


<b>UNITED STATES BANKRUPTCY COURT</b> SOUTHERN DISTRICT OF NEW YORK		<b>PROOF OF CLAIM</b>
Name of Debtor: Jennifer Convertibles, Inc.		Case Number: 10-13779
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): Jennifer Convertibles, Inc.  Name and address where notices should be sent: Crown Credit Company Attn: Rodney J. Hinders 102 S. Washington St New Bremen, OH 45869 Telephone number: 419-629-2220		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.  Court Claim Number: _____ (If known)  Filed on: _____
Name and address where payment should be sent (if different from above):   Telephone number: _____		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.  <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
1. Amount of Claim as of Date Case Filed: \$ 14,000.00  If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.  If all or part of your claim is entitled to priority, complete item 5.  <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.  Specify the priority of the claim.  <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).  <input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4).  <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5).  <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7).  <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).  <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507 (a)( ).  Amount entitled to priority: \$ _____  *Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.
2. Basis for Claim: <u>leased lift trucks, batteries, chargers</u> (See instruction #2 on reverse side.)		
3. Last four digits of any number by which creditor identifies debtor: _____  3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)		
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.  Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input checked="" type="checkbox"/> Other leased equipment Describe:  Value of Property: \$ 14,000.00 Annual Interest Rate _____ %  Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: UCC-1  Amount of Secured Claim: \$ 14,000.00 Amount Unsecured: \$ _____		
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.		
7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.)  DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.  If the documents are not available, please explain:		
Date: 10/21/2010	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.  Robert G. Hanseman, Attorney & Agent 	
		FOR COURT USE ONLY Jennifer Convertibles  00268

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.

Jennifer Convertibles, Inc.

<u>Lease Schedule No.</u>	<u>Unit Description</u>	<u>Fair Market Value</u>
35647/40042689	2 Crown, 15SP48TT-360, sn: 1a300844, 1a300845 2 Deka Batteries, 12-125-15, sn: 2885BP, 2886BP 2 Ametek Chargers, 880M1-12, sn: 106CS35695, 106CS35696	\$7,000
35813/40042929	1 Crown, 15SP48TT-360, sn: 1a300785 1 Deka Battery, 12-125-15, sn: 2884BP 1 Ametek Charger, 880M1-12, sn: 106CS38516	\$3,500
36431/40043686	1 Crown, 15SP48TT-360, sn: 1a303409 1 Deka Battery, 12-125-15, sn: 1310DP 1 Ametek Charger, 880M1-12, sn: 206CS39617	\$3,500
		\$14,000

# CROWN Credit Company

New Bremen, Ohio 45869 USA  
Phone: 419/629-2311  
Fax: 419/629-9224

## Master Lease Agreement

THIS AGREEMENT is being made, effective as of the 28th day of August, 2000, by and between CROWN CREDIT COMPANY, with offices at the address set forth above ("Lessor"), and Jennifer Convertibles Inc., a Corporation with offices at 340 Mill Road, Edison, NJ 08817 ("Lessee").

\*Any amendments or modifications of this Agreement must be in writing and signed by Lessee and Lessor to be binding. (Lessee's initials) AF

### SECTION 1. LEASING OF UNITS.

1.01 From time to time during the term of this Agreement, Lessee may, subject to agreement by Lessor, lease units of material handling equipment and related equipment ("Units") from Lessor.

1.02 A Unit shall become subject to this Agreement upon the parties' execution of a Lease Schedule (a "Schedule") therefor. Each Schedule shall be deemed to incorporate all of the terms and conditions of this Agreement and shall contain such additional terms and conditions as may be mutually agreed by Lessor and Lessee.

1.03 Concurrently with delivery of each Unit, Lessee shall execute and deliver to Lessor a notice of delivery form indicating the date of delivery. The term of the lease for each Unit shall begin on the date of delivery thereof as indicated on the applicable notice of delivery form and shall continue for the period stated in the Schedule covering such Unit.

### SECTION 2. TERMS OF PAYMENT; TAXES.

2.01 Lessee shall pay to Lessor the rent ("Rental Charge") for each Unit set forth in the applicable Schedule, such Rental Charge to be payable beginning on the date, and at the intervals during the term of the lease of the Unit, provided in such Schedule.

2.02 Lessor shall equip each Unit with a meter for recording the number of hours of its operation. Lessor may, from time to time, in its discretion, read or cause such meters to be read in order to determine whether any Excess Usage Charges (as defined in the Schedule applicable thereto) are payable by Lessee. Should any meter on any Unit break or fail to function so that an accurate reading of the actual hours of usage is not possible, Lessee shall pay Excess Usage Charges as reasonably computed by Lessor on the basis of Lessee's previous usage of the Unit and such other factors and information relating to the use of the Unit as Lessor may have available to it.

2.03 Lessor shall invoice Lessee on a periodic basis for any Excess Usage Charges and any other amounts payable by Lessee under this Agreement, and Lessee shall remit payment of the same to Lessor within 30 days after the date of Lessor's invoice.

2.04 Rental Charges shall be paid by Lessee by automatic debit from the bank account specified by Lessee or by any other means so as to constitute immediately available funds. If not paid by automatic debit, all charges payable by Lessee under this Agreement or any Schedule shall be sent to Lessee at the address indicated on the invoice relating thereto.

2.05 Interest shall accrue on amounts payable and past due under this Agreement or any Schedule from the date any such amount is due until the date of payment at a rate equal to fifteen percent (15%) per annum or at the then highest allowable interest rate per annum under the law of the state in which the Lessee's principal office is located, whichever is less.

2.06 All charges set forth herein are exclusive of any sales, use, recording, personal property, or other taxes applicable to or arising in connection with the leasing of the Units hereunder. All such taxes, other than taxes based upon the net income of Lessor, shall be the responsibility of Lessee and shall be paid to Lessor when invoiced.

2.07 Lessor shall prepare and file all personal property and other such tax reports or returns relating to the Units. Lessee shall promptly provide Lessor with all necessary information or assistance to enable Lessor to file such reports or returns in a timely manner and shall, when invoiced, pay Lessor a reasonable service charge related thereto.

### SECTION 3. DELIVERY; OWNERSHIP; LIENS.

3.01 Unless otherwise indicated in the applicable Schedule, all Units will be shipped F.O.B. shipping point and Lessee shall bear all transportation and insurance charges to the location specified in the Schedule. Lessee assumes all risk of loss or damage to the Units after they are delivered to the carrier at the shipping point.

3.02 Ownership of any Unit covered hereby shall remain in Lessor, and Lessee shall not, by means of this Agreement or any Schedule, acquire any interest in any Unit other than that of a lessee. Lessee hereby grants its power of attorney to Lessor to execute, on Lessee's behalf, all financing and continuation statements and other documents which Lessor deems necessary or advisable in order to record and secure Lessor's ownership of and interest in the Units. In addition, if so requested by Lessor, Lessee shall itself execute all such statements and documents and deliver the same to Lessor.

3.03 Lessee shall not permit any liens, charges, or encumbrances to be placed upon any Unit. Notice of any such lien, charge or encumbrance shall be forwarded to Lessor immediately upon receipt by Lessee.

3.04 Upon Lessor's request, Lessee shall cause the Units to be plainly, permanently, and conspicuously marked to indicate Lessor's interest in the Units. Lessee shall promptly replace any such markings which may be removed or destroyed or become illegible and shall keep all Units free from any marking or labeling which could be interpreted as a claim of ownership thereof by Lessee or anyone other than Lessor.

### SECTION 4. WARRANTY AND LIMITATION OF LIABILITY.

4.01 Lessee acknowledges that Lessor is not the manufacturer of any Unit or the manufacturer's agent; that each Unit is of a size, design, capacity, description, and manufacture selected by Lessee; and that Lessee is satisfied that each Unit is suitable and fit for its purposes. The only warranty made in connection with any Unit shall be the standard warranty, if any, of the manufacturer of such Unit which is in effect on the date of execution of the Schedule covering such Unit. As the lessor of the Units, LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WHETHER OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR

PURPOSE OR OTHERWISE, WITH RESPECT TO THE UNITS OR ANY PARTS OR LABOR FURNISHED DURING ANY SERVICING OF THE UNITS. Lessor does not intend, and shall not be deemed, to adopt as its own any warranty given by any manufacturer. For so long as no default by Lessee under this Agreement or any Schedule shall have occurred and be continuing (i) Lessor assigns to Lessee all rights of Lessor under any warranties given by the manufacturer of each Unit, to the extent that such warranties are assignable by Lessor; and (ii) Lessor shall, at Lessee's expense, cooperate with and assist Lessee in obtaining the benefits of any warranties given by the manufacturer of any Unit. Lessee agrees that its rights under or as a beneficiary of any such warranties shall be subject to the terms of Lessor's supply contracts with the manufacturers.

4.02 Lessee agrees that Lessor SHALL NOT BE LIABLE to Lessee for (i) any defect in any Unit, (ii) any liability, claim, loss, damage, or expense of any kind arising out of or in any way related to Lessee's possession, use or operation of any Unit, (iii) any delay in providing any Unit, or (iv) any SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, howsoever caused.

4.03 Lessee shall defend and hold Lessor harmless from and against any and all of the following (whether actual or alleged), unless directly caused by Lessor's gross negligence, willful misconduct, or failure to perform its obligations under this Agreement: all damages, claims, suits, proceedings, liens, penalties, liabilities, and expenses (including attorneys' fees) arising out of or in any manner related to Lessee's possession, use or operation of any Unit.

### SECTION 5. USE, CARE, AND RETURN OF UNITS.

5.01 Lessee agrees to comply with all applicable federal, state, or local laws, regulations, or orders affecting the possession or use of any Unit by Lessee; to operate each Unit within its rated capacity and in accordance with any instructions provided by Lessor or the manufacturer of the Unit; to restrict operation of each Unit to safe, careful, competent and trained personnel selected and controlled by Lessee; to properly store each Unit; to immediately notify Lessor of any malfunction of the hour meter on any Unit; not to permit any party other than Lessor to service, repair, or otherwise tamper with the hour meter on any Unit; and not to remove any Unit from the location specified in the applicable Schedule without Lessor's prior consent (which shall not be unreasonably withheld).

5.02 Lessee shall not affix or install upon any Unit any accessory, attachment or other device or make any modifications or alterations to any Unit without the prior written consent of Lessor (which shall not be unreasonably withheld). Lessee hereby releases and agrees to indemnify Lessor from and against all responsibility or liability (including liability for any violation of federal, state, or local laws, rules or regulations) arising out of, in connection with, or in any way related to the installation or use of such devices on any Unit or the modification or alteration of any Unit.

5.03 In order to ascertain whether Lessee is fulfilling its obligations hereunder, Lessor shall have the right to inspect any Units from time to time without advance notice to Lessee.

5.04 Within three business days after the date of expiration or termination of the term of any lease of any Unit, Lessee shall return such Unit, at Lessee's cost and risk, to Lessor, in care of the authorized dealer for Lessor's parent corporation, Crown Equipment Corporation ("Crown"), which is closest to the location of the Unit, or to such other location as Lessor and Lessee shall mutually agree.

