas substantially equivalent to that shown on Exhibit "A" remain available for use by all tenants of the Shopping Center.

28.A. Landlord shall keep the Common Area in a neat, clean and orderly condition and shall repair any damage to the facilities thereof, but all expenses in connection with the Common Areas shall be charged and prorated in the manner as set forth in Article 8 hereof.

28.B. Tenant, its agents, employees, customers, licensees and subtenants, shall have the non-exclusive right in common with Landlord, and other present and future owners, tenants and their agents, employees, customers, licensees and subtenants, to use the Common Areas during the entire Lease Term, or any extension thereof, for ingress and egress, and automobile parking.

28.C. Tenant, in the use of the Common Areas, agrees to comply with such reasonable rules, regulations and charges for parking as Landlord may adopt from time to time for the orderly and proper operation of the Common Areas.

29. Signs. Tenant shall have the right to erect and maintain, at its own expense, signs displaying Tenant's color schemes (the "Sign"). The Sign shall be constructed in accordance with a design to be prepared by Tenant and submitted to Landlord for approval in writing as to materials, type of construction, size and general display qualities prior to fabrication and installation, and shall comply with local ordinances and the Shopping Center general guidelines. Such guidelines are subject to

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change from time to time. Notwithstanding the compliance with such guidelines of any sign design submitted by Tenant, the Sign must be approved in advance in writing by Landlord, at Landlord's reasonable discretion.

30. Displays. No exterior displays, merchandise or any other material may be stored or remain outside the defined exterior walls and permanent doorways of the Premises. Tenant further agrees not to install any exterior lighting, amplifiers or similar devices or use in or about the Premises any advertising medium which may be heard or seen outside the Premises, such as flashing lights, searchlights, loudspeakers, phonographs or radio broadcasts.

31. Auctions. Tenant shall not conduct or permit to be conducted any sale by auction in, upon or from the Premises whether said auction be voluntary, involuntary, pursuant to any assignment for the payment of creditors or pursuant to any bankruptcy or other insolvency proceeding.

32. Hours of Business. Subject to the provisions of Article 26 hereof, Tenant shall continuously during the entire term hereof conduct and carry on Tenant's business in the Premises and shall keep the Premises open for business and cause Tenant's business to be conducted therein during the usual business hours of each and every business day as is customary for businesses of similar character in the city in which the Premises are located; provided, however, that this provision shall not apply if the Premises should be closed and the business of Tenant temporarily discontinued therein on account of acts of God, destruction of the Premises or similar causes beyond the reasonable control of Tenant. Tenant shall keep the Premises adequately stocked with merchandise, and with sufficient sales personnel to care for the patronage, and to conduct said business in accordance with its current business practice.

The breach by Tenant of any of the conditions contained in this Article three or more times during the Lease Term (each day in which any of the conditions are not met being considered a breach), shall constitute a Tenant Default and Landlord shall have, in addition to any and all remedies herein provided, the right at its option to collect not only the Rent herein provided, but additional rent ("Additional Rent") at a rate equal to one-thirtieth (1/30) of the Minimum Rent then being paid hereunder for each and every day that Tenant shall fail to conduct its business as herein provided.

33. Late Charges and Interest on Late Payments. Tenant recognizes late payment of any Rent or other sums due hereunder (collectively, for purposes of this paragraph, "Rent") will result in administrative and other expenses to Landlord, the extent of which additional expenses is difficult and economically impractical to ascertain. Tenant, therefore, agrees that if any Rent or any other such sum due and payable pursuant to this Lease is not paid within ten (10) days of when due, such amount shall be increased by a late charge in an amount equal to ten percent (10%) of the unpaid Rent. The amount of the late charge to be paid by Tenant shall be added to Tenant's obligation and shall thereafter bear

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interest until paid as hereafter provided. In addition, with respect to any Rent which Tenant fails to timely pay to Landlord as required herein, interest shall accrue commencing five (5) days after the due date thereof until paid in full at a rate equal to eighteen percent (18%) per annum. All such interest, together with the late charges, must be paid before the default shall be deemed cured. The provisions of this Article in no way relieve Tenant of the obligation to pay Rent on or before the date on which it is due, or affect Landlord's remedies pursuant to Article 24, but shall be in addition thereto.

34. Sale of Premises by Landlord. In the event of any sale or other transfer of the Premises and/or Shopping Center by Landlord, Landlord (or its successor) shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale; and the purchaser, at such sale or any subsequent sale of the Premises or other transferee, shall be deemed without any further agreement between the parties or their successors-in-interest or between the parties and any such purchaser, to have assumed and agreed to carry out any and all of the covenants and obligations of Landlord under this Lease.

35. Subordination. Attachment. This Lease, and all of Tenant's interest hereunder, shall be subordinate to any promissory notes, mortgages or deeds of trust secured by the Shopping Center or any portion thereof. Upon request of Landlord, Tenant will in writing subordinate its rights hereunder to the lien of any mortgage or deed of trust, to any bank, insurance company or other lending institution, now or hereafter holding an encumbrance affecting the Shopping Center, and to all advances made or hereafter to be made upon the security thereof. In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by Landlord covering the Premises, Tenant hereby agrees to attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as landlord under this Lease.

The provisions of this Article to the contrary notwithstanding, and so long as Tenant is not in default, this Lease shall remain in full force and effect for the full term hereof, and Tenant's possession shall not be disturbed.

36. Notices. All notices and demands which may or are to be required or permitted to be given by either party to the other hereunder shall be in writing. All notices and demands by Landlord to Tenant shall be sent by United States mail, postage prepaid, addressed to Tenant at the Premises, or to such other place as Tenant may from time to time designate in a notice to Landlord. All notices and demands by Tenant to Landlord shall be sent by United States mail, postage prepaid, addressed to Landlord at the address set forth below, or such other place as Landlord may from time to time designate in a notice to Tenant. All notices shall be deemed to have been received three (3) days from the date of mailing.

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To Landlord at: Richmarc Partners Phase VI
C/o Podolsky & Associates
One Westbrook Corporate Center
Suite 400
Westchester, IL 60154

To Tenant at: Jennifer Convertibles, Inc.
419 Crossways Park Drive
Woodbury, NY 11797

With a copy to: Law Offices of Wincig & Wincig
Bernard Wincig, Esq.
574 Fifth Avenue
New York, N.Y. 10036

37. Tenant's Estoppel Certificate. Tenant shall at any time and from time to time, upon not less than five (5) days' prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect), and the date to which the Rent and other charges are paid in advance, if any; (b) acknowledging that there is not, to Tenant's knowledge, any uncured Landlord or Tenant Default hereunder, or specifying any such default, if claimed; (c) setting forth the Lease, Rent and Termination Dates; and (d) stating such other matters as may be requested relating to this Lease. Any such statement may be relied upon by the prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part. If Tenant fails to timely deliver such statement, Tenant shall be deemed to have acknowledged that this Lease is in full force and effect without modification except as may be represented by Landlord and that there is no uncured default. Further, Tenant and any guarantor, upon fifteen (15) days' prior written request, shall submit to Landlord a recent financial statement which, in all events, shall be no more than ninety (90) days old and shall include a profit and loss statement for the preceding twelve (12) months.

38. Landlord's Lien. Landlord shall have at all times a valid lien for Rent and other sums of money becoming due hereunder from Tenant, upon all Personal Property and such Personal Property shall not be removed from the Premises without the consent of Landlord until all arrearages in Rent as well as any and all other sums of money then due to Landlord hereunder shall first have been paid and discharged.

39. No Partnership. It is expressly understood that, Landlord and Tenant are not partners. Landlord has no right, title or interest in and to the business of Tenant, Landlord has no right to represent or bind Tenant in any respect whatsoever, and that nothing herein contained shall be deemed, held or construed as making Landlord a partner or associate of Tenant, or as rendering Landlord liable for any debts, liabilities, or obligations incurred by Tenant, it being expressly understood that the relationship between the parties hereto is, and shall at all times remain, that of Landlord and Tenant.

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40. Bankruptcy. Landlord and Tenant understand that notwithstanding certain provisions to the contrary contained herein, a trustee or debtor in possession under the Bankruptcy Code of the United States (the "Bankruptcy Code") may have certain rights to assume or assign this Lease. Landlord and Tenant further understand that in any event Landlord is entitled under the Bankruptcy Code to adequate assurances of future performance of the terms and provisions of this Lease. For purposes of any such assumption or assignment, the parties hereto agree that the term "Adequate Assurance" shall include at least the following:

(a) In order to assure Landlord that the proposed assignee will have the resources with which to pay the Rent, any proposed assignee must have demonstrated to Landlord's satisfaction a net worth (as defined in accordance with generally accepted accounting principles consistently applied) at least as great as the net worth of Tenant on the date this Lease became effective increased by seven percent (7%) for each year from the effective date of the Lease through the date of the proposed assignment. The financial condition and resources of Tenant were a material inducement to Landlord in entering into this Lease.

(b) Any proposed assignee must have been engaged in the Permitted Use at least five (5) years prior to any such proposed assignment.

(c) In entering into this Lease, Landlord considered extensively the Permitted Use and determined that the Permitted Use would add substantially to Landlord's tenant balance and that if it were not for Tenant's agreement to make only the Permitted Use of the Premises, Landlord would not have entered into this Lease. Landlord's overall operation will be substantially impaired if the trustee in bankruptcy or any assignee of this Lease makes any use of the Premises other than the Permitted Use.

(d) Any proposed assignee of this Lease must assume and agree to be personally bound by the terms, provisions, and covenants of this Lease.

41. Delivery of Goods. All deliveries of goods for usage in the Premises shall be done only at such times, in the areas, and through the entrances designated for such purposes by Landlord.

42. Enlarging the Shopping Center. Tenant acknowledges that Landlord hereby reserves the right from time to time to enlarge the Shopping Center by (i) constructing other buildings on portions of the Shopping Center, with or without any additional parking or common areas; (ii) by including within the existing Shopping Center other properties now or hereafter owned by Landlord adjacent to the Shopping Center; and (iii) constructing buildings, and Common Areas on such additional property. Any such new buildings, properties and Common Areas shall be treated as though they were originally a part of the Shopping Center and at the election of Landlord all common expenses, utility costs, real property taxes and other pro rata payments herein required of Tenant shall be applicable to such enlarged area and all improvements now or hereafter thereon; provided that in such event, Tenant's pro rata share shall be

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appropriately adjusted to include any additional square footage contained in such new buildings or comprising additional properties added to the Shopping Center. Until Landlord makes such election, Tenant's pro rata share shall continue as though such enlargement had not occurred.

43. Liquor Licenses. In the event that any other existing or proposed tenant in the Shopping Center applies for a liquor license, Tenant agrees not to object to said application in any way.

44. Reserved.

45. Utilities. Landlord does not guarantee the continued availability of any or all of the utilities. No interruption, demolition or cessation of such utilities shall be construed as an actual or constructive eviction of Tenant nor shall Tenant be entitled to any abatement of its obligations under this Lease on account thereof. If a deposit is required by any entity providing utilities in order to obtain or continue receiving the same, Tenant shall be obligated to pay the entire amount of such deposit (or its pro rata portion thereof). Any such payment shall in no event entitle Tenant to an offset or reduction of any obligation owing hereunder nor shall Landlord in any manner be obligated to repay or credit Tenant for any such deposit. Tenant for any such deposit. Landlord shall have no liability whatsoever nor shall Tenant have any rights hereunder with respect to rebate or abatement of rent in the event of any interruption, either temporary or permanent, of utilities to the Premises by any supplier or utility service as a result of fire, accident, riot, strikes, acts of God, general availability thereof or the making of necessary repairs or improvements or for any other cause.

46. Reserved.

47. Refusal of Consent. Notwithstanding anything contained in this Article 47 or elsewhere contained in this Lease, Tenant shall have no claim, and hereby waives the right to any claim, against Landlord for money damage by reason of any refusal, withholding or delaying by Landlord of any consent or approval, and in such event, Tenant's only remedies therefor shall be an action for specific performance or injunction to enforce any such requirement. If any such action shall be adverse to Landlord, Landlord shall be liable to Tenant for Tenant's court costs and reasonable attorneys' fees thereby incurred.

48. Reserved.

49. General Provisions.

(a) Plats and Riders. Clauses, plats, riders and addenda, if any, affixed to this Lease are a part hereof.

(b) Waiver. The waiver by Landlord of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of Rent

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hereunder by Landlord shall not be deemed to be a waiver of any preceding Tenant Default of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the Rent so accepted, regardless of Landlord's knowledge of any preceding Tenant Default at the time of the acceptance of the Rent.

(c) Joint Obligation. If there be more than one Tenant, the obligations hereunder imposed shall be joint and several.

(d) Marginal Headings. The marginal headings and article titles to the articles of this Lease are not a part of the Lease and shall have no effect upon the construction or interpretation of any part hereof.

(e) Time. Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.

(f) Successors and Assigns. The covenants and conditions herein contained, subject to the provisions as to assignment, apply to bind the heirs, successors, executors, administrators and assigns of the parties hereto.

(g) Recordation. Tenant is authorized to execute a short form memorandum hereof which may be recorded.

(h) Quiet Possession. Upon Tenant paying the Rent reserved hereunder and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Premises for the entire term hereof, subject to all the provisions of this Lease.

(i) Prior Agreements. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall not be effective or binding on any part until fully executed by both parties hereto.

(j) Inability to Perform. This Lease and the obligations of the Tenant hereunder shall not be affected or impaired because Landlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of God, or any other cause beyond the reasonable control of the Landlord. Further, if for any reason Landlord is unable to construct the Premises within twenty-four (24) months of the date hereof, this Lease shall be automatically be deemed null and void and of no further force and effect.

(k) Partial Invalidity. Any provision of this Lease which shall prove to be invalid, void, or illegal shall in no way affect, impair or invalidate any other provision hereof

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and such other provision shall remain in full force and effect.

(1) Choice of Law. This Lease shall be governed by the laws of the state in which the Premises are located.

(m) Attorneys' Fees. In the event of any action or proceeding brought in a court of law by either party against the other under this Lease, the prevailing party shall be entitled to recover for the fees of its attorneys in such action or proceeding, including costs of appeal, if any, such amounts as the court may adjudge reasonable as attorneys' fees. In addition, should it be necessary for Landlord to employ legal counsel to enforce any of the provisions herein contained, Tenant agrees to pay all reasonable attorneys' fees whether or not a suit is commenced or if commenced, prosecuted to judgment and court costs reasonably incurred.

(n) Authority of Tenant. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation, in accordance with the bylaws of said corporation, this Lease is binding upon said corporation, and he shall, upon Landlord's request, provide Landlord with a corporate resolution to that effect in form reasonably acceptable to Landlord.

(o) Landlord Exculpation. Landlord and all partners, shareholders, or members, as the case may be, shall have absolutely no personal liability with respect to any provision of this Lease, or any obligation or liability arising herefrom or in connection herewith. Tenant shall look solely to the equity of the then owner of the Premises for the satisfaction of any remedies of Tenant in the event of a breach by the Landlord of any of its obligations. Such exculpation of liability shall be absolute without any exception whatsoever.

IN WITNESS WHEREOF, the parties hereto have entered into this Lease Agreement including the Rider attached hereto as of the day and year first above written.

"TENANT"

"LANDLORD"

JENNIFER CONVERTIBLES, INC.

Richmarc Partners Phase
VI Limited Partnership

By: 

By: _____

Name &
Title: Edward Seidner,
Executive Vice President
of Real Estate

Name &
Title: _____

Date: _____

Date: _____

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RIDER ATTACHED TO AND MADE PART OF LEASE AGREEMENT BY AND BETWEEN
RICHMARC PARTNERS PHASE VI LIMITED PARTNERSHIP
(herein "Landlord")
and
JENNIFER CONVERTIBLES, INC.
(herein "Tenant")

50. Renewal Option. Tenant shall have the option to renew this Lease for two (2) additional terms of five (5) years each ("Renewal Terms") provided that Tenant shall give written notice of such option to renew at least sixty (60) days prior to the end of the Term and the first Renewal Term and no Tenant Default is then existing at the end of the respective Lease Term. The monthly Minimum Rent shall be increased by three (3%) each year during the Renewal Terms.

51. Voluntary Termination by Tenant. Notwithstanding anything to the contrary stated in this Lease, Tenant may voluntarily terminate this Lease after two (2) years of the Lease Term, by providing at least one hundred eighty (180) days written notice to Landlord of its intention to terminate and payment to Landlord of a termination fee of \$19,570.00.

52. Brokerage. It is agreed that Mid-America Real Estate Corp. is Landlord's agent in negotiating and securing the execution of this Lease. Landlord shall be responsible for the payment to Zifkin Realty & Development, LLC of a commission which is based upon Landlord's existing listing agreement with Mid-America Real Estate Corp.

"TENANT"

JENNIFER CONVERTIBLES, INC.

By: 

Name &

Title: Edward Seidner,
Executive Vice President
of Real Estate

"LANDLORD"

RICHMARC PARTNERS PHASE VI
LIMITED PARTNERSHIP

By: 

Name &

Title: _____

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EXHIBIT "A"

Site Plans

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EXHIBIT "B"

WORK LETTER

Prior to the Lease Commencement Date the Landlord shall deliver the Premises in a "vanilla box" condition, as follows:

1. Concrete Floor
2. Walls-taped and sanded
3. Bathroom-according to Code
4. Drop ceiling with tile and lighting
5. Existing storefront
6. Electrical panel - "as-is"

7. HVAC to be in good working order

8. *Get off jungle door (tile, spackle and paint), ready for paint* *11/12/10*

Notwithstanding anything herein to the contrary, Landlord has no obligations with respect to the preparation or maintenance of the Premises of the Tenant, except as expressly set forth in the Lease.

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EXHIBIT "C"

MONTHLY MINIMUM RENT SCHEDULE

Year 1 through 3	\$4,892.50
Year 4 through 5	\$5,150.00
Year 6 through 8	\$5,407.50
Year 9 through 10	\$5,665.00

RENEWAL TERMS

The monthly Minimum Rent shall increase by three percent (3%) per year during the Renewal Terms.

SEE RITEZ ATTACHED DATED OCTOBER 31, 2000 CONSISTING OF PROVISIONS
53 through 87

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Rider attached to Lease dated October 31, 2000

Landlord: RICHMARC PARTNERS PHASE VII LIMITED PARTNERSHIP

Tenant: JENNIFER CONVERTIBLES, INC.