### SECTION 6. INSURANCE; DAMAGE; LOSS OR DESTRUCTION.

6.01 Until each Unit is returned to Lessor as provided in this Agreement, Lessee relieves Lessor from, and Lessee shall bear, responsibility for all risk of damage to or loss or destruction of the Unit, howsoever caused.

6.02 Lessee shall, at its cost, provide all risk insurance for each Unit in an amount at least equal to the replacement cost thereof and maintain with respect to each Unit (and any temporary Units furnished by Lessor) adequate comprehensive general liability insurance (minimum limits: \$2,000,000.00 combined single limit) against any bodily injury and property damage arising out of or in any manner related to Lessee's possession, use or operation of the Unit. All such insurance shall name Lessor and Crown as additional insureds, shall contain an endorsement providing that such insurance shall be primary insurance and shall provide that Lessor shall receive thirty days prior notice of cancellation, nonrenewal, advance of any retrospective date, or aggregate erosion. Lessee shall furnish to Lessor, on or before the date of delivery of the Unit to Lessee, certificates evidencing such insurance. Lessee shall be liable for any amounts which are within the deductibles or which exceed the limits of the above-described insurance.

### PROVISIONS CONTINUED ON REVERSE.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

CROWN CREDIT COMPANY (LESSOR)

By Jennifer Convertibles Inc.

By [Signature] (LESSEE)

\*Note: Lessee must also initial in box above.

6.03 Lessee shall notify Lessor of any major damage to, and the need for any major repair of, any Unit. Lessee shall not perform or engage any party to perform any such repairs on any Unit unless Lessee or the party so engaged has been first authorized by Lessor to perform the same.

6.04 If any Unit becomes lost, stolen, destroyed, irreparably damaged, confiscated, or requisitioned (a "Loss"), Lessee shall promptly notify Lessor thereof in writing. Provided that Lessee is not then in default under this Agreement or the applicable Schedule, Lessee shall, at its option, either (i) request that Lessor provide to Lessee, at Lessee's cost, a replacement Unit for the Unit affected by the Loss, the performance specifications, features, and useful life of the replacement Unit being at least equal to those of the Unit being replaced; or (ii) pay the applicable Termination Amount (as hereinafter defined) to Lessor, whereupon the lease of the Unit affected by the Loss shall terminate and all right, title, and interest of Lessor therein shall vest in Lessee. If a Loss occurs while Lessee is in default under this Agreement or the applicable Schedule, Lessee's obligation shall be as set forth in (ii) above. Any insurance proceeds payable with respect to the Loss shall be applied to reduce amounts otherwise payable by Lessee with respect to the replacement Unit or the Termination Amount, as the case may be.

6.05 For purposes of this Agreement, the applicable "Termination Amount" shall be an amount equal to the sum of (i) all unpaid Rental Charges and other amounts payable to Lessor under this Agreement or the applicable Schedule with respect to the affected Unit accruing or for any period prior to the date of the Loss; (ii) the present value of all remaining Rental Charges payable with respect to the affected Unit for the remainder of the term of its lease under the Schedule applicable thereto, discounted at a rate of six percent (6%) per annum; and (iii) the present value of the Residual Value of the affected Unit (as hereinafter defined), discounted at a rate of six percent (6%) per annum. "Residual Value" of an affected Unit means the value of the Unit at the expiration of the term of its lease hereunder, as estimated by Lessor at the time the Schedule covering such Unit was executed.

#### SECTION 7. MAINTENANCE.

7.01 Other than as set forth in the applicable Schedule, Lessor shall have no obligation to maintain or service any Unit.

7.02 Lessee shall have sole and complete responsibility for the performance of its maintenance responsibilities with respect to each Unit, as specified in the Schedule covering such Unit. Lessee shall cause such responsibilities to be undertaken on a timely, workmanlike basis by qualified personnel. If any inspection by Lessor reveals that Lessee has neglected any of its responsibilities, Lessor shall so notify Lessee and Lessee shall promptly cause the same to be undertaken. Should Lessee fail to undertake such responsibilities promptly and to complete the same within a reasonable time, Lessor may, in addition to any other rights or remedies available to Lessor, perform such responsibilities or cause the same to be performed and invoice Lessee for the cost thereof.

7.03 All maintenance which Lessor is required to perform under the terms of any Schedule shall be performed during Lessor's regular working hours. Should Lessee request Lessor to perform maintenance at times other than Lessor's regular working hours, Lessee shall pay to Lessor, in addition to the applicable Rental Charges, all then applicable overtime charges for each hour of work by Lessor's personnel other than during regular working hours.

7.04 To enable Lessor to provide any maintenance which Lessor is required to perform under the terms of any applicable Schedule, Lessee shall make the Units available to Lessor at the dates and at times mutually agreed by Lessor and Lessee and provide such further assistance as Lessor may reasonably request from time to time.

7.05 Lessor shall repair or replace the hour meter on any Unit promptly upon learning that the meter is broken or not functioning properly. If any hour meter is damaged as a result of Lessee negligence, accidents, abuse or misuse of the Unit, the cost of such repair or replacement shall be separately invoiced to Lessee.

7.06 If Lessee permits any party other than Lessor, the authorized Crown dealer designated by Lessor, or another party specifically approved by Lessor, to perform any repairs, maintenance, or services on any Unit which are, in Lessor's judgment, improperly performed or make more difficult or costly the maintenance which Lessor is required to perform under the terms of any applicable Schedule, Lessor may, at its option (i) treat such improper performance as a breach of Lessee's obligations under subsection 7.02, or (ii) cease performing the maintenance which Lessor is required to provide for the Unit under the terms of such Schedule; provided, however, that such cessation shall not relieve Lessee of its responsibility to pay Rental Charges or Excess Usage Charges under such Schedule.

#### SECTION 8. CONTINGENCIES.

8.01 Lessor shall not incur any liability to Lessee, nor shall this Agreement or any Schedule be cancellable, for Lessor's failure to perform or delay in performing its obligations hereunder or thereunder, if prevented by wars, fires, strikes or other labor disputes, accidents, acts of God, governmental regulations or interference, delays in transportation, shortage or breakdown of or inability to obtain or nonarrival of any labor, material, or equipment used in the performance of this Agreement or any Schedule, or other causes beyond Lessor's control.

#### SECTION 9. TERM; TERMINATION.

9.01 The term of this Agreement shall begin on the date of execution hereof and, unless earlier cancelled in accordance with the provisions of this Agreement, shall continue until terminated by either party upon 30 days' prior notice to the other.

9.02 Termination of this Agreement by notice in accordance with subsection 9.01 shall not affect the obligations of the parties with respect to any Units leased under Schedules executed prior to the date of such termination. Such Schedules shall continue in full force and effect in accordance with the terms of such Schedule and this Agreement notwithstanding termination of this Agreement.

#### SECTION 10. CANCELLATION.

10.01 In the event that either party shall breach or fail to comply with any provision of this Agreement or any Schedule and such breach or failure shall continue for a period of 30 days after the giving of notice thereof by the other party, the other party may cancel this Agreement and/or the Schedule involved immediately upon the giving of notice thereof to the defaulting party. Notwithstanding the foregoing, if Lessee shall have failed to make any payment due under any Schedule within ten days after having been so notified by Lessor, Lessor may cancel this Agreement and/or the Schedule involved immediately after the expiration of the ten day period by giving notice of such cancellation to Lessee.

10.02 Upon Lessor's cancellation of any Schedule in accordance with the provisions of this Section, Lessee shall immediately (i) return at its risk, cost and expense, all Units covered by such Schedule to Lessor at such location as Lessor shall specify, and (ii) pay to Lessor all sums due and unpaid and any other amounts to which Lessor may be entitled by way of damages. Should Lessee fail to so return any Units, Lessor shall have the right to repossess the same and Lessee shall assemble such Units, provide Lessor with access to the premises at which the Units are located, and make the Units available to Lessor for repossession. Lessee shall be responsible and liable for all costs and expenses, including reasonable attorneys' fees, incurred by Lessor in attempting to collect from Lessee any amounts payable and past due or in enforcing Lessor's rights under this Agreement, including without limitation, in connection with the repossession of any Units which Lessee has not returned to Lessor.

10.03 Upon Lessor's cancellation of this Agreement or any applicable Schedule in accordance with the provisions hereof, Lessor shall be entitled to recover as damages for the loss of its bargain and not as a penalty, an amount equal to the sum of the following, less the fair market value of each affected Unit in the condition in which it was returned to or repossessed by Lessor (if it has been so returned or repossessed): (i) the applicable Termination Amount for each affected Unit (assuming, for purposes of calculation, that the effective date of the cancellation is the date of the Loss); (ii) any expenses paid or incurred by Lessor in connection with any repossession, holding, repair, subsequent sale, re-leasing, or other disposition of any affected Unit, including without limitation, attorneys' fees; and (iii) all other amounts then payable by Lessee to Lessor hereunder, including without limitation, amounts owing for indemnification. Amounts payable pursuant to this subsection shall be paid by Lessee within ten days after the date of Lessor's demand.

10.04 The rights and remedies given to either party in this Section (including without limitation, Lessor's right to recover liquidated damages in accordance with the provisions of subsection 10.03) shall be deemed to be in addition to, and not in lieu of, any other rights or remedies under the Uniform Commercial Code or otherwise at law or in equity.

#### SECTION 11. CONDITION OF UNITS UPON RETURN; SECURITY DEPOSIT.

11.01 Upon the expiration, termination, or cancellation of any Schedule, all Units covered thereby shall be returned to Lessor in good condition, ordinary wear and tear excepted. A signed bill of lading, pick-up receipt, or similar document does not constitute acknowledgment by Lessor of any condition of any Unit being returned. Unit condition will be determined by a final inspection by Lessor after Unit has been returned to Lessor. If any Unit is returned to Lessor in a condition other than as set forth above and if such condition is not due to Lessor's failure to perform the maintenance it was required to perform under the applicable Schedule, Lessee shall pay to Lessor, in addition to all other charges, expenses, or damages payable by Lessee, an amount equal to the difference between the fair market value of the Unit if it had been returned in good condition, ordinary wear and tear excepted, and the actual fair market value of the Unit in the condition in which it was returned, each as determined by Lessor in its reasonable business judgment.

11.02 Lessor shall have the right, upon expiration, termination, or cancellation of any Schedule, to apply any security deposit paid pursuant to the terms of such Schedule or any other Schedule to any amount owing to Lessor under such Schedule, this Agreement, or any other Schedule. The balance of any security deposit not so applied shall be remitted to Lessee within 30 days after the date of expiration, termination or cancellation.

#### SECTION 12. MISCELLANEOUS.

12.01 All notices, reports, consents, approvals, or other communications required or permitted under this Agreement shall be in writing, shall be delivered in person, by facsimile, by courier or express service, or by mail, with proper charges prepaid, to the party for whom intended at its address first set forth in this Agreement or to such other address as such party may hereafter direct by notice to the other party, and shall be deemed to be given upon the date of actual receipt. The sending party shall have the burden of proving receipt.

12.02 Lessor shall have the right to charge Lessee a reasonable documentation preparation fee in connection with each Schedule executed pursuant to this Agreement, and Lessee shall pay such fee upon receipt of Lessor's invoice therefor.

12.03 WITHOUT LESSOR'S PRIOR CONSENT (WHICH SHALL NOT BE UNREASONABLY WITHHELD), LESSEE SHALL NOT ASSIGN OR IN ANY WAY DISPOSE OF ALL OR ANY PART OF ITS RIGHTS OR OBLIGATIONS UNDER THIS AGREEMENT OR ANY SCHEDULE OR ENTER INTO ANY SUBLEASE OF ANY UNIT.

12.04 Except as otherwise expressly provided in this Agreement, no failure on the part of either party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver or relinquishment thereof; nor shall any single or partial exercise by either party of any right under this Agreement preclude any other or further exercise thereof, or the exercise of any other right. Waiver by any party of any breach of any provision of this Agreement shall not constitute or be construed as a continuing waiver or as a waiver of any breach of any other provision of this Agreement.

12.05 This instrument embodies the whole agreement of the parties relating to the subject matter of this Agreement and supersedes any and all prior oral or written negotiations, communications and agreements by or on behalf of the parties. This Agreement may not be varied by any purchase order, acknowledgment, confirmation, invoice, or shipping document issued by either party.

12.06 Lessor may assign or transfer this Agreement, any Schedule, or Lessor's interest in any Unit without notice to Lessee; provided, however, that no such assignment or transfer shall relieve Lessor of its obligations hereunder. Any assignee of Lessor shall have all of the rights, but none of the obligations, of Lessor under this Agreement or the affected Schedule, and Lessee agrees that it will not assert against any assignee of Lessor any defense, counterclaim, or offset that Lessee may have against Lessor. Lessee acknowledges that any assignment or transfer by Lessor will not materially change Lessee's duties or obligations under this Agreement or the affected Schedule, nor materially increase the burdens or risks imposed on Lessee.

12.07 Any lawsuit or other action brought by Lessee against Lessor which is based upon any claim under this Agreement or any Schedule or upon any other claim relating to any Unit or Lessee's possession, use, or operation of any Unit must be commenced within one year after the date the act or omission on which such claim is based is or should have been discovered by Lessee.

12.08 This Agreement and all Schedules entered into pursuant to this Agreement shall be construed and enforced in accordance with the laws of the State of Ohio, as applicable to agreements made and wholly performed therein.

# CROWN Credit Company

New Bremen, Ohio 45869 USA  
Phone: 419/629-2311  
Fax: 419/629-9224  
crown.com

## Lease Schedule

No. 35647

Contract No. 40042689 Page 1 of 2

THIS SCHEDULE is being executed as of the 28th day of March, 2006, pursuant to the terms of the Master Lease Agreement, dated as of August 28, 2000, (the "Master Lease"), between CROWN CREDIT COMPANY ("Lessor") and Jennifer Convertibles, Inc., with offices at 419 Crossings Park Drive, Woodbury, NY 11797 ("Lessee"), and is subject to provisions of the Master Lease, all of which are incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings given to them in the Master Lease.

### SECTION 1. UNITS BEING LEASED.

Item No.	Description (Make, Model & Serial Number)	Rental Charge	Base Hours	Excess Usage Charge per Hour	Security Deposit
1-2.	Crown, 15SP48TT-360 SN: 1A300844, 1A300845	\$1124.71	N/A	N/A	N/A
3-4.	Deka Batteries, 12-125-15 SN: 2885BP, 2886BP				
5-6.	Ametek Chargers, 880M1-12 SN: 106CS35695, 106CS35696				

Reference PO #

Note: First invoice includes first & last payments of the contract.

Maintenance Option (See 4.01 Page 2 of 2) ☒ A ☐ B ☐ C

Rental Charge Start Date Delivery Payment Frequency Monthly

### SECTION 2. TERM; DELIVERY; LOCATION OF UNITS; FILINGS.

2.01 Unless earlier terminated or cancelled as provided in the Master Lease, the initial term of the lease of each Unit leased hereunder shall begin on the date of its delivery to Lessee and shall continue for a period of 60 months. Thereafter, the term of the lease of each Unit shall continue for successive thirty day periods until terminated by either party by giving the other party at least thirty days prior notice of termination.

2.02 The Units shall be delivered to Lessee at the following location and shall be used by Lessee only at such location. Lessee shall under no circumstances remove any Unit from such location without Lessor's prior written consent (which shall not be unreasonably withheld).

Location: 340 Mill Road, Edison, NJ 08817

1 Industrial Road - Suite 141, Dayton, NJ 08810

2.03 All Units shall be shipped F.O.B. Factory and Lessee shall pay all transportation and insurance charges to the location specified in subsection 2.02.

2.04 Lessee hereby authorizes Lessor to file all financing and continuation statements and other documents, and Lessee agrees to execute and deliver any other documents which Lessor deems necessary or advisable in order to record and secure Lessor's ownership of and interest in the Units.

PROVISIONS CONTINUED ON PAGE 2 OF 2

1227997

# CROWN Credit Company

New Bremen, Ohio 45869 USA  
Phone: 419/629-2311  
Fax: 419/629-9224  
crown.com

Lease Schedule - Page 2 of 2

Jennifer Convertibles, Inc.

No. 35647

Lessee

Date executed as of the 28th day of March, 2006

## SECTION 3. PAYMENT.

3.01 The rental charge for each Unit ("Rental Charge") shall be as set forth above in Section 1 adjacent to the description of that Unit and shall begin on the date and be payable at the intervals indicated in Section 1.

3.02 If the number of hours of operation of any Unit in any period exceeds the number of base hours for that Unit as shown in Section 1 ("Base Hours"), Lessee shall pay to Lessor, in addition to the Rental Charge for the Unit, the amount set forth in Section 1 for each hour of operation exceeding the Base Hours ("Excess Usage Charge").

3.03 If a security deposit for any Unit is indicated in Section 1, Lessee shall make payment of such security deposit to Lessor concurrently with Lessee's execution of this Schedule. Lessor shall be under no obligation to deliver any Units to Lessee until all such security deposits have been received.

3.04 Lessee acknowledges that the above charges for each Unit have been determined using information provided to Lessor by Lessee. If that information is or hereafter becomes inaccurate, Lessor shall have the right, in addition to any other rights or remedies provided in this Schedule or the Master Lease, to make appropriate adjustments in such charges.

3.05 All changes set forth herein are exclusive of any sales, use, recording, personal property, or other taxes applicable to or arising in connection with the leasing of the Units hereunder. All such taxes shall be the responsibility of Lessee, other than taxes based upon the net income of Lessor.

## SECTION 4. MAINTENANCE.

4.01 During the term of the lease of the Units hereunder:

- A. Lessee shall be responsible for all Planned Maintenance and Maintenance Services on the Units.
- B. Lessor shall be responsible for all Planned Maintenance on the Units, and Lessee shall be responsible for all Maintenance Services on the Units.
- C. Lessor shall be responsible for all Planned Maintenance and Maintenance Services on the Units.

Regardless of the maintenance option selected by Lessee, and indicated in Section 1, Lessee shall, at its own cost and expense, be responsible for the performance of Lessee's Responsibilities with respect to each Unit and the performance of all Additional Services required for each Unit.

4.02 Each party shall perform its responsibilities under this Section 4 or cause its responsibilities to be performed on its behalf by a third party duly authorized by Lessor. Unless otherwise provided in the Master Lease or this Schedule, all costs incurred by each party in connection with the performance of its responsibilities under this Section 4 shall be borne by such party.

4.03 If Lessor is to provide Maintenance Services hereunder, Lessee shall promptly notify Lessor upon discovering any condition indicating that Maintenance Services are needed. Should Lessee notify Lessor that it is not possible to operate the Unit without servicing, Lessor shall use its best efforts to commence Maintenance Services on the Unit promptly after receipt of Lessee's request for service.

4.04 Regardless of the maintenance option selected by Lessee, Lessee has full responsibility for the replacement of batteries and tires/wheels for each Unit beyond those originally supplied with that Unit, except as follows: N/A

4.05 As used in this Schedule:

"Planned Maintenance" means the performance, in accordance with the instructions of the manufacturer of each Unit and at such times as Lessor may agree or the manufacturer may specify, of all planned maintenance services for the Unit which are recommended by its manufacturer.

"Lessee's Responsibilities" means the performance of all services recommended by the manufacturer of each Unit in connection with the normal daily operational needs of the Unit.

"Maintenance Services" means all work required to keep each Unit in good working order, other than Planned Maintenance, Lessee's Responsibilities, and repairs, maintenance or servicing (i) arising out of Lessee negligence, accidents, abuse or misuse of the Unit; (ii) resulting from Lessee's failure to perform, or the improper performance of, Lessee's Responsibilities; or (iii) necessitated or occasioned by repairs or servicing undertaken by any party, including Lessee, other than Lessor.

"Additional Services" means all repairs, maintenance, or service which is required (in addition to Planned Maintenance, Maintenance Services, and Lessee's Responsibilities) to keep each Unit in good working order.

## SECTION 5. ADDITIONAL PROVISIONS OR RIDERS.

None, except as noted below:

☒ Purchase Option Supplement

☐ Additional Equipment Rider

☐ Other

IN WITNESS WHEREOF, the undersigned have executed this Schedule as of the date first above written.

CROWN CREDIT COMPANY (LESSOR)

By

Jennifer Convertibles, Inc.

(LESSEE)

By

# CROWN Credit Company

New Bremen, Ohio 45869 USA  
Phone: 419/629-2311  
Fax: 419/629-9224  
crown.com

## Purchase Option Rider to Lease Schedule

No. 35647

- A. Provided that Lessee is not then in default under the Master Lease or this Schedule, Lessee shall have the right to purchase all, but not less than all, of the Units at the following time or times (the "Purchase Option Date") and at the price or prices indicated (the "Purchase Option Price"), together with all sales, excise, or other taxes payable in connection with the sale of the Unit to Lessee.

Purchase Option Date

Purchase Option Price

After <u>60</u> monthly payments	<u>\$1.00 plus tax</u>
After _____ monthly payments	_____
After _____ monthly payments	_____
After _____ monthly payments	_____
After _____ monthly payments	_____

- B. If Lessee desires to exercise the option granted herein, Lessee shall provide written notice of exercise to Lessor at least 60 days prior to the Purchase Option Date, accompanied by payment of the aggregate Purchase Option Price, plus all applicable sales, excise, or other taxes.
- C. Provided that Lessee is not then in default under the Master Lease or this Schedule and that Lessee has properly exercised the option granted herein, title to all Units shall pass to Lessee, and the term of the lease of the Units shall expire, at the close of business on the Purchase Option Date. Notwithstanding the foregoing, Lessee's purchase of the Units shall not affect obligations or liabilities of Lessee under the Master Lease or this Schedule which accrue prior to the Purchase Option Date or which are intended to survive the Purchase Option Date.
- D. All Units purchased hereunder will be sold by Lessor on an "AS-IS, WHERE-IS" basis, without any representation or warranty of any nature whatsoever other than that title to each Unit is being transferred free and clear of any claim, lien, security interest, or other encumbrance in favor of Lessor or any person claiming through or under Lessor.