Relating to property known as: 2960 Finley Road, Downers Grove, IL.
Main Street Square Shopping Center

Consisting of provisions numbered: 53 through 87

53. Rider Controls-The printed part of this lease is hereby modified and supplemented as follows, it being agreed that wherever there is any conflict between this Rider and the printed part of this Lease and/or other riders to this lease (if any), the provisions of this Rider are paramount and shall govern, and this lease shall be construed accordingly.

54. Measurement of Demised Premises-The Demised Premises shall be measured to the center line of all walls common to other Tenant premises, to the exterior faces of all other walls, and to the building line. To the extent that the actual square footage of the Demised Premises is less than that indicated elsewhere in this Lease agreement, then the rental obligation of the Tenant shall be proportionally reduced.

55. Character of Shopping Center-Tenant has entered into this Lease in reliance upon the representation by Landlord that the shopping Center is, and will remain, retail in character, and further, that no part of same shall be used as a theater, auditorium, meeting hall, school or other place of public assembly, gymnasium, dance hall, billiard or pool hall, massage parlor, video game arcade, bowling alley, skating rink, car wash, night club or adult book or adult video tape store (which are defined as stores in which at least ten percent (10%) of the inventory is not available for sale or rental to children under 18 years old because such inventory explicitly deals with or depicts human sexuality).

56. Commencement of Term and Rent Commencement Date-(a) The commencement date set forth in the body of the lease shall be adjusted to coincide with the completion of the facility by the Landlord of the work to be performed by the Landlord in the Tenant's space. In the event the demised premises, or any portion of the overall facility, has not been completed by the stated commencement date of this lease and the Landlord cannot deliver possession of the demised premises to the Tenant, then the commencement date shall be adjusted to reflect a date coincidental with the Landlord's ability to deliver possession of the demised premises to the Tenant. The termination date of the lease shall be similarly adjusted and any anniversary dates for rental increases or for renewals by the Tenant shall be adjusted to reflect the new commencement date. The first "lease year" during the term hereof shall be the period commencing on the rent commencement date if it occurs on the first day of a calendar month, or the first day of the next succeeding calendar month if the rent commencement date occurs on any date other than the first day of a calendar month, and shall terminate twelve (12) full calendar months thereafter.

(b)(i) Notwithstanding anything in this Lease to the contrary, all basic rent payments under this Lease shall not commence or begin to accrue until one hundred eighty (180) days after delivery to Tenant of the Premises in the condition called for under this Lease, and (ii) notwithstanding anything to the contrary contained herein, in no event will Landlord deliver the premises to Tenant between November 1, 2000 and January 1, 2001, unless Tenant otherwise agrees in writing.

57. Apportionment/Proration of Rent-Any apportionments or prorations of rents to be made under this Lease shall be computed on the basis of a three hundred sixty (360) day year, with twelve months (12) of thirty (30) days each.

58. Access to Building-Landlord covenants and agrees, and this Lease is conditioned upon there being at all times during the Lease Term (i) direct and unencumbered access between the public ways and the sidewalk on either side thereof on the one hand and the Premises on the other hand and (ii) no additional buildings, structures, obstructions, barriers and the like constructed upon, attached, or placed adjacent to the Building and/or the Premises, which in any event shall not adversely affect the access to or visibility of the Building and/or the Premises and/or Tenant's sign(s). In addition, Landlord covenants and agrees that it will not reduce the space nor the dimension of the Demised Premises.

59. Delivery of Possession-Delivery of possession of the Building and the Premises to Tenant shall in no event be deemed to have occurred until actual and exclusive physical possession of the Building and the Premises shall have been delivered to Tenant in a broom-clean condition, free and clear of all violations, prior leases, Tenants and/or occupants, and free and clear of all fixtures and other property of all prior Tenants and/or occupants, and with any warranties and representations contained in this Lease being true and fulfilled as of such date, and with the construction and condition of the Building and the Premises being such as to allow the issuance of a building permit for work to be performed by Tenant.

60. Failure to Give Possession-Notwithstanding anything in this Lease to the contrary including any Force Majeure clause, if Landlord is unable to give Tenant possession of the Premises as required hereunder by March 31, 2001, Tenant shall have the option of terminating this Lease within thirty (30) days thereof by notice to Landlord.

61. Real Estate Taxes-(a) Landlord covenants and agrees that it shall timely and fully pay the real estate taxes and assessments levied against the Building, including the Premises and all improvements therein.

(b) Abatements-If Landlord shall obtain any abatement, refund or rebate in Real Estate Taxes, Landlord shall promptly forward to Tenant its share of such abatement, refund or rebate (less Tenant's share of the reasonable cost and reasonable expense of obtaining them).

62. Alterations-Tenant shall have the right, without consent of Landlord, to make non-structural repairs and alterations provided disbursements do not exceed \$50,000.00 per annum for the first lease year and \$25,000.00 per annum per lease year thereafter.

63. Use of the Premises-Tenant shall use the Premises for the purpose of conducting the business of the sale of sofas, furniture, home furnishings and related items and ancillary items. Landlord represents and warrants that there is presently issued and shall remain outstanding a certificate of occupancy for the Premises pursuant to which Tenant may occupy the Premises for the purpose permitted hereunder, that there is presently issued and shall remain outstanding all required permits for equipment utilized as part of or by which services are provided to the Premises, that Tenant's use and occupancy of the Premises for the purpose permitted hereunder is not in violation of any certificate of occupancy hereafter issued for the Premises or any covenant, restriction, agreement, or other instrument now or hereafter affecting the Premises.

64. Yield-Up-Tenant agrees, at no later than the Expiration Date, to remove all trade fixtures and personal property, to repair any damage caused by such removal, to remove all Tenant's

signs wherever located and to surrender all keys to the Premises and yield up the Premises, in the same good order and repair in which Tenant is obliged to keep and maintain the Premises by the provisions of this Lease, reasonable wear and tear and damage by fire, casualty or taking excepted. Any property not so removed shall be deemed abandoned and may be removed and disposed of by Landlord in such manner as Landlord shall determine, without any obligation on the part of the Landlord to account to Tenant for any proceeds therefrom, all of which shall become the property of Landlord.

65. Rules and Regulations-All rules and regulations that Landlord may make shall be uniform, reasonable, and applied equally on a non-discriminatory basis to all of the Tenants, complied with by all Tenants, and shall not conflict with any provisions of this Lease.

66. Maintenance-Landlord agrees to transfer or enforce for the benefit of Tenant the unexpired portions, if any, of any warranties relating to the Premises, the equipment that is a part thereof, the HVAC system and the like. Landlord covenants and agrees that it will, at all times during the Lease Term, maintain and keep in good order and repair the foundation, floor slab, exterior, exterior walls, steel frame, roof, structural portions, gutters, downspouts, if any, and underground utility lines of the Premises and the Building, and all utility lines serving the Premises. Landlord shall make all repairs and replacements without, to the extent practicable, not interfering with the conduct of Tenant's business.

67. Intentionally Left Blank.

68. Condemnation-Tenant may terminate this lease if there is any substantial impairment of ingress or egress from or to the shopping center through condemnation or if the following property, or any interest in it, is condemned for public or quasi-public use:

- (a) Any part of the demised premises; or
- (b) More than twenty-five percent (25%) of the common area of the shopping center.

Tenant will not have any claim or be entitled to any award for diminution in value of its rights under this lease or for the value of any unexpired term of this lease; however, tenant may make its own claim for any separate award that may be made by the condemnor for tenant's loss of business or for the taking of or injury to tenant's improvements, or on account of any cost or loss tenant may sustain in the removal of tenant's trade fixtures, equipment, and furnishings, or as a result of any alterations, modifications, or repairs that may be reasonably required by tenant in order to place the remaining portion of the premises not taken in a suitable condition for the continuance of tenant's occupancy.

If this lease is terminated pursuant to the provisions of this paragraph, then all rentals and other charges payable by tenant to landlord under this lease will be paid to the date of the taking, and any rentals and other charges paid in advance and allocable to the period after the date of the taking will be repaid to tenant by landlord. Landlord and tenant will then be released from all further liability under this lease.

69. Interior Signs-Tenant shall be entitled to place, maintain, and Landlord 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 on the premises so as to be visible to the public as may be allowed by law.

70. Remedies Cumulative-Any and all rights and remedies that Landlord and Tenant may have under this Lease, and at law and in equity, shall be cumulative and shall not be deemed inconsistent with each other, and any two or more of all such rights and remedies may be exercised at the same time insofar as permitted by law.

71. Right To Cure Defaults

(a) With regard to any monetary default, Tenant shall have the right to cure said default within fifteen (15) days after notice and Landlord will not impose late fee charges nor any interest on said amount.

(b) With regard to non-monetary default, Tenant shall have a right to commence to cure said default or perform within thirty (30) days after notice.

72. Effect of Waivers on Default-No consent or waiver, express or implied, by either party to or of any breach of any covenant, conditions or duty of the other shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty.

73. Assignment, Subletting, etc.

(a) (b) Notwithstanding the above, no consent shall be required for, and Tenant shall have the right to make, any assignment, transfer or subletting of the Premises, or any part thereof (i) to a parent, subsidiary or affiliated company, (ii) directly or indirectly, in any manner, in connection with a merger, or a consolidation or a combination, or a sale of substantially all of the assets constituting a portion and/or all of the retail chain of which the business in the Premises is a part in the state in which the Premises is located. Upon any assignment in accordance with the foregoing, the Tenant named herein shall remain liable.

(b) (c) Tenant shall have the absolute right to assign, sublet or otherwise transfer its interest in the Lease to a Licensor, Franchisee or operating subsidiary of Tenant, without Landlord's approval, written or otherwise, as long as Tenant remains fully liable for full performance of all its obligation under this Lease.

74. Force Majeure-Except as otherwise specifically provided herein, in any case where either party hereto is required to do any act, delays caused by or resulting from acts of God, war, civil commotion, fire or other casualty, labor difficulties, shortages of labor, materials or equipment, government regulations, or other causes beyond such party's reasonable control shall not be counted in determining the time during which work shall be completed, whether such time be designated by a fixed date, a fixed time or a "reasonable time."

75. Subordination and Rights of Mortgages-Tenant agrees at the request of Landlord to subordinate this Lease to any institutional first mortgage or deed of trust placed or to be placed upon the Premises by Landlord, provided such holder agrees not to disturb the possession and other rights of Tenant under or pursuant to this 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 Premises under the terms and conditions hereunder and to assume and perform all of Landlord's obligations hereunder.

76. Americans with Disabilities Act of 1990-Notwithstanding anything to the contrary contained in the Lease, Landlord shall comply with the Americans with Disabilities Act of 1990 (ADA), and any amendments to the ADA, as well as all other applicable Laws regarding access

to, employment of and service to individuals covered by the ADA. Tenant's compliance will be limited to the interior design and interior alterations of the Premises.

77. Actions of Landlord-Whenever Landlord shall enter, or perform any work in or about the Premises, such entry shall be made, and such work shall be performed, to the extent practicable, without interfering with the conduct of Tenant's business.

78. Damages-In determining any damages hereunder, Landlord shall use its best efforts to mitigate its damages.

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

80. Mutuality of Lease Provisions-All provisions of said Lease relating to (i) payment of attorney's fees, (ii) effect of waivers (or lack of waivers), (iii) delays ("force majeure"), and (iv) indemnification and/or exculpation of Landlord, shall be deemed mutual, Tenant having the same right with respect thereto as Landlord.

81. Intentionally Left Blank

82. Intentionally Left Blank

83. Plate Glass-Tenant is permitted to self-insure plate glass.

84. Payment for Services-In no event shall Tenant be required to pay with respect to any utility service or any other service provided or designated by Landlord, an amount in excess of the amount that Tenant would be required to pay if purchasing directly from such utility, or other company.

85. Warranties-(a) Landlord represents and warrants that the bathrooms, HVAC system, plumbing system and electrical system will be in good working order at date of delivery of the premises and that the roof will be free of leaks and the sidewalk free of repair and that the Landlord has not received any notices of any violations of the applicable building code.

86. Imputation-For purposes of this Lease, the negligence, affirmative act or violation of the provisions of this Lease by an employee or agent of Landlord or Tenant, or by a contractor, employed by Landlord or Tenant, shall be the negligence, affirmative act or violation of the provisions of this Lease of Landlord or Tenant, as the case may be.

87. Additional Charges-(a) It shall not include (i) expenses for any capital improvements made to Land or Building, (except that capital expenses for improvements which result in savings of labor or other costs shall be included at the cost or such improvements amortized over the useful life of the improvements); (ii) expenses for repairs or other work occasioned by fire, windstorm or other insured casualty; (iii) expenses incurred in leasing or procuring new Tenants (i.e. lease commissions, Tenant inducements, advertising expenses and expenses of renovating space for new Tenant); (iv) legal expenses in enforcing the terms of any lease; (v) interest or amortization payments on any mortgage or mortgages and/or capital improvements; (vi) reserve funds; (vii) administrative expenses of Landlord in excess of five (5%) percent; (viii) expenses in

connection with maintaining and operating any garage operated by Landlord incident to the operation of the shopping center; (ix) removal of hazardous material; (x) earthquake insurance-unless such coverage is reasonably available at a commercially reasonable cost; and (xi) direct settlement payments by Landlord in personal injury or property claims. The administrative charge by way of calculation shall exclude all taxes and all insurance.

(d) In no event will Landlord be entitled to collect in excess of 100% of the total expense from all the Tenants in the center. Generally accepted accounting principles, consistently applied will be used to determine expenses.

(e) Tenant dispute of Additional Charges-Any statement rendered by Landlord to Tenant for Tenant's share of Landlord's Additional Charges shall be deemed accepted by Tenant unless, within nine (9) months after the receipt of such statement, Tenant shall notify Landlord in writing of the items it disputes ("Notice of Dispute"). Pending the determination of such dispute, Tenant shall pay all amounts due as indicated on the statement and such payments shall be without prejudice to Tenant. In connection with determining and resolving such dispute, Tenant may upon reasonable prior written notice and at Landlord's home office, audit and review the books of Landlord kept in connection with Landlord's Additional Charges. If the dispute is not amicably settled between Landlord and Tenant within sixty (60) days after completion of Tenant's audit or review, either party may refer the disputed items to a reputable firm of independent certified public accountants, selected by Landlord and approved by Tenant, for a decision, and the decision of such firm shall be conclusive and binding upon Landlord and Tenant. The expenses involved in such determination shall be borne by the party against whom a decision is rendered by such accountants, provided that if more than one (1) item is disputed and the decision shall be against both parties, then the expenses shall be apportioned according to the monetary value of the items decided against each party. If the dispute on any item shall be determined in Tenant's favor, the amount of Tenant's overpayment shall be refunded to Tenant within thirty (30) days of such accounting firm's notice of its decision.

LANDLORD:

RICHMARC PARTNERS PHASE VI
LIMITED PARTNERSHIP

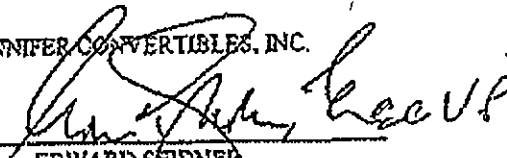
By: 

Name &

Title: _____

TENANT:

JENNIFER CONVERTIBLES, INC.

By: 
EDWARD SEIDNER
Executive Vice President
of Real Estate

Date: DECEMBER 8, 2000

MODIFICATION TO LEASE AGREEMENT

LANDLORD NAME AND ADDRESS: PFF MAIN STREET CHICAGO LLC, successor in interest to
RICHMARC PARTNERS PHASE VI LIMITED PARTNERSHIP
200 Spruce Street, Suite 200
Denver, Colorado 80230

TENANT NAME AND ADDRESS: JENNIFER CONVERTIBLES, INC.
417 Crossways Park Drive
Woodbury, New York 11797

DATE OF LEASE: October 31, 2000

PREMISES: Main Street Square Shopping Center
2960 Finley Road
Downers Grove, Illinois

EFFECTIVE DATE: February 1, 2009

RECITALS:

- A. PFF Main Street Chicago LLC ("Landlord") is the current owner of the real property commonly known as Main Street Square Shopping Center located at 2920-2966 Finley Road, Downers Grove, Illinois, which is improved with a fifty-six thousand eighty-three (56,083) square foot shopping center. Landlord is the successor in interest to Richmarc Partners Phase VI Limited Partnership ("Richmarc") which was the previous owner of the property.
- B. On December 8, 2000, Richmarc, as lessor, entered into a certain *Lease Agreement* (the "Lease") with Jennifer Convertibles, Inc. ("Tenant") for the premises commonly known as 2960 Finley Road, Downers Grove, Illinois, which contains approximately three thousand ninety (3,090) square feet of floor area (the "Premises").
- C. The term of the Lease is for ten (10) years. The Lease Commencement Date was on or about February 1, 2001 and the Lease Termination Date is July 31, 2011. The Lease further grants Tenant the right to renew the Lease for two (2) additional terms of five (5) years each provided that Tenant furnishes written notice to Landlord at least sixty (60) days prior to the end of the Term and the first renewal Term and no tenant default is then existing at the end of the respective lease term.
- D. Due to a downturn in the economy, Tenant has been experiencing certain financial difficulties.
- E. Landlord and Tenant have agreed to modify the Lease in the manner hereinafter set forth.

EXHIBIT

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NOW, THEREFORE, for and in consideration of the covenants herein contained and other good and valuable consideration, the receipt and adequacy of which are confessed and acknowledged by each of the parties hereto, it is agreed as follows:

1. Rent. Paragraphs 6 and 8 of the Lease are hereby modified to reflect that, for the period covering February 1, 2009 through the end of the Lease Term, July 31, 2011, Tenant shall pay Minimum Rent and Adjustments to Landlord as follows:

Period	Total Monthly Rent
02/01/2009 – 07/31/2011	\$5,000.00

Landlord acknowledges payment by Tenant of the amount of \$7,116.50 for the rent which was due on February 1, 2009 and \$6,439.20 for the rent which was due on March 1, 2009. Accordingly, Tenant shall be entitled to a credit of \$3,555.70 against the rent due on April 1, 2009 leaving a balance due and owing to Landlord of \$1,444.30 for the rent due on April 1, 2009. Landlord waives any late fees, interest and legal fees which have accrued in connection with the rent which was due on February 1, 2009 and on March 1, 2009.