CROWN CREDIT COMPANY (LESSOR)

By \_\_\_\_\_

Jennifer Convertibles, Inc.

(LESSEE)


By \_\_\_\_\_

## SHIPPING ORDER

[illegible]

SHIPPER'S NO. NB-502911

CARRIER'S NO. A 299867

<b>FROM</b> <b>AT</b> <b>CROWN EQUIPMENT CORPORATION</b> 40-44 SOUTH WASHINGTON ST. NEW BREMEN, OH 45889 PHONE: 419/628-2311		<b>CARRIER</b> John Cheeseman Trucking	
<b>DATE</b> 3-4-06		<b>ROUTE</b> 	
<b>CUST. P.O.</b> JK2309		<b>1465372</b> <b>CJRQ SKIDS</b>	
<b>CONSIGNEE AND DESTINATION</b> <del>A.J. Jersey, Inc.</del> <del>125 St. Nicholas Ave. Dayton, NJ</del> <del>South Plainfield, NJ 07080</del>		<b>DELIVERING CARRIER</b> Thurs 8:00 AM	
<b>732-274-7550</b> <b>732-616-3760</b>		<b>CAR OR VEHICLE INITIALS &amp; NO.</b> M/F - Jennifer Convertables	

NO. PACKAGES	DESCRIPTION OF ARTICLES, SPECIAL MARKS, AND EXCEPTIONS	ERG	WEIGHT (SUB. TO COR.)	CLASS OR RATE
<b>HAZARDOUS MATERIALS</b>				
	BATTERY, WET, FILLED WITH ACID; 8; UN 2794; PG III	ERG #154		70
	PAINT; 3; UN 1263; PG II or PG III	ERG #127		70
	PROPANE; 2,1; UN 1075	ERG #115		70
<b>EMERGENCY CONTACT 419-629-2311 EXT. 3654</b>				
PLACARDS: PRESENT ON CARRIER		DELIVERED TO CARRIER	SHIPPER	CARRIER
<b>NON-HAZARDOUS MATERIALS</b>				
	Cars, Lift Trucks or Vehicles, electric, NOI, not designed for general highway use and not exceeding 1,300 pounds net weight, in boxes or crates	ITEM 190230-A		
	WITHOUT batteries	SUB 1		150
	WITH batteries	SUB 2		92.5
2	Cars, Lift Trucks or Vehicles, electric or internal combustion engine powered, NOI, not designed for general highway use, exceeding 1,300 pounds net weight . . . . CRATED OR SKIDDED	ITEM 190225	15,970	85
	LIFT TRUCK HAND	ITEM 189240		85
1	LIFT TRUCK ATTACHMENTS ALUM. Deck, Boom	ITEM 192212	1035	70
	PRINTED MATTER NO. 1. Extension	ITEM 161870		70
	DRY BATTERIES	ITEM 60720		65
	FORK, ARMS, FINGERS, OR TINES; STEEL	ITEM 192210		65
	CONSUMER COMMODITY ORM-D			70
	CASTINGS METAL-NO. 1 OR ALLOY SUB 1-SUB 2-SUB 3:RELEASE VALUE	ITEM 136500		70
	S/N 1A300844, 1A300845 (2) SP			
3	<i>10e [Signature]</i>		17005	

Subject to Section 7 of conditions of applicable bill of lading, if this shipment is to be delivered to consignee without recourse on the consignor, the consignee shall sign the following statement:

The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.

johnson

Signature of Consignor

collect

Received \$ \_\_\_\_\_  
to apply in prepayment of the charges on  
the property described herein.

Agent or Cashier.

Per \_\_\_\_\_  
(The signature here acknowledges only the amount prepaid).

**Charges Advanced:**

**SHIPPERS CERTIFICATION:** This is to certify that the above-named materials are properly classified, described, packaged, marked and labeled, are in proper condition for transportation according to the applicable regulations of the Department of Transportation.

SIGNATURE \_\_\_\_\_ TITLE \_\_\_\_\_

\* If the shipment moves between two ports by a carrier by water, the law requires that the Bill of Lading shall state whether it is "carrier's or shipper's weight."

**THIS SHIPMENT IS CORRECTLY DESCRIBED.**

CORRECT WEIGHT IS \_\_\_\_\_ LBS

1 The bills of lading used for this shipment conform to the special conditions set forth in the bills of lading certificate thereon, and all other requirements of the Consolidated Freight Classification.

Per **CHEESEMEN TRUCKING**

**C.O.D. SHIPMENT**

C.O.D. Aml.

**Collection Fee**

Total Charges

**CROWN EQUIPMENT CORPORATION**  
40-44 SOUTH WASHINGTON ST. ?  
NEW BREMEN, OH 45869  
PHONE: 419/629-2311

Shipper, Per

Agent, Per

PERMANENT POST OFFICE OF SHIPPER





**ELECTRIC**

**BATTERY**

**COMPANY LLC**

178-15 EVELETH ROAD - JAMAICA, N.Y. 11434-3405

TELEPHONE - N.Y. # 718-978-1900 - N.J. # 908-558-0555

FAX # : (718) 978-1912

**TRANSMISSION MEMO**

DATE:

TIME:

NO. OF PAGES INC. COVER PAGE:

4

TO:

MEGAN

FROM:

VIC

REGARDING:

Delivery Receipts

COMMENTS:

I will fax over charger POD when I

THANK YOU !!!

Get it.

VIC

Apr 05 06 04:49p  
To: VIC

ELECTRIC BATTERYCO LLC  
From: MARIAN

17189781912

p.2

4-05-06 4:08pm p. 2 of 2

**EAST PENN manufacturing co. inc.**

SHIPPING MEMO  
DELIVERY RECEIPT

02-16-06

**Duka**

-MS/ST-

ORDER NO. 17189781912  
ORDER DEPARTMENT PHONE (703)527-3867

03 ELECTRIC BATTERY CO LLC -INC 176-15 EPHRAIM RD	25 A J JERSEY 125 ST MICHAELS AVE
JERMANA BY 11634-3405	800TH FAIRFIELD NJ 07080

ORDER DATE 02-15-06  
CUST NO. 1020068  
CUST KEY DATE 02-24-06  
CUSTOMER P.O. NO. 7860  
SALESMAN 0470  
REF. NO.  
REQ BY 3-2-06

12-29-05

PHONE: (908)754-7333

DELIVERY NUMBER  
0602151519-00

DESCRIPTION	QUANTITY	UNIT PRICE	AMOUNT	DATE	REMARKS	WEIGHT	LENGTH
BATTERY WTR, FILLED W/ACID, 8 UNITS PG III NET TYP 12-PLUS-15 IED BATTERY INT3692B REEL TRAY REYOUT COVER 36 1/16 X 14 X 30 1/2 ASST DNG BAI21562 BLACK TRAY NON COMPOUND CONSTRUCTION	2	112012515369201	2	2		0.0000 LB	10
21" 2/0 GA. CABLE 6322 58 COEN. POSITION A	2	10257222120A	2	2		0.0000 LB	20
12 CELL BPS 3000 W/90 KLT INSTALLED EEN DOES NOT PROVIDE ANY WARRANTY ON AUTOMATIC WATERING SYSTEMS CORROSION/DAMAGE TO THE BATTERY DUE TO FAILURES OF AUTOMATIC WATERING SYSTEMS, ANY AFFECT THE BATTERY WARRANTY.	2	102112	2	2		0.0000 LB	30
120 LEVEL INDICATOR 65721000 S/N 288529 120L 288622	2	102005	2	2		0.0000 LB	40

COPIES FROM DEL 0512201601

1 FOR PALLET ON ORDER

THIS IS TO CERTIFY THAT THE ABOVE DESCRIBED MATERIALS ARE FULLY COMPLIANT WITH ALL APPLICABLE REGULATIONS AND SPECIFICATIONS AND ARE IN CONFORMANCE WITH THE REQUIREMENTS OF THE APPLICABLE REGULATIONS AND SPECIFICATIONS.	CERTIFICATION SIGNATURE <i>[Signature]</i>	DATE ISSUED 2/23/06	ISSUED BY <i>[Signature]</i>	DATE RECEIVED 2-23-06	TOTAL WEIGHT 3283.0000 LB
---	---	------------------------	---------------------------------	--------------------------	------------------------------

EMERGENCY CONTACT 1(800)424-3348 OR (703)527-3867



**THIS MEMORANDUM** is an acknowledgment that a Bill of Lading has been issued and is not the Original Bill of Lading, nor a copy or duplicate, covering the property named herein, and is intended solely for filing or record. DESIGNATE VATHIAN (X) BY TRUCK ☐ FREIGHT ☐

ADDITIONAL REMARKS: The undersigned hereby certifies that the above information is true and correct, and that the property is in the possession and control of the undersigned at the time of signing this Bill of Lading. The undersigned further certifies that the property is in the possession and control of the undersigned at the time of signing this Bill of Lading. The undersigned further certifies that the property is in the possession and control of the undersigned at the time of signing this Bill of Lading.

FROM: EAST PENN MANUFACTURING CO., INC.  
10 JEFFERSON ST, LYON PA, 19536

JENNIFER CONVERTIBLES  
12060 CABERNET DRIVE

TO: FONTANA CA  
PH: (951) 985-2990

98337

DATE	2-17-06	ACU NUMBER	IN245956
CARRIER	↓	CUSTOMER NUMBER	0001020068
ROADWAY		MASTER CUSTOMER NUMBER	0001020068
VEHICLE NO	700157	PRO NUMBER	147-413781

## SHIPMENT INFORMATION

PACKAGES	QUANTITY	TOTAL WEIGHT (LB)
PALLETS	1	1,845

HAZARDOUS MATERIALS	DESCRIPTION OF ARTICLES, SPECIAL MARKS AND EXCEPTIONS	WEIGHT (LB)
X	BATTERY WET, FILLED WITH ACID, 8 UN2794 PG III	1,845

COMMENTS: LOAD NUMBER: 06-L0485  
CUST NMBR: 0001020068  
SEND BILLING TO: EAST PENN MANUFACTURING CO., INC  
C/O F T S FREIGHT PAYMENT PLAN PO BOX 1259  
SOMERVILLE NJ 08876-1259  
JENNIFER CONVERTIBLES - JK2313 - ATTN: GLENN

P.O. NO.  
700157

DELIVERY NO / SID # 0512251601-00

A PLACARDS PROVIDED \_\_\_\_\_ REFUSED \_\_\_\_\_ CLASS \_\_\_\_\_ ID# \_\_\_\_\_

SHIPPER'S CERTIFICATE: This is to certify the above named materials are properly described, packaged, marked and labeled, and are in proper condition for transportation according to the applicable regulations of the Dept. of Transportation.

Signature: *[Signature]* Title: *[Title]*

1. The shipper certifies that the bill of lading is a true and correct statement of the contents and weight of the property. 2. Where there is a discrepancy between the bill of lading and the actual contents and weight of the property, the shipper is liable for the discrepancy. 3. The shipper is liable for the discrepancy.

THIS SHIPMENT IS DEEMED TO BE HAZARDOUS

1. The shipper certifies that the bill of lading is a true and correct statement of the contents and weight of the property. 2. Where there is a discrepancy between the bill of lading and the actual contents and weight of the property, the shipper is liable for the discrepancy. 3. The shipper is liable for the discrepancy.

CONTRACT NUMBER IS

136

EAST PENN MANUFACTURING CO., INC.  
Duke Road, Lyon Station, PA 19536

Shipper, Per SUZANNE HIGGINS

Agent, Per *[Signature]*

3

PRO NUMBER

For more information address of shipper

EMERGENCY CONTACT: CHEMTREC 1-800-424-9300 (U.S. ONLY) 703-527-3887 (EL SEVIEROS)

Apr 06 06 07:35a

ELECTRIC BATTERYCO LLC

17189781912

p.1

04/05/06 15:59 FAX : 800 354 4024

PRESTOLITE POWER CORP.

ELECTRIC BATTERY

Page 1 of 1

(PITD) BOOK #003 TECHNICAL PHONE DIRECTORY ON BACK		<b>PITTD</b> 13 27th STREET - PITTSBURGH, PA 15222 WWW.PITTD.COM		PHO. NUMBER 	
CASH/DEBIT CREDIT PAYEE AMOUNT DATE TIME SIGNATURE		CREDIT CARD CARD NUMBER EXPIRATION DATE SECURITY CODE NAME ADDRESS CITY STATE ZIP		CHECK CHECK NUMBER CHECK DATE CHECK AMOUNT CHECK TYPE CHECK PAYEE	
JERRY CONVERTIBLE STE 141 1 INDUSTRIAL RD DAYTON, OH 45424		JOHN JENKINS 732-616-3760		AMETEX PRESTOLITE POWER CORP 2220 CORPORATE DR TROY, OH 45373	
PLTS BATTERY CHARGERS OR PARTS FSC TIME IN: 11:12 TIME OUT: 11:45 STRIP/WRAP INTACT? CIRCLE ONE: YES NO <u>N/A</u>		525 525 525		525 525 525	
DISCOUNTED TO FLOOR MIN.		CASH CHECK CREDIT CARD LOADER 30 312 17189781912		DELIVERY DELIVERY DATE DELIVERY TIME DELIVERY SIGNATURE DELIVERY ADDRESS	
AMETEX/PRESTOLITE POWER ATTN: ACCOUNTS PAYABLE 2220 CORPORATE DR TROY, OH 45373		SIGNATURE X <i>[Signature]</i>		PRINT NAME X JOSH KERRIGAN	

To: Electric Battery  
 From: Victor

To MEGAN

# UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

## A. NAME & PHONE OF CONTACT AT FILER [optional]

Phone (800) 331-3282 Fax (818) 662-4141

## B. SEND ACKNOWLEDGMENT TO: (Name and Address)

UCC Direct Services  
P.O. Box 29071  
Glendale, CA 91209-9071

FILING NUMBER: 61172410

FILING DATE: 07-APR-2006

IMAGE REFLECTS DATA FROM AN ELECTRONIC FILING

DE, Secretary of State

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

## 1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME Jennifer Convertibles, Inc.

OR 1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS 419 Crossways Park Drive

CITY  
Woodbury

STATE  
NY

POSTAL CODE  
11797

COUNTRY  
US

1d. TAX ID #: SSN OR EIN

ADD'L INFO RE  
ORGANIZATION  
DEBTOR

1e. TYPE OF ORGANIZATION  
Corporation

1f. JURISDICTION OF ORGANIZATION  
DE

1g. ORGANIZATIONAL ID #, if any

☒ NONE

## 2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d. TAX ID #: SSN OR EIN

ADD'L INFO RE  
ORGANIZATION  
DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID #, if any

☐ NONE

## 3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME Crown Credit Company

OR 3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS 40 S. Washington Street

CITY  
New Bremen

STATE  
OH

POSTAL CODE  
45869

COUNTRY  
US

## 4. This FINANCING STATEMENT covers the following collateral:

- (2) Crown Lift Trucks, 15SP48TT-360, SN:1A300844, 1A300845
- (2) Deka Batteries, 12-125-15, SN:2885BP, 2886BP
- (2) Ametek Chargers, 880M1-12, SN:106CS35695, 106CS35696

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed (or record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) ☐ 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA 7993

16839659

# CROWN Credit Company

New Bremen, Ohio 45869 USA  
Phone: 419/629-2311  
Fax: 419/629-9224  
crown.com

## Lease Schedule

No. 35813

Page 1 of 2

Contract No. 40042929

THIS SCHEDULE is being executed as of the 28th day of April, 2006, pursuant to the terms of the Master Lease Agreement, dated as of August 28, 2000, (the "Master Lease"), between CROWN CREDIT COMPANY ("Lessor") and Jennifer Convertibles, Inc., with offices at 419 Crossings Park Drive, Woodbury, NY 11797 ("Lessee"), and is subject to provisions of the Master Lease, all of which are incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings given to them in the Master Lease.

### SECTION 1. UNITS BEING LEASED.

Item No.	Description (Make, Model & Serial Number)	Rental Charge	Base Hours	Excess Usage Charge per Hour	Security Deposit
1.	Crown, 15SP48TT-360, SN: 1A300785	\$563.35	N/A	N/A	N/A
2.	Deka Battery, 12-125-15, SN: 2884BP				
3.	Ametek Charger, 880M1-12, SN: 106CS38516				

Reference PO #

Note: First invoice includes first & last payments of the contract.

Maintenance Option (See 4.01 Page 2 of 2) ☒ A ☐ B ☐ C

Rental Charge Start Date Delivery Payment Frequency Monthly

### SECTION 2. TERM; DELIVERY; LOCATION OF UNITS ; FILINGS.

2.01 Unless earlier terminated or cancelled as provided in the Master Lease, the initial term of the lease of each Unit leased hereunder shall begin on the date of its delivery to Lessee and shall continue for a period of 60 months. Thereafter, the term of the lease of each Unit shall continue for successive thirty day periods until terminated by either party by giving the other party at least thirty days prior notice of termination.

2.02 The Units shall be delivered to Lessee at the following location and shall be used by Lessee only at such location. Lessee shall under no circumstances remove any Unit from such location without Lessor's prior written consent (which shall not be unreasonably withheld).

Location: 12060 Cabernet Drive, Fremont, CA 92337

2.03 All Units shall be shipped F.O.B. Factory and Lessee shall pay all transportation and insurance charges to the location specified in subsection 2.02.

2.04 Lessee hereby authorizes Lessor to file all financing and continuation statements and other documents, and Lessee agrees to execute and deliver any other documents which Lessor deems necessary or advisable in order to record and secure Lessor's ownership of and interest in the Units.

PROVISIONS CONTINUED ON PAGE 2 OF 2

1228000

# CROWN Credit Company

New Bremen, Ohio 45869 USA  
Phone: 419/629-2311  
Fax: 419/629-9224  
crown.com

Lease Schedule - Page 2 of 2

Jennifer Convertibles, Inc.

No. 35813 Lessee

Date executed as of the 28th day of April, 2006

## SECTION 3. PAYMENT.

**3.01** The rental charge for each Unit ("Rental Charge") shall be as set forth above in Section 1 adjacent to the description of that Unit and shall begin on the date and be payable at the intervals indicated in Section 1.

**3.02** If the number of hours of operation of any Unit in any period exceeds the number of base hours for that Unit as shown in Section 1 ("Base Hours"), Lessee shall pay to Lessor, in addition to the Rental Charge for the Unit, the amount set forth in Section 1 for each hour of operation exceeding the Base Hours ("Excess Usage Charge").

**3.03** If a security deposit for any Unit is indicated in Section 1, Lessee shall make payment of such security deposit to Lessor concurrently with Lessee's execution of this Schedule. Lessor shall be under no obligation to deliver any Units to Lessee until all such security deposits have been received.

**3.04** Lessee acknowledges that the above charges for each Unit have been determined using information provided to Lessor by Lessee. If that information is or hereafter becomes inaccurate, Lessor shall have the right, in addition to any other rights or remedies provided in this Schedule or the Master Lease, to make appropriate adjustments in such charges.

**3.05** All changes set forth herein are exclusive of any sales, use, recording, personal property, or other taxes applicable to or arising in connection with the leasing of the Units hereunder. All such taxes shall be the responsibility of Lessee, other than taxes based upon the net income of Lessor.

## SECTION 4. MAINTENANCE.

**4.01** During the term of the lease of the Units hereunder:

- A. Lessee shall be responsible for all Planned Maintenance and Maintenance Services on the Units.
- B. Lessor shall be responsible for all Planned Maintenance on the Units, and Lessee shall be responsible for all Maintenance Services on the Units.
- C. Lessor shall be responsible for all Planned Maintenance and Maintenance Services on the Units.

Regardless of the maintenance option selected by Lessee, and Indicated in Section 1, Lessee shall, at its own cost and expense, be responsible for the performance of Lessee's Responsibilities with respect to each Unit and the performance of all Additional Services required for each Unit.

**4.02** Each party shall perform its responsibilities under this Section 4 or cause its responsibilities to be performed on its behalf by a third party duly authorized by Lessor. Unless otherwise provided in the Master Lease or this Schedule, all costs incurred by each party in connection with the performance of its responsibilities under this Section 4 shall be borne by such party.

**4.03** If Lessor is to provide Maintenance Services hereunder, Lessee shall promptly notify Lessor upon discovering any condition indicating that Maintenance Services are needed. Should Lessee notify Lessor that it is not possible to operate the Unit without servicing, Lessor shall use its best efforts to commence Maintenance Services on the Unit promptly after receipt of Lessee's request for service.

**4.04** Regardless of the maintenance option selected by Lessee, Lessee has full responsibility for the replacement of batteries and tires/wheels for each Unit beyond those originally supplied with that Unit, except as follows: N/A

**4.05** As used in this Schedule:

"Planned Maintenance" means the performance, in accordance with the instructions of the manufacturer of each Unit and at such times as Lessor may agree or the manufacturer may specify, of all planned maintenance services for the Unit which are recommended by its manufacturer.

"Lessee's Responsibilities" means the performance of all services recommended by the manufacturer of each Unit in connection with the normal daily operational needs of the Unit.

"Maintenance Services" means all work required to keep each Unit in good working order, other than Planned Maintenance, Lessee's Responsibilities, and repairs, maintenance or servicing (i) arising out of Lessee negligence, accidents, abuse or misuse of the Unit; (ii) resulting from Lessee's failure to perform, or the improper performance of, Lessee's Responsibilities; or (iii) necessitated or occasioned by repairs or servicing undertaken by any party, including Lessee, other than Lessor.

"Additional Services" means all repairs, maintenance, or service which is required (in addition to Planned Maintenance, Maintenance Services, and Lessee's Responsibilities) to keep each Unit in good working order.