In the event of Tenant's default under the Lease and its failure to cure its default in accordance with the terms of the Lease, Landlord, unless it agrees to accept late payment from Tenant, in addition to all other remedies, shall be entitled to recover the entire amount of all Minimum Rent together with estimated Adjustments for the period covering February 1, 2009 through July 31, 2011, as if no reduction in rent had occurred. Landlord also shall be entitled to recover the late fees, interest, attorneys' fees, court costs and other out-of-pocket expenses incurred by it in enforcing Tenant's obligations under the Lease.

2. Late Charges and Interest on Late Payments. The second sentence contained in Paragraph 33 of the Lease is revised to provide as follows:

Tenant, therefore, agrees that if any rent due or other such item due and payable pursuant to this Lease is not paid within thirty (30) days of when due, such amount shall be increased by a late charge in an amount equal to ten percent (10%) of the unpaid Rent.

In all other respects, the remaining terms, covenants and conditions contained in Paragraph 33 of the Lease are hereby ratified and affirmed and shall remain in full force and effect.

3. Notice. The notice provisions contained in Paragraph 36 of the Lease are hereby ratified and affirmed and shall remain in full force and effect except as follows: Notice shall be sent to the parties and their respective attorneys by First-Class U.S. mail, email or facsimile transmission as indicated hereinbelow.

PFF Main Street Chicago LLC
200 Spruce Street, Suite 200
Denver, Colorado 80230
Attention: Mr. Douglas A. Pluss

Copy to: Mark J. Rose, Esq.
Law Offices of Mark J. Rose
200 W. Adams Street, Suite 2850
Chicago, Illinois 60606
MJRoseEsq@aol.com
Tel: 312.704.1446
Fax: 312.704.8233

Jennifer Convertibles, Inc.
417 Crossways Park Drive
Woodbury, NY 11797
Attention: Mr. Edward B. Seidner

Copy to: Owen Wincig, Esq.
The Law Office of Wincig & Wincig
137 Fifth Avenue, 9th Floor
New York, New York 10010
owincig@wincig.com
Tel: 212.575.8333
Fax: 212.575.8525

4. Renewal Option. The provisions of Paragraph 50 of the Lease are stricken. Tenant shall have no option to renew the Lease at the end of the Lease Term.

5. Voluntary Termination by Tenant. Paragraph 51 of the Lease is modified to provide as follows:

Notwithstanding anything to the contrary stated in this Lease, so long as Tenant is not in default under the terms of the Lease, Tenant may voluntarily terminate this Lease at any time (a) by providing at least one hundred eighty (180) days' prior written notice to Landlord of its intention to terminate and (b) immediate payment to Landlord of a termination fee of \$19,570.00. In the event that Tenant exercises this option to voluntarily terminate this Lease, the amount of minimum rent and adjustments due to Landlord during the notice period (which shall not be less than one hundred eighty (180) days) shall revert from \$5,000.00 per month back to \$7,116.50 per month.

6. Headings. Headings contained in this contract are for reference purposes only and shall not affect in any way the meaning or interpretation of this contract.

7. Other Terms of Lease to Remain in Full Force and Effect. Except as expressly modified in this document, all the terms, covenants and conditions of said Lease shall remain in full force and effect, shall be binding on the parties hereto, and are hereby ratified and affirmed.

IN WITNESS WHEREOF, the parties hereto have set their hand and seal the day and year first below written and declare this *Modification to Lease Agreement* to be binding on them, their respective successors and permitted assigns.

Landlord:

Tenant:

PFF MAIN STREET CHICAGO LLC

JENNIFER CONVERTIBLES, INC.

By: 

By: 

Douglas A. Pluss

Edward B. Seidner

Title: Managing Member

Title: Executive Vice President

Date: 5/4/09

Date: April 20, 2009

LANDLORD'S FIVE-DAY NOTICE

TO: Jennifer Convertibles, Inc.
Main Street Square Shopping Center
2960 Finley Road
Downers Grove, Illinois 60515

Jennifer Convertibles, Inc.
c/o Owen Wincig, Esq.
The Law Office of Wincig & Wincig
137 Fifth Ave., 9th Floor
New York, New York 10010

Jennifer Convertibles, Inc.
c/o Ken B. Runnells, Esq.
Kent Runnells, P.A.
101 Main Street, Suite A
Safety Harbor, Florida 34695

Jennifer Convertibles, Inc.
417 Crossways Park Drive
Woodbury, New York 11797

Jennifer Convertibles, Inc.
Attention: Mr. Edward B. Seidner
Executive VP of Real Estate
417 Crossways Park Drive
Woodbury, New York 11797

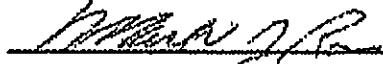
Tenant Jennifer Convertibles, Inc. is hereby notified that there is due Landlord PFF Main Street Chicago LLC from and after February 1, 2009, the sum of FORTY-SEVEN THOUSAND THREE HUNDRED NINETY-SEVEN AND 01/100 plus interest (\$47,397.01 plus interest) being rent, common area maintenance, insurance and real estate taxes, together with abated rent and abated common area maintenance, due under that certain *Lease Agreement* dated December 8, 2000, as thereafter amended from time to time, for the premises located in the County of DuPage and commonly known as Main Street Square Shopping Center, 2960 Finley Road, Downers Grove, Illinois 60515 ("Leased Premises"). An itemization of the amounts owed to Landlord is attached hereto as Exhibit "1."

Tenant is hereby further notified that payment of said sum so due has been and is hereby demanded of it, and that, unless payment thereof is made on or before the expiration of five (5) days after service of this Notice, Tenant's possession of the Leased Premises will be terminated. Miller Frishman Group LLC, 200 Spruce Street, Suite 200, Denver, Colorado 80230, is hereby authorized to receive said rent so due for the Landlord.

Please take notice that only full payment of the rent demanded in this Notice will waive the Landlord's right to terminate the Tenant's possession of the Leased Premises under this Notice, unless the Landlord agrees in writing to permit Tenant to continue in possession of the Leased Premises in exchange for receiving partial payment.

Dated this 14th day of May, 2010.

PFF Main Street Chicago LLC

By: 
Duly authorized agent for Land

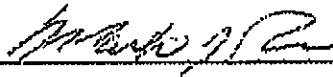
EXHIBIT

v 3"

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

VERIFICATION

I, Mark J. Rose, being first duly sworn, on oath, depose and state that, on the 14th day of May, 2010, I served the attached *Landlord's Five-Day Notice* upon the parties indicated thereon by overnight delivery via FedEx and by First-Class U.S. mail, proper postage prepaid, before 5:00 p.m.



SUBSCRIBED AND SWORN to before
me this 14th day of May, 2010



NOTARY PUBLIC



AMOUNTS OWED TO LANDLORD

Landlord: PFF Main Street Chicago LLC
 Tenant: Jennifer Convertibles, Inc.
 Leased Premises: Main Street Square Shopping Center
 2960 Finley Road
 Downers Grove, Illinois 60515

PAST DUE RENT

April 2010

Base Rent	\$	5,000.00	
Interest through May 14, 2010 (18% per annum)	\$	108.49	
Late Charges	\$	500.00	
	\$	5,608.49	\$ 5,608.49

May 2010

Base Rent	\$	5,000.00	
Interest through May 14, 2010 (18% per annum)	\$	34.52	
	\$	5,034.52	\$ 5,034.52

ABATED RENT DUE BY REASON OF TENANT'S DEFAULT

February 1, 2009 through December 31, 2009

Rent

(\$5,407.50-\$5,000.00=\$407.50)			
\$407.50 x 6 months (02/01-07/31/2009)	\$	2,445.00	
(\$5,665.00-\$5,000.00=\$665.00)			
\$665.00 x 5 months (08-01-12/31/2009)	\$	3,325.00	
CAM	\$	7,843.00	
Insurance	\$	1,584.00	
Taxes	\$	9,372.00	
	\$	24,569.00	\$ 24,569.00

January 1, 2010 through May 31, 2010

Rent	\$	3,325.00	
CAM	\$	3,940.00	
Insurance	\$	620.00	
Taxes	\$	4,300.00	
	\$	12,185.00	\$ 12,185.00
			<u>\$ 47,397.01</u>

Exhibit "1"

From: Origin ID: CHIA (317) 704-1646
MARK J. ROSE
LAW OFFICES OF MARK J. ROSE
200 WEST ADAMS STREET
SUITE 2850
CHICAGO, IL 60606



Ship Date: 14MAY10
ActWgt: 7.9 LB
CNO: 4541183JNET3010

Delivery Address Bar Code



SHIP TO: (212) 575-8333 BILL SENDER
co Owen Wincig, Esq.
Jennifer Convertibles, Inc.
137 5TH AVE, 8th Floor
LAW OFFICES OF WINCIG & WINCIG
NEW YORK, NY 10010

Ref # Jennifer Convertibles
Invoice #
PON
Dept #

TRK# 7986 6626 0856
6221

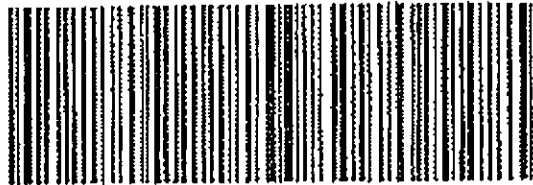
MON - 17 MAY AI
PRIORITY OVERNIGHT

10010

NY-OS

EWR

SB NBPA



POSTNET

Please fold this document in half and place it in the waybill pouch affixed to your shipment so that the barcode portion of the label can be read and scanned.
***WARNING: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