## SECTION 5. ADDITIONAL PROVISIONS OR RIDERS.

None, except as noted below:

- ☒ Purchase Option Supplement
- ☐ Additional Equipment Rider
- ☐ Other \_\_\_\_\_

IN WITNESS WHEREOF, the undersigned have executed this Schedule as of the date first above written.

CROWN CREDIT COMPANY (LESSOR)

By \_\_\_\_\_

Jennifer Convertibles, Inc.

(LESSEE)

By \_\_\_\_\_



# CROWN Credit Company

New Bremen, Ohio 45869 USA  
Phone: 419/629-2311  
Fax: 419/629-9224  
crown.com

## Purchase Option Rider to Lease Schedule

No. 35813

- A. Provided that Lessee is not then in default under the Master Lease or this Schedule, Lessee shall have the right to purchase all, but not less than all, of the Units at the following time or times (the "Purchase Option Date") and at the price or prices indicated (the "Purchase Option Price"), together with all sales, excise, or other taxes payable in connection with the sale of the Unit to Lessee.

Purchase Option Date

Purchase Option Price

After <u>60</u> monthly payments	<u>\$1.00 plus tax</u>
After _____ monthly payments	_____
After _____ monthly payments	_____
After _____ monthly payments	_____
After _____ monthly payments	_____

- B. If Lessee desires to exercise the option granted herein, Lessee shall provide written notice of exercise to Lessor at least 60 days prior to the Purchase Option Date, accompanied by payment of the aggregate Purchase Option Price, plus all applicable sales, excise, or other taxes.
- C. Provided that Lessee is not then in default under the Master Lease or this Schedule and that Lessee has properly exercised the option granted herein, title to all Units shall pass to Lessee, and the term of the lease of the Units shall expire, at the close of business on the Purchase Option Date. Notwithstanding the foregoing, Lessee's purchase of the Units shall not affect obligations or liabilities of Lessee under the Master Lease or this Schedule which accrue prior to the Purchase Option Date or which are intended to survive the Purchase Option Date.
- D. All Units purchased hereunder will be sold by Lessor on an "AS-IS, WHERE-IS" basis, without any representation or warranty of any nature whatsoever other than that title to each Unit is being transferred free and clear of any claim, lien, security interest, or other encumbrance in favor of Lessor or any person claiming through or under Lessor.

CROWN CREDIT COMPANY (LESSOR)

By \_\_\_\_\_

Jennifer Convertibles, Inc.

(LESSEE)

By \_\_\_\_\_

APR 30 1968

### NUMERICAL INEQUALITY

SHIPPER'S NO. 0NT-092308

[illegible]

**CROWN LIFT TRUCKS**  
4250 E. GREYSTONE DRIVE  
ONTARIO, CA 91761  
PHONE: 909/923-8357

DATE	4-4-06	CUST. P.O.
CONSIGNEE	JENNIFER CONVERTABLES	
AND	12000 CABERNET DRIVE	
DESTINATION	FONTANA, CA 92337	

CARRIERROUTE

**DELIVERING  
CARRIER**

CAR OR  
VEHICLE  
INITIALS & NO.

Subject to Section 7 of conditions of applicable bill of lading, if this shipment is to be delivered to consignee without recourse on the consignor, the consignor shall sign the following statement:

The carrier shall not make delivery of this shipment without payment of freight and all other incident charges.

For \_\_\_\_\_  
 \_\_\_\_\_ (Signature of Consignor)  
 If charges are to be prepaid, write or  
 stamp here, "To be prepaid."

to apply in payment of the charges on  
the property described herein.

Agent or Coder.

Per \_\_\_\_\_  
(The signature here acknowledges only the  
entire document.)

**Charges Advanced:**

4606

C.O.D. SHIPMENT

C.O.D. Amt

Collection Date: \_\_\_\_\_

Total Charges: \_\_\_\_\_

**SHIPPER'S CERTIFICATION:** This is to certify that the above-named materials are properly classified, described, packaged, marked and labeled, are in proper condition for transportation and conform to the applicable regulations of the Department of Transportation.

SIGNATURE \_\_\_\_\_ TITLE \_\_\_\_\_

\* If the shipment occurs between two ports by a carrier by water, the law requires that the bill of lading shall state whether it is "carrier's or shipper's weight." If Shipper's Receipt in lieu of bill of lading, not a part of BW of Lading approved by the Interstate Commerce Commission.  
Note-Where the rate is dependent of value, shippers are required to state specifically in writing the amount so declared value of the property.  
The agreed or declared value of the property is hereby specifically stated by the shipper to be and succeeding

THIS SHIPMENT IS CORRECTLY DESCRIBED.		1. Free Mass Invoices issued by Free Mass Importers (including the Free Mass Publishers and South by Sea Bulk Publishers) and the Bureau, and of other arrangements of the Commodity and Foreign Office and		Per	Ship
CORRECT WEIGHT IS	LBS				

**CROWN LIFT TRUCKS**  
4250 E. GREYSTONE DRIVE  
ONTARIO, CA 91761  
PHONE: 809/923-8357

Shipper, Per \_\_\_\_\_ Agent, Per \_\_\_\_\_

PERMANENT POST OFFICE OF SHIPPAH  
OF 4529 ONT Rev. 03/03

**EAST PENN manufacturing co., inc.**DEKA ROAD, LYON STATION, PENNSYLVANIA 18006 PHONE (610)422-0001  
ORDER DEPARTMENT PHONE (610)422-4231**SHIPPING MEMO  
DELIVERY RECEIPT**

02-17-06



-WHITE-

ORDER DATE  
12-20-05  
EST POY DATE  
02-24-06  
REQ BY 3-2-06CUST NO. PAGE  
1020068 1 OF 2  
CUSTOMER P.O. NO.  
7868  
SALESMAN  
0470  
REF. NO.

03 ELECTRIC BATTERY CO LLC -IND 178-15 KYLLITE RD JAMAICA NY 11434-3405	1002 JESSEMYER CONVERTIBLES 12060 CABERNET DRIVE FOSTANA CA 98337
--	--

12-19-05

PHONE: (951) 685-2990

DELIVERY NUMBER  
0512201601-00

QTY	DESCRIPTION	CUSTOMER ITEM NUMBER	EAST PENN ITEM NUMBER	ORDERED	SHIPPED	QTY	UNIT WEIGHT	LINE NO.
	BATTERY WET, FILLED WITH ACID, 8 UN1794 PG III WET TYPE 12-D125-15 IND BATTERY 1ST3692B STEEL TRAY WITHOUT COVER 36 1/16 X 14 X 30 1/2 ASSY DWG BA121564 BLACK TRAY NON COMPOUND CONSTRUCTION		112D125153692B1	1	1		0.0000 LB	10
	21" 3/0 GA. CABLE 5322 SB CONN. POSITION A		ICB53222120A	1	1		0.0000 LB	20
	12 CELL BPS 3904 W/PG KIT INSTALLED KPM DOES NOT PROVIDE ANY WARRANTY ON AUTOMATIC WATERING SYSTEMS CONSEQUENTIAL DAMAGE TO THE BATTERY DUE TO FAILURES OF AUTOMATIC WATERING SYSTEMS, MAY AFFECT THE BATTERY WARRANTY.		IWS1212	1	1		0.0000 LB	30
	BPS LEVEL INDICATOR BSA1000 S/N 288487		IMK0005	1	1		0.0000 LB	40
	MARK: JESSEMYER CONVERTIBLES JK2313 ATTN: GLENN SALES/SERVICE STICKER 425 SHIP-TO PH: 732-616-3760							

THIS IS IN CONFORMANCE OF THE ABOVE SALES AGREEMENT AND  
PROVECT CLAIMS, RESPECTIVE PACKAGES, BATTERIES, AND  
EQUIPMENT, AND THE REPAIRS COVERED FOR TRANSPORTATION  
ACCORDING TO THE APPLICABLE TERMS AND CONDITIONS OF THE  
SALES AGREEMENT.

CERTIFICATION SIGNATURE

DATE SHIPPED

RECEIVED BY

DATE RECEIVED

TOTAL WEIGHT

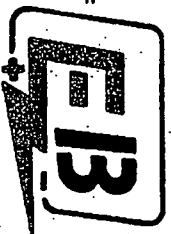
EMERGENCY CONTACT 1(800)424-9300 OR (703)527-3887



# ELECTRIC BATTERY COMPANY LLC

178-15 EYELETH ROAD, JAMAICA, NY 11434-3405  
(718) 978-1900 • (908) 558-0555 • FAX (718) 978-1912

*April*



Page 1

ATTN: ACCOUNTS PAYABLE  
P.O. BOX 587  
SO. PLAINFIELD NJ 07080-0587

JENNIFER CONVERTIBLES  
MF: IN HOUSE  
12060 CABERNET DRIVE  
FONTANA CA 98337

DATE: 03/28/06 ORDER: XEB JK2357 A B F 0/30, n/30 8601J 03/29/06 8601J

Item Description	Serial No.	Quantity	Unit Price	Invoice Number
------------------	------------	----------	------------	----------------

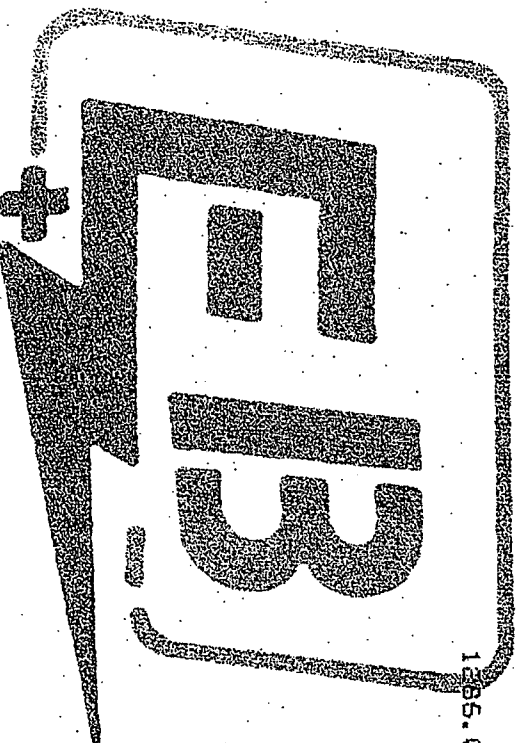
180M1-12 ACS200  
METEK CHARGER  
VOLTAGE 480 CONNECTOR 350 RED