1. Fold the printed page along the horizontal line.

2. Place label in shipping label pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$500, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

LEGAL TERMS AND CONDITIONS OF FEDEX SHIPPING DEFINITIONS. On this Air Waybill, "we", "our", "us", and "FedEx" refer to Federal Express Corporation, its subsidiaries and branches and their respective employees, agents, and independent contractors. The terms "you" and "your" refer to the shipper, its employees, principals and agents. If your shipment originates outside the United States, your contract of carriage is with the FedEx subsidiary, branch or independent contractor who originally accepts the shipment from you. The term "package" means any container or envelope that is accepted by us for delivery, including any such items tendered by you utilizing our automated systems, meters, manifests or waybills. The term "shipment" means all packages which are tendered to and accepted by us on a single Air Waybill. **AIR CARRIAGE NOTICE.** For any international shipments by air, the Warsaw Convention, as amended, may be applicable. The Warsaw Convention, as amended, limits FedEx's liability. For example, the Warsaw Convention's liability limits may vary in each country. There are no specific stopping places which are agreed to and FedEx reserves the right to route the shipment in any way FedEx deems appropriate. **ROAD TRANSPORT NOTICE.** Shipments transported solely by road to or from a country which is a party to the Warsaw Convention or the Contract for the International Carriage of Goods by Road (the "CMR") are subject to the terms and conditions of the CMR, notwithstanding any other provision of this Air Waybill to the contrary. For those shipments transported solely by road, if a conflict arises between the provisions of the CMR and this Air Waybill, the terms of the CMR shall prevail. **LIMITATION OF LIABILITY.** If not governed by the Warsaw Convention, the CMR, or other international treaties, laws, other government regulations, orders, or requirements, FedEx's maximum liability for damage, loss, delay, shortage, misdelivery, nondelivery, misinformation or failure to provide information in connection with your shipment is limited by this Agreement and as set out in the terms and conditions of the contract of carriage. Please refer to the contract of carriage set forth in the applicable FedEx Service Guide or its equivalent to determine the contractual limitation. FedEx does not provide cargo liability or all-risk insurance, but you may pay an additional charge for each additional U.S. \$100 (or equivalent local currency for the country of origin) of declared value for carriage. If a higher value for carriage is declared and the additional charge is paid, FedEx's maximum liability will be the lesser of the declared value for carriage or your actual damages. **LIABILITIES NOT ASSIGNED. IN ANY EVENT, FEDEX WON'T BE LIABLE FOR ANY DAMAGES, WHETHER DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL IN EXCESS OF THE DECLARED VALUE FOR CARRIAGE (INCLUDING BUT NOT LIMITED TO LOSS OF INCOME OR PROFITS) OR THE ACTUAL VALUE OF THE SHIPMENT, IF LOWER, WHETHER OR NOT FEDEX HAD ANY KNOWLEDGE THAT SUCH DAMAGES MIGHT BE INCURRED.** FedEx won't be liable for your acts or omissions, including but not limited to incorrect declaration of cargo, improper or insufficient packaging, securing, marking or addressing of the shipment, or for the acts or omissions of the recipient or anyone else with an interest in the shipment or violations by any party of the terms of this agreement. FedEx won't be liable for damage, loss, delay, shortage, misdelivery, nondelivery, misinformation or failure to provide information in connection with shipments of cash, currency or other prohibited items or in instances beyond our control, such as acts of God, acts of the air, weather conditions, mechanical delays, acts of public enemies, war, strike, civil commotion, or acts or omissions of public authorities (including customs and health officials) with actual or apparent authority. **NO WARRANTY.** We make no warranties, express or implied. **CLAIMS FOR LOSS, DAMAGE OR DELAY. ALL CLAIMS MUST BE MADE IN WRITING AND WITHIN STRICT TIME LIMITS. SEE OUR TARIFF, APPLICABLE FEDEX SERVICE GUIDE, OR STANDARD CONDITIONS OF CARRIAGE FOR DETAILS.** The Warsaw Convention provides specific written claims procedures for damage, delay or non-delivery of your shipment. Moreover, the interpretation and operation of the Warsaw Convention's claims provisions may vary in each country. Refer to the Convention to determine the claims period for your shipment. The right to damages against us shall be extinguished unless an action is brought within two years, as set forth in the Convention. FedEx is not obligated to act on any claim until all transportation charges have been paid. The claim amount may not be deducted from the transportation charges. If the recipient accepts the shipment without noting any damage on the delivery record, FedEx will assume the shipment was delivered in good condition. In order for us to consider a claim for damage, the contents, original shipping carton and packing must be made available to us for inspection. **MANDATORY LAW.** Insofar as any provision contained or referred to in this Air Waybill may be contrary to any applicable international treaties, laws, government regulations, orders or requirements such provisions shall remain in effect as a part of our agreement to the extent that it is not overridden. The invalidity or unenforceability of any provisions shall not affect any other part of this Air Waybill. Unless otherwise indicated, **FEDERAL EXPRESS CORPORATION**, 2005 Corporate Avenue, Memphis, TN 38132, USA is the first party of this shipment. Email address located at www.fedex.com.

From: Orig: CHA (312) 784-1446
MARK J. ROSE
LAW OFFICES OF MARK J. ROSE
789 WEST ADAMS STREET
SUITE 2050
CHICAGO, IL 60606



Ship Date: 14/MAY/10
ActWgt: 1.0 LB
CAD: 45411634NET3010

Delivery Address Bar Code



Ref # Jennifer Convertibles
Invoice #
PO #
Dept #

SHIP TO: (516) 496-1900 BILL SENDER
co Mr. Edward B. Seidner
Jennifer Convertibles, Inc.
417 Crossways Park Drive

Woodbury, NY 11791

TRK# 7935 4423 1081
(0201)

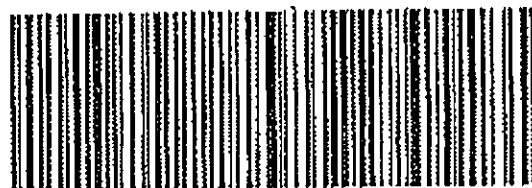
MON - 17 MAY A4
PRIORITY OVERNIGHT

11791

NY-US

JFK

ST DPKA



012000100000

Please fold this document in half and place it in the waybill pouch attached to your shipment so that the barcode portion of the label can be read and scanned.
WARNING: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

1. Fold the printed page along the horizontal line.

2. Place label in shipping label pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

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The Warsaw Convention, as amended, will then govern and in most cases limit FedEx's liability for loss, delay of, or damage to your shipment. The Warsaw Convention, as amended, declares as described below and you pay in the U.S. liability is limited to \$9.07 per pound (20g per kilogram), unless a higher value for carriage is declared as described below and you pay any applicable supplementary charges. The interpretation and operation of the Warsaw Convention's liability limits may vary in each country. There are no specific stopping places which are agreed to and FedEx reserves the right to route the shipment in any way FedEx deems appropriate. **ROAD TRANSPORT NOTICE.** Shipments transported solely by road to or from a country which is a party to the Warsaw Convention or the Contract for the International Carriage of Goods by Road (the "CMR") are subject to the terms and conditions of the CMR, notwithstanding any other provision of this Air Waybill to the contrary. For those shipments transported solely by road, if a conflict arises between the provisions of the CMR and this Air Waybill, the terms of the CMR shall prevail. **LIABILITY.** If not governed by the Warsaw Convention, the CMR, or other international treaties, laws, other government regulations, orders, or requirements, FedEx's maximum liability for damage, loss, delay, shortage, misdelivery, non-delivery, misinformation or failure to provide information in connection with your shipment is limited by this Agreement and as set out in the terms and conditions of the contract of carriage. Please refer to the contract of carriage set forth in the applicable FedEx Service Guide or its equivalent to determine the limitation. FedEx does not provide cargo liability or all-risk insurance, but you may pay an additional charge for each additional U.S. \$100 of declared value (or equivalent local currency for the country of origin) of declared value for carriage. If a higher value for carriage is declared and the additional charge is paid, FedEx's maximum liability will be the lesser of the declared value for carriage or your actual damages. **LIABILITIES NOT AS SUMED.** IN ANY EVENT, FEDEX WON'T BE LIABLE FOR ANY DAMAGES, WHETHER DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL IN EXCESS OF THE DECLARED VALUE FOR CARRIAGE (INCLUDING BUT NOT LIMITED TO LOSS OF INCOME OR PROFITS) OR THE ACTUAL VALUE OF THE SHIPMENT, IF LOWER, WHETHER OR NOT FEDEX HAD ANY KNOWLEDGE THAT SUCH DAMAGES MIGHT BE INCURRED. FedEx won't be liable for your acts or omissions, including but not limited to incorrect declaration of cargo, improper or insufficient packaging, securing, marking or addressing of the shipment, or for the acts or omissions of the recipient or anyone else with an interest in the shipment or violations by any party of the terms of this Agreement. FedEx won't be liable for damage, loss, delay, shortage, misdelivery, non-delivery, misinformation or failure to provide information in connection with shipments of cash, currency or other prohibited items or in instances beyond our control, such as acts of God, perils of the air, weather conditions, mechanical delays, acts of public authority, war, strike, civil commotion, or acts or omissions of public authorities (including customs and health officials) with actual or apparent authority. **NO WARRANTY.** We make no warranties, express or implied. **CLAIMS FOR LOSS, DAMAGE OR DELAY.** ALL CLAIMS MUST BE MADE IN WRITING AND WITHIN STRICT TIME LIMITS. SEE OUR TARIFF, APPLICABLE FEDEX SERVICE GUIDE, OR STANDARD CONDITIONS OF CARRIAGE FOR DETAILS. The Warsaw Convention provides specific written claims procedures for damage, delay or non-delivery of your shipment. Moreover, the interpretation and operation of the Warsaw Convention's claims provisions may vary in each country. Refer to the Convention to determine the claims period for your shipment. The right to damages against us shall be extinguished unless an action is brought within two years, as set forth in the Convention. FedEx is not obligated to pay on any claim until all transportation charges have been paid. The claim amount may not be deducted from the transportation charges. If the recipient accepts the shipment without noting any damage on the delivery record, FedEx will assume the shipment was delivered in good condition. In order for us to consider a claim for damage, the contents, original shipping carton and packing must be made available to us for inspection. **MANDATORY LAW.** Insofar as any provision contained or referred to in this Air Waybill may be contrary to any applicable international treaties, laws, government regulations, orders or requirements, such provisions shall remain in effect as a part of our agreement to the extent that it is not overridden. The invalidity or unenforceability of any provisions shall not affect any other part of this Air Waybill. Unless otherwise indicated, **FEDERAL EXPRESS CORPORATION**, 2000 Corporate Avenue, Memphis, TN 38132, USA is the first carrier of this shipment. Email address located at www.fedex.com.