Ordered 1.0000  
Shipped 1.0000 EACH

1286.00

Serial 106CS38516

1286.0000



*2/13/06  
D. McQueen*

NON-ADDS	SALES TAX	FREIGHT	MISC	INVOICE TOTAL	INVOICE TOTAL
1286.00	.00	.00	.00	1286.00	1286.00

Subtotal: 1286.00

THE ABOVE GOODS REMAIN THE PROPERTY OF ELECTRIC BATTERY COMPANY LLC UNTIL FULL PAYMENT IS RECEIVED IN FULL

REMITTANCE COPY

# ELECTRIC BATTERY COMPANY LLC

176-15 EYELETH ROAD, JAMAICA, NY 11434-3405  
(718) 978-1900 • (908) 558-0555 • FAX (718) 978-1912



TO  
ATTN: ACCOUNTS PAYABLE  
D.R.J. JERSEY, INC.  
P.O. BOX 587  
O SO. PLAINFIELD NJ 07080-0587

SHIP TO  
JENNIFER CONVERTIBLES/DAYTON  
MF: GLEN/732-616-3760  
1 INDUSTRIAL ROAD SUITE 141  
DAYTON NJ 08810

Page 1

03/15/06 XEB JK2313 EAST PENN/PITT OHIO 0/30, n/30 7668J 03/15/06 7668J

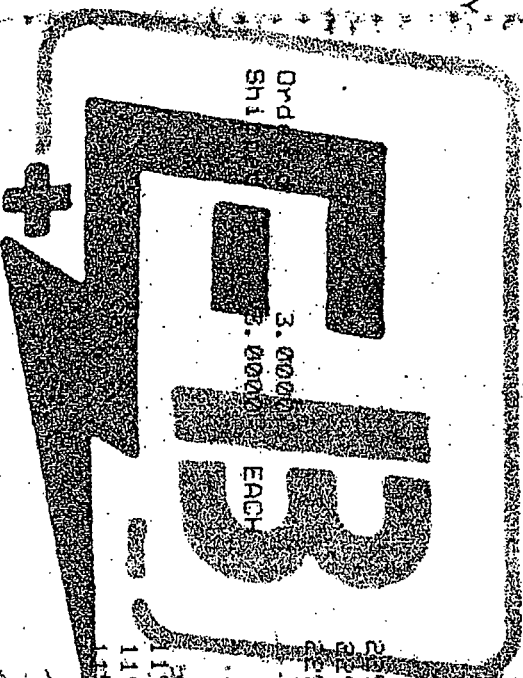
120125-15-1ST3692-B  
36 1/16 X 14 X 30 1/2  
DEKA BATTERY COVER  
LEAD A-21CONNECTOR 350 RED  
INCLUDES OASIS II SYSTEM & BATTERY  
WATERING MONITOR

Ser 28848P - Col.  
Ser 28858BP } NY  
Ser 28868BP }  
380M1-12 PCS000  
METER CHARGER  
VOLTAGE 480 CONNECTOR 350 RED

Ser 10608355695 } NY  
Ser 10608355696 }  
Ser 10608355697 } Col.

Ordered 3,00000 EACH 6870.00  
Shipped 3,00000 EACH

Ord 3,00000 EACH 2890.0000  
Shi 3,00000 EACH 2890.0000  
2890.0000  
2890.0000  
2890.0000  
3573.00



1191.0000  
1191.0000  
1191.0000

3/20/06  
Mr. Megan

10443.00 .00 .00 .00

Subtotal : 10443.00  
INVOICE TOTAL 10443.00

THE ABOVE GOODS REMAIN THE PROPERTY OF

REMITTANCE COPY

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

<b>A. NAME &amp; PHONE OF CONTACT AT FILER (optional)</b>	
Phone (800) 331-3282 Fax (818) 662-4141	
<b>B. SEND ACKNOWLEDGMENT TO: (Name and Address)</b>	
UCC Direct Services P.O. Box 29071 Glendale, CA 91209-9071	
DE, Secretary of State	

FILING NUMBER: 61348994

FILING DATE: 21-APR-2006

IMAGE REFLECTS DATA FROM AN ELECTRONIC FILING

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names**

<b>1a. ORGANIZATION'S NAME</b> Jennifer Convertibles, Inc.				
OR				
<b>1b. INDIVIDUAL'S LAST NAME</b>		<b>FIRST NAME</b>	<b>MIDDLE NAME</b>	<b>SUFFIX</b>
<b>1c. MAILING ADDRESS</b> 419 Crossways Park Drive		<b>CITY</b> Woodbury	<b>STATE</b> NY <b>POSTAL CODE</b> 11797	<b>COUNTRY</b> US
<b>1d. TAX ID #: SSN OR EIN</b>	<b>ADD'L INFO RE ORGANIZATION DEBTOR</b>	<b>1e. TYPE OF ORGANIZATION</b> Corporation	<b>1f. JURISDICTION OF ORGANIZATION</b> DE	<b>1g. ORGANIZATIONAL ID #, if any</b> <input checked="" type="checkbox"/> NONE

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names**

<b>2a. ORGANIZATION'S NAME</b>				
OR				
<b>2b. INDIVIDUAL'S LAST NAME</b>		<b>FIRST NAME</b>	<b>MIDDLE NAME</b>	<b>SUFFIX</b>
<b>2c. MAILING ADDRESS</b>		<b>CITY</b>	<b>STATE</b> <b>POSTAL CODE</b>	<b>COUNTRY</b>
<b>2d. TAX ID #: SSN OR EIN</b>	<b>ADD'L INFO RE ORGANIZATION DEBTOR</b>	<b>2e. TYPE OF ORGANIZATION</b>	<b>2f. JURISDICTION OF ORGANIZATION</b>	<b>2g. ORGANIZATIONAL ID #, if any</b> <input type="checkbox"/> NONE

**3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)**

<b>3a. ORGANIZATION'S NAME</b> Crown Credit Company				
OR				
<b>3b. INDIVIDUAL'S LAST NAME</b>		<b>FIRST NAME</b>	<b>MIDDLE NAME</b>	<b>SUFFIX</b>
<b>3c. MAILING ADDRESS</b> 40 S. Washington Street		<b>CITY</b> New Bremen	<b>STATE</b> OH <b>POSTAL CODE</b> 45869	<b>COUNTRY</b> US

**4. This FINANCING STATEMENT covers the following collateral:**

- (1) Crown Lift Truck, 1SSP48TT-360, SN:1A300785
- (1) Deka Battery, 12-125-15, SN:2884BP
- (1) Ametek Charger, 880M1-12, SN:106CS38516

<b>5. ALTERNATIVE DESIGNATION (if applicable):</b>		<input type="checkbox"/> LESSEE/LESSOR	<input type="checkbox"/> CONSIGNEE/CONSIGNOR	<input type="checkbox"/> BAILEE/BAILOR	<input type="checkbox"/> SELLER/BUYER	<input type="checkbox"/> AG. LIEN	<input type="checkbox"/> NON-UCC FILING
<b>6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)</b>		<b>7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional)</b>		<input type="checkbox"/> All Debtors		<input type="checkbox"/> Debtor 1	<input type="checkbox"/> Debtor 2
<b>8. OPTIONAL FILER REFERENCE DATA</b> 8473		18024850					

# CROWN Credit Company

New Bremen, Ohio 45869 USA  
Phone: 419/629-2311  
Fax: 419/629-9224  
crown.com

## Lease Schedule

No. 36431

Contract No. 40043686 Page 1 of 2

THIS SCHEDULE is being executed as of the 28th day of May, 2006, pursuant to the terms of the Master Lease Agreement, dated as of August 28, 2000, (the "Master Lease"), between CROWN CREDIT COMPANY ("Lessor") and Jennifer Convertibles, Inc., with offices at 419 Crossings Park Drive, Woodbury, NY 11797 ("Lessee"), and is subject to provisions of the Master Lease, all of which are incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings given to them in the Master Lease.

### SECTION 1. UNITS BEING LEASED.

Item No.	Description (Make, Model & Serial Number)	Rental Charge	Base Hours	Excess Usage Charge per Hour	Security Deposit
1.	Crown, 15SP48TT-360, SN: 1A303409	\$563.35	N/A	N/A	N/A
2.	Deka Battery, 12-125-15, SN: 1310DP				
3.	Ametek Charger, 880M1-12, SN: 206CS39617				

Reference PO #

Note: First invoice includes first & last payments of the contract.

Maintenance Option (See 4.01 Page 2 of 2) ☒ A ☐ B ☐ C

Rental Charge Start Date Delivery Payment Frequency Monthly

### SECTION 2. TERM; DELIVERY; LOCATION OF UNITS ; FILINGS.

**2.01** Unless earlier terminated or cancelled as provided in the Master Lease, the initial term of the lease of each Unit leased hereunder shall begin on the date of its delivery to Lessee and shall continue for a period of 60 months. Thereafter, the term of the lease of each Unit shall continue for successive thirty day periods until terminated by either party by giving the other party at least thirty days prior notice of termination.

**2.02** The Units shall be delivered to Lessee at the following location and shall be used by Lessee only at such location. Lessee shall under no circumstances remove any Unit from such location without Lessor's prior written consent (which shall not be unreasonably withheld).

Location: 12060 Cabernet Drive, Fremont, CA 92337

**2.03** All Units shall be shipped F.O.B. Factory and Lessee shall pay all transportation and insurance charges to the location specified in subsection 2.02.

**2.04** Lessee hereby authorizes Lessor to file all financing and continuation statements and other documents, and Lessee agrees to execute and deliver any other documents which Lessor deems necessary or advisable in order to record and secure Lessor's ownership of and interest in the Units.

PROVISIONS CONTINUED ON PAGE 2 OF 2

1226006

# CROWN Credit Company

New Bremen, Ohio 45869 USA  
Phone: 419/629-2311  
Fax: 419/629-9224  
crown.com

Lease Schedule - Page 2 of 2

Jennifer Convertibles, Inc.

No. 36431 Lessee \_\_\_\_\_

Date executed as of the 28th day of May, 2006

## SECTION 3. PAYMENT.

3.01 The rental charge for each Unit ("Rental Charge") shall be as set forth above in Section 1 adjacent to the description of that Unit and shall begin on the date and be payable at the intervals indicated in Section 1.

3.02 If the number of hours of operation of any Unit in any period exceeds the number of base hours for that Unit as shown in Section 1 ("Base Hours"), Lessee shall pay to Lessor, in addition to the Rental Charge for the Unit, the amount set forth in Section 1 for each hour of operation exceeding the Base Hours ("Excess Usage Charge").

3.03 If a security deposit for any Unit is indicated in Section 1, Lessee shall make payment of such security deposit to Lessor concurrently with Lessee's execution of this Schedule. Lessor shall be under no obligation to deliver any Units to Lessee until all such security deposits have been received.

3.04 Lessee acknowledges that the above charges for each Unit have been determined using information provided to Lessor by Lessee. If that information is or hereafter becomes inaccurate, Lessor shall have the right, in addition to any other rights or remedies provided in this Schedule or the Master Lease, to make appropriate adjustments in such charges.

3.05 All charges set forth herein are exclusive of any sales, use, recording, personal property, or other taxes applicable to or arising in connection with the leasing of the Units hereunder. All such taxes shall be the responsibility of Lessee, other than taxes based upon the net income of Lessor.

## SECTION 4. MAINTENANCE.

4.01 During the term of the lease of the Units hereunder:

- A. Lessee shall be responsible for all Planned Maintenance and Maintenance Services on the Units.
- B. Lessor shall be responsible for all Planned Maintenance on the Units, and Lessee shall be responsible for all Maintenance Services on the Units.
- C. Lessor shall be responsible for all Planned Maintenance and Maintenance Services on the Units.