From: Origin: CHK (312) 704-1440
MARK J. ROSE
LAW OFFICES OF MARK J. ROSE
200 WEST ADAMS STREET
SUITE 2850
CHICAGO, IL 60656



Ship Date: 14MAY10
Acct No: 101B
CAD: 45411634/NET3010

Delivery Address Bar Code



Ref # Plus
Invoice #
PO #
Dept #

SHIP TO: (630) 620-0110 BILL BENDER
Jennifer Convertibles, Inc.
Jennifer Convertibles, Inc.
2980 FINLEY RD
MAIN STREET SQUARE SHOPPING CENTER
DOWNERS GROVE, IL 60515

TRK# 7935 4423 1254
(0201)

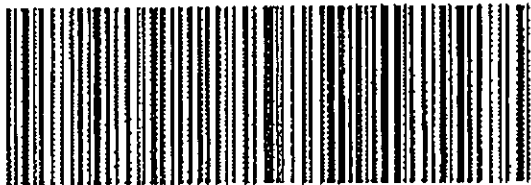
MON - 17 MAY A1
PRIORITY OVERNIGHT

60515

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ORD

79 ENLA



44111634/NET3010

Please fold this document in half and place it in the waybill pouch added to your shipment so that the barcode portion of the label can be read and scanned.

***WARNING: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

1. Fold the printed page along the horizontal line.

2. Pinch label in shipping label pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

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For those shipments transported solely by road, if a conflict arises between the provisions of the CMR and this Air Waybill, the terms of the CMR shall prevail. **LIMITATION OF LIABILITY.** If not governed by the Warsaw Convention, the CMR, or other international treaties, laws, other government regulations, orders, or requirements, FedEx's maximum liability for damage, loss, delay, shortage, misdelivery, non-delivery, misinformation or failure to provide information in connection with your shipment is limited by this Agreement and as set out in the terms and conditions of the contract of carriage. Please refer to the contract of carriage set forth in the applicable FedEx Service Guide or its equivalent to determine the contractual limitation. FedEx does not provide cargo liability or all-risk insurance, but you may pay an additional charge for each additional U.S. \$100 (or equivalent local currency for the country of origin) of declared value for carriage. If a higher value for carriage is declared and the additional charge is paid, FedEx's maximum liability will be the lesser of the declared value for carriage or your actual damages. **LIABILITIES NOT ASSUMED.** IN ANY EVENT, FEDEX WON'T BE LIABLE FOR ANY DAMAGES, WHETHER DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL IN EXCESS OF THE DECLARED VALUE FOR CARRIAGE (INCLUDING BUT NOT LIMITED TO LOSS OF INCOME OR PROFITS) OR THE ACTUAL VALUE OF THE SHIPMENT, IF LOWER, WHETHER OR NOT FEDEX HAD ANY KNOWLEDGE THAT SUCH DAMAGES MIGHT BE INCURRED. FedEx won't be liable for your acts or omissions, including but not limited to incorrect declaration of cargo, improper or insufficient packaging, securing, marking or addressing of the shipment, or for the acts or omissions of the recipient or anyone else with an interest in the shipment or violations by any party of the terms of this agreement. 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The invalidity or unenforceability of any provisions shall not affect any other part of this Air Waybill. Unless otherwise indicated, **FEDERAL EXPRESS CORPORATION**, 2005 Corporate Avenue, Memphis, TN 38192, USA, is the first owner of this shipment. Email address located at www.fedex.com.

From: Origin ID: CHA (312) 704-1446
MARK J. ROSE
LAW OFFICES OF MARK J. ROSE
200 WEST ADAMS STREET
SUITE 2850
CHICAGO, IL 60606



Ship Date: 16/MAY/10
ArtWgt: 1.0 LB
CAD: 4541463/NET3010

Delivery Address Bar Code



Ref # Plus
Invoice #
PO #
Dept #

BHP TO: (127) 726-2728 BILL SENDER
co Kent B. Runnells, Esq.
Jennifer Convertibles, Inc.
101 MAIN ST STE A
KENT RUNNELLS, P.A.
SAFETY HARBOR, FL 34695

TRK#
(R201) 7986 6626 1120

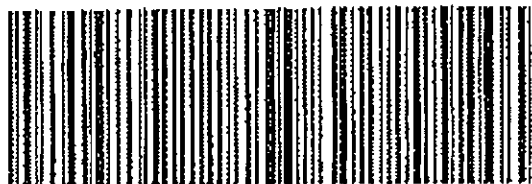
MON - 17 MAY A2
PRIORITY OVERNIGHT

34695

FL-05

TEA

SC CLWA



06/28/2010

Please fold this document in half and place it in the waybill pouch affixed to your shipment so that the barcode portion of the label can be read and scanned.
***WARNING: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

1. Fold the printed page along the horizontal line.

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FedEx will be liable for damage, loss, delay, shortage, misdelivery, non-delivery, misinformation or failure to provide information in connection with shipments of cash, currency or other prohibited items or in instances beyond our control, such as acts of God, perils of the air, weather conditions, mechanical delays, acts of public enemies, war, strike, civil commotion, or acts or omissions of public authorities (including customs and health officials) with actual or apparent authority. **NO WARRANTY.** We make no warranties, express or implied. **CLAIMS FOR LOSS, DAMAGE OR DELAY.** ALL CLAIMS MUST BE MADE IN WRITING AND WITHIN STRICT TIME LIMITS. SEE OUR TARIFF, APPLICABLE FEDEX SERVICE GUIDE, OR STANDARD CONDITIONS OF CARRIAGE FOR DETAILS. The Warsaw Convention provides specific written claims procedures for damage, delay or non-delivery of your shipment. Moreover, the interpretation and operation of the Warsaw Convention's claims provisions may vary in each country. 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From: Origin ID: CH4A (312) 706-1446
MARK J. ROSE
LAW OFFICES OF MARK J. ROSE
200 WEST ADAMS STREET
SUITE 2850
CHICAGO, IL 60606



Ship Date: 14MAY10
Acct No: 1018
CAD: 45411034/NET3010

Delivery Address Bar Code



Ref # Place
Invoice #
PO #
Dept #

SHIP TO: (630) 620-9110 BILL SENDER

Jennifer Convertibles, Inc.
Jennifer Convertibles, Inc.
417 Crossways Park Drive

Woodbury, NY 11797

TRK# 7935 4423 1405
(020)

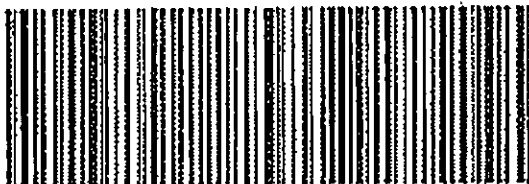
MON - 17 MAY A4
PRIORITY OVERNIGHT

11797

NY-US

JFK

ST DPKA



Import/Export

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1. Fold the printed page along the horizontal line.

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Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$500, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

LEGAL TERMS AND CONDITIONS OF FEDEX SHIPPING DEFINITIONS. On this Air Waybill, "we", "our", "us", and "FedEx" refer to Federal Express Corporation, its subsidiaries and branches and their respective employees, agents, and independent contractors. The terms "you" and "your" refer to the shipper, its employees, principals and agents. If your shipment originates outside the United States, your contract of carriage is with the FedEx subsidiary, branch or independent contractor who originally accepts the shipment from you. The term "package" means any container or envelope that is accepted by us for delivery, including any such items tendered by you utilizing our automated systems, manifest, manifests or waybills. The term "shipment" means all packages which are tendered to and accepted by us on a single Air Waybill. **AIR CARRIAGE NOTICE.** For any international shipments by air, the Warsaw Convention, as amended, may be applicable. The Warsaw Convention, as amended, limits FedEx's liability. For example, in the U.S., liability is limited to \$9.07 per pound (20\$ per kilogram), unless a higher value for carriage is declared as described below and you pay any applicable supplementary charges. The interpretation and operation of the Warsaw Convention's liability limits may vary in each country. There are no specific stopping places which are agreed to and FedEx reserves the right to route the shipment in any way FedEx deems appropriate. **ROAD TRANSPORT NOTICE.** Shipments transported solely by road to or from a country which is a party to the Warsaw Convention or the Contract for the International Carriage of Goods by Road (the "CMR") are subject to the terms and conditions of the CMR, notwithstanding any other provision of this Air Waybill to the contrary. For those shipments transported solely by road, if a conflict arises between the provisions of the CMR and this Air Waybill, the terms of the CMR shall prevail. **LIMITATION OF LIABILITY.** If not governed by the Warsaw Convention, the CMR, or other international treaties, laws, other government regulations, orders, or requirements, FedEx's maximum liability for damage, loss, delay, shortage, misdelivery, non-delivery, misinformation or failure to provide information in connection with your shipment is limited by this Agreement and is set out in the terms and conditions of the contract of carriage. Please refer to the contract of carriage set forth in the applicable FedEx Service Guide or its equivalent to determine the contractual limitation. FedEx does not provide cargo liability or all-risk insurance, but you may pay an additional charge for such additional U.S. \$100 (or equivalent local currency for the country of origin) of declared value for carriage. If a higher value for carriage is declared and the additional charge is paid, FedEx's maximum liability will be the lesser of the declared value for carriage or your actual damages. **LIABILITIES NOT ASSUMED. IN ANY EVENT, FEDEX WON'T BE LIABLE FOR ANY DAMAGES, WHETHER DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL, IN EXCESS OF THE DECLARED VALUE FOR CARRIAGE (INCLUDING BUT NOT LIMITED TO LOSS OF INCOME OR PROFITS) OR THE ACTUAL VALUE OF THE SHIPMENT, IF LOWER, WHETHER OR NOT FEDEX HAD ANY KNOWLEDGE THAT SUCH DAMAGES MIGHT BE INCURRED.** FedEx won't be liable for your acts or omissions, including but not limited to incorrect declaration of cargo, improper or insufficient packaging, securing, marking or addressing of the shipment, or for the acts or omissions of the recipient or anyone else with an interest in the shipment or violations by any party of the terms of this agreement. FedEx won't be liable for damage, loss, delay, shortage, misdelivery, non-delivery, misinformation or failure to provide information in connection with shipments of cash, currency or other prohibited items or in instances beyond our control, such as acts of God, perils of the air, weather conditions, mechanical delays, acts of public enemies, war, strikes, civil commotion, or acts or omissions of public authorities including customs and health officials with actual or apparent authority. **NO WARRANTY.** We make no warranties, express or implied. **CLAIMS FOR LOSS, DAMAGE OR DELAY. ALL CLAIMS MUST BE MADE IN WRITING AND WITHIN STRICT TIME LIMITS. SEE OUR TARIFF, APPLICABLE FEDEX SERVICE GUIDE, OR STANDARD CONDITIONS OF CARRIAGE FOR DETAILS.** The Warsaw Convention provides specific written claims procedures for damage, delay or non-delivery of your shipment. Moreover, the interpretation and operation of the Warsaw Convention's claims provisions may vary in each country. Refer to the Convention to determine the claims period for your shipment. The right to damages against us shall be extinguished unless an action is brought within two years, as set forth in the Convention. FedEx is not obligated to act on any claim until all transportation charges have been paid. The claim amount may not be deducted from the transportation charges. If the recipient accepts the shipment without noting any damage on the delivery record, FedEx will assume the shipment was delivered in good condition. In order for us to consider a claim for damage, the contents, original shipping carton and packing must be made available to us for inspection. **MANDATORY LAW.** Insofar as any provision contained or referred to in this Air Waybill may be contrary to any applicable international treaties, laws, government regulations, orders or requirements such provisions shall remain in effect as a part of our agreement to the extent that it is not overridden. The invalidity or unenforceability of any provisions shall not affect any other part of this Air Waybill. Unless otherwise indicated, **FEDERAL EXPRESS CORPORATION, 2006 Corporate Avenue, Memphis, TN 38132, USA** is the first carrier of this shipment. Email address located at www.fedex.com.

PFF Main Street Chicago, LLC

2008 CAM RECONCILIATION INVOICE

Property Address: PFF Main Street Chicago, LLC
Tenant Name: Jennifer Convertibles
Space Number: 2950
Invoice Date: February 18, 2009

2008 CAM Reconciliation Expenses

Total Recoverable Expense for Current Year	\$152,910.46
Tenant Share	.0550410
Total Amount Due for 2008	\$8,416.34
Occupancy Percentage for Year	100%
Total Amount Due	\$8,416.34
Prior Estimates Billed	(\$9,252.00)
Total Reconciliation	(\$835.66)

2008 Insurance Expense

Total Recoverable Expense for Current Year	\$18,059.58
Tenant Share	.0550410
Total Amount Due for 2008	\$994.02
Prior Estimates Billed	\$.00
Total Reconciliation	\$994.02
Total Due CAM and Insurance	\$158.36

Please Make Check Payable To: PFF Main Street Chicago, LLC
c/o Miller Frishman Group LLC
200 Spruce Street, Suite 200
Denver, CO 80230

EXHIBIT

"4"

In Re: Jennifer Convertibles, Inc., Debtor
United States Bankruptcy Court for the Southern District of New York
Chapter 11 Bankruptcy Case No. 10-13779-ALG

Creditor: PFF Main Street Chicago, LLC

EXHIBIT "C" TO PROOF OF CLAIM OF PFF MAIN STREET CHICAGO, LLC

Itemization of legal services rendered on behalf of PFF Main Street Chicago LLC for the period covering April 1, 2010 through June 19, 2010 in the following matter: *PFF Main Street Chicago LLC v. Jennifer Convertibles, Inc., Circuit Court of DuPage County, Illinois, Case No. 2009 LM 727/Lease Agreement for Mainstreet Square Shopping Center, 2960 Finley Road, Downers Grove, Illinois*

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
04/26/10	Telephonic conference with Sharon Johnson	.2
05/04/10	Review of <i>Lease</i> and of <i>Modification to Lease</i> ; telephonic conferences with Douglas A. Pluss and with Sharon Johnson	.7
05/05/10	Review of <i>Lease</i> ; preparation of written demand for payment to Jennifer Convertibles, Inc. and to Attorney Owen Wincig (counsel for Jennifer Convertibles, Inc.) demanding payment; preparation of electronic mail to Douglas A. Pluss and to Sharon Johnson transmitting same for review; telephonic conference with Douglas A. Pluss	1.1
05/06/10	Preparation of electronic mail to Douglas A. Pluss and to Sharon Johnson transmitting final draft of demand letter sent to Jennifer Convertibles, Inc. and to Attorney Owen Wincig	.1
05/11/10	Telephonic conference with Douglas A. Pluss	.8
05/13/10	Telephonic conference with Douglas A. Pluss; preparation of <i>Landlord's Five-Day Notice</i> and Certification of Service; preparation of electronic mail to Douglas A. Pluss and to Sharon Johnson transmitting same	1.0
05/14/10	Revision of <i>Landlord's Five-Day Notice</i> and Exhibit "1" based on revised figures from Sharon Johnson; preparation of electronic mail to Douglas A. Pluss and to Sharon Johnson transmitting same	.4
05/17/10	Telephonic conference with Douglas A. Pluss; preparation of <i>Forbearance Agreement</i>	1.6
05/19/10	Telephonic conference with Douglas A. Pluss	.8
06/02/10	Telephonic conference with Douglas A. Pluss	.2
06/18/10	Telephonic conference with Douglas A. Pluss; preparation of electronic mail to Sharon Johnson	.4
		<hr/> 7.3
7.3 hours at \$280.00/hour		<u>\$ 2,044.00</u>

LAW OFFICES OF
MARK J. ROSE
200 WEST ADAMS STREET-SUITE 2850
CHICAGO, ILLINOIS 60606

TELEPHONE (312) 704-1446

FACSIMILE (312) 704-8233

E-mail: MJRoseEsq@aol.com

October 5, 2010

BMC Group Inc
Attention: Jennifer Convertibles Claims Processing
PO Box 3020
Chanhassen, Minnesota 55317-3020

Re: *In re: Jennifer Convertibles, Inc., United States Bankruptcy Court for the
Southern District of New York, Chapter 11 Bankruptcy Case No. 10-13779-ALG*
Creditor: *PFF Main Street Chicago LLC*
Leased Premises: *Mainstreet Square Shopping Center
2960 Finley Road
Downers Grove, Illinois*

Dear Sir or Madame:

I represent PFF Main Street Chicago LLC, a creditor of Jennifer Convertibles, Inc. Enclosed please find one original and one photocopy of a Proof of Claim with supporting documentation which has been prepared on behalf of PFF Main Street Chicago LLC for filing in the above-referenced bankruptcy case.

Kindly return the enclosed photocopy to me once the Proof of Claim has been filed with the United States Bankruptcy Court for the Southern District of New York. A self-addressed, stamped envelope also is enclosed.

If you have any questions or comments, please give me a call.

Yours very truly,



MARK J. ROSE

MJR/ams
enclosure
cc: Mr. Douglas A. Pluss
Ms. Sharon S. Johnson, CPM