Regardless of the maintenance option selected by Lessee, and indicated in Section 1, Lessee shall, at its own cost and expense, be responsible for the performance of Lessee's Responsibilities with respect to each Unit and the performance of all Additional Services required for each Unit.

4.02 Each party shall perform its responsibilities under this Section 4 or cause its responsibilities to be performed on its behalf by a third party duly authorized by Lessor. Unless otherwise provided in the Master Lease or this Schedule, all costs incurred by each party in connection with the performance of its responsibilities under this Section 4 shall be borne by such party.

4.03 If Lessor is to provide Maintenance Services hereunder, Lessee shall promptly notify Lessor upon discovering any condition indicating that Maintenance Services are needed. Should Lessee notify Lessor that it is not possible to operate the Unit without servicing, Lessor shall use its best efforts to commence Maintenance Services on the Unit promptly after receipt of Lessee's request for service.

4.04 Regardless of the maintenance option selected by Lessee, Lessee has full responsibility for the replacement of batteries and tires/wheels for each Unit beyond those originally supplied with that Unit, except as follows: N/A

4.05 As used in this Schedule:

"Planned Maintenance" means the performance, in accordance with the instructions of the manufacturer of each Unit and at such times as Lessor may agree or the manufacturer may specify, of all planned maintenance services for the Unit which are recommended by its manufacturer.

"Lessee's Responsibilities" means the performance of all services recommended by the manufacturer of each Unit in connection with the normal daily operational needs of the Unit.

"Maintenance Services" means all work required to keep each Unit in good working order, other than Planned Maintenance, Lessee's Responsibilities, and repairs, maintenance or servicing (i) arising out of Lessee negligence, accidents, abuse or misuse of the Unit; (ii) resulting from Lessee's failure to perform, or the improper performance of, Lessee's Responsibilities; or (iii) necessitated or occasioned by repairs or servicing undertaken by any party, including Lessee, other than Lessor.

"Additional Services" means all repairs, maintenance, or service which is required (in addition to Planned Maintenance, Maintenance Services, and Lessee's Responsibilities) to keep each Unit in good working order.

## SECTION 5. ADDITIONAL PROVISIONS OR RIDERS.

None, except as noted below:

- ☒ Purchase Option Supplement
- ☐ Additional Equipment Rider
- ☐ Other \_\_\_\_\_

IN WITNESS WHEREOF, the undersigned have executed this Schedule as of the date first above written.

CROWN CREDIT COMPANY (LESSOR)

By Jan H. Hill

Jennifer Convertibles, Inc.

(LESSEE)

By Jan Hill



# CROWN Credit Company

New Bremen, Ohio 45869 USA  
Phone: 419/629-2311  
Fax: 419/629-9224  
crown.com

## Purchase Option Rider to Lease Schedule

No. 36431

- A. Provided that Lessee is not then in default under the Master Lease or this Schedule, Lessee shall have the right to purchase all, but not less than all, of the Units at the following time or times (the "Purchase Option Date") and at the price or prices indicated (the "Purchase Option Price"), together with all sales, excise, or other taxes payable in connection with the sale of the Unit to Lessee.

Purchase Option Date

Purchase Option Price

After <u>60</u> monthly payments	<u>\$1.00 plus tax</u>
After _____ monthly payments	_____
After _____ monthly payments	_____
After _____ monthly payments	_____
After _____ monthly payments	_____

- B. If Lessee desires to exercise the option granted herein, Lessee shall provide written notice of exercise to Lessor at least 60 days prior to the Purchase Option Date, accompanied by payment of the aggregate Purchase Option Price, plus all applicable sales, excise, or other taxes.
- C. Provided that Lessee is not then in default under the Master Lease or this Schedule and that Lessee has properly exercised the option granted herein, title to all Units shall pass to Lessee, and the term of the lease of the Units shall expire, at the close of business on the Purchase Option Date. Notwithstanding the foregoing, Lessee's purchase of the Units shall not affect obligations or liabilities of Lessee under the Master Lease or this Schedule which accrue prior to the Purchase Option Date or which are intended to survive the Purchase Option Date.
- D. All Units purchased hereunder will be sold by Lessor on an "AS-IS, WHERE-IS" basis, without any representation or warranty of any nature whatsoever other than that title to each Unit is being transferred free and clear of any claim, lien, security interest, or other encumbrance in favor of Lessor or any person claiming through or under Lessor.

CROWN CREDIT COMPANY (LESSOR)

By \_\_\_\_\_

Jennifer Convertibles, Inc.

(LESSEE)

By \_\_\_\_\_

# MEMORANDUM

[illegible]

SHIPPER'S NO. 0NT-000721

CARRIER'S NO.

FROM AT	CROWN LIFT TRUCKS 4500 E. GREENSTONE DRIVE FONTANA, CA 92781 PHONE: 951/823-3337	CARRIER	2210
DATE	6-16-06 CUST. P.O.	ROUTE	11500 1/2 RD -
CONSIGNEE AND DESTINATION	JENNIFER CONVERTABLES 12060 CABERNET DR. FONTANA, CA 92337	DELIVERING CARRIER	6-16-06
		CAR OR VEHICLE INITIALS & NO.	421100

NO. OF PACKAGES	DESCRIPTION OF ARTICLES, SPECIAL MARKS, AND EXCEPTIONS	HAZARDOUS MATERIALS	WEIGHT (SUB. TO COR.)	CLASS. & RATE
	BATTERY, WET, FILLED WITH ACID; S; UN 2794; PG III	ERG #154		70
	PAINT; S; UN 1263; PG II or PG III	ERG #127		70
	PROPANE; 2.1; UN 1075	ERG #115		70

Subject to Section 7 of conditions of applicable bill of lading, if this shipment is to be delivered to consignee without recourse on the consignor, the consignor shall sign the following statement:

The carrier shall NOT make delivery of this shipment without payment of freight and all other local charges.

PLACARDS: PRESENT ON CARRIER	DELIVERED TO CARRIER	SHIPPER'S REFERENCE	DATE
------------------------------	----------------------	---------------------	------

NON-HAZARDOUS MATERIALS		CARRIER
	Cars, Lift Trucks or Vehicles, electric, NOI, not designed for general highway use and not exceeding 1,300 pounds net weight, in boxes or crates:	ITEM 190230-A
1	WITHOUT batteries 15SP48TT-360 S/N:1A303409	SUB 1 150
	WITH batteries	SUB 2 92.5
	Cars, Lift Trucks or Vehicles, electric or internal combustion engine powered, NOI, not designed for general highway use, exceeding 1,300 pounds net weight .... CRATED OR SKIDDED	ITEM 190225 85
	LIFT TRUCK HAND	ITEM 189240 85
	LIFT TRUCK ATTACHMENTS	ITEM 192212 70
	PRINTED MATTER NO. 1	ITEM 161870 70
	DRY BATTERIES	ITEM 60720 65
	FORK, ARMS, FINGERS, OR TINES: STEEL	ITEM 192210 65
	CONSUMER COMMODITY ORM-D	70
1	DeKo Battery Model. 12125-15 s/n:1310DP	
1	AmatsK Charger Model 880MI-12 s/n:806CS39617.	

Received \$ \_\_\_\_\_ to apply in prepayment of the charges on the property described herein.

### Agents of Change

Per \_\_\_\_\_  
(The signature here acknowledges only the amount prepaid).

Chemical Abstracts

SHIPPER'S CERTIFICATION: This is to certify that the above-named materials are property of said, described, packaged, marked and labeled, are in proper condition for transportation according to the applicable regulations of the Department of Transportation.

**SIGNATURE**

\* If the shipment moves between two ports by a carrier by water, the law requires that the bill of lading shall state whether it is "bills of lading of shipper's weight."

— 8 —

THIS SHIPMENT IS CORRECTLY DESCRIBED.

COLLECT WEIGHT IS \_\_\_\_\_ LBS

<sup>2</sup> The five factors used for this comparison correlate to the specific features set forth in the Los Angeles anti-bias charter, and all of the members of the Commission signed these statements.

**Car**

2013

PHOTO EQUIPMENT CORPORATION  
4001 E. 5TH AVENUE DRIVE  
DENTON, OK 73201  
PHONE: 405/920-8997

Shipper, Per

Agent Per

PERMANENT POST OFFICE OF SHIPPER

# UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional) Phone (800) 331-3282 Fax (818) 662-4141	
B. SEND ACKNOWLEDGMENT TO: (Name and Address) UCC Direct Services P.O. Box 29071 Glendale, CA 91209-9071	
DE, Secretary of State	

FILING NUMBER: 62066900

FILING DATE: 16-JUN-2006

IMAGE REFLECTS DATA FROM AN ELECTRONIC FILING

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

## 1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME Jennifer Convertibles, Inc.				
OR				
1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS 419 Crossways Park Drive		CITY Woodbury	STATE NY	POSTAL CODE 11797
1d. TAX ID #: SSN OR EIN		ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION Corporation	1f. JURISDICTION OF ORGANIZATION DE
				1g. ORGANIZATIONAL ID #, if any <input checked="" type="checkbox"/> NONE

## 2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME				
OR				
2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
2d. TAX ID #: SSN OR EIN		ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION
				2g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

## 3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME Crown Credit Company				
OR				
3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS 40 S. Washington Street		CITY New Bremen	STATE OH	POSTAL CODE 45869
				COUNTRY US

4. This FINANCING STATEMENT covers the following collateral:  
(1) Crown Lift Truck, 15SP48TT-360, SN:1A303409  
(1) Deka Battery, 12-125-15, SN:1310DP  
(1) Ametek Charger, 880M1-12, SN:206CS39617

5. ALTERNATIVE DESIGNATION (if applicable):		LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)		7. Check to REQUEST SEARCH REPORT (S) on Debtor(s) (optional)		All Debtors		Debtor 1	Debtor 2
8. OPTIONAL FILER REFERENCE DATA 8472		18024642					

**SEBALY SHILLITO + DYER**  
A LEGAL PROFESSIONAL ASSOCIATION

1900 KETTERING TOWER  
40 N. MAIN STREET  
DAYTON, OHIO 45423-1013  
PH: 937-222-2500  
FX: 937-222-6554

KIMBERLY A. THOMAS  
kthomas@ssdlaw.com

October 21, 2010

**FEDERAL EXPRESS**

BMC Group, Inc.  
Attn: Jennifer Convertibles Claims  
18750 Lake Drive East  
Chanhassen, MN 55317

Re: Jennifer Convertibles, Inc., Case No. 10-13779, U.S. Bankruptcy Court, Southern  
District of New York

Enclosed are an original and one copy of a Proof of Claim on behalf of Crown Credit  
Company. Kindly file this Proof of Claim in your office and return a time-stamped copy to me  
in the enclosed self-addressed return envelope.

Please contact our office should you have any questions.

Very truly yours,



Kimberly A. Thomas  
Paralegal

Enclosures

1245809.1

IRS Circular 230 Disclosure: IRS regulations require us to notify you that this communication (including any attachments) is not intended or  
written to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code.

