

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK (MANHATTAN)		PROOF OF CLAIM		 YOUR CLAIM IS SCHEDULED AS: Schedule/Claim ID s348 Amount/Classification \$47,773.59 Unsecured	
In re: Jennifer Convertibles, Inc.		Case Number: 10-13779		The amounts reflected above constitute your claim as scheduled by the Debtor or pursuant to a filed claim. If you agree with the amounts set forth herein, and have no other claim against the Debtor, you do not need to file this proof of claim EXCEPT as stated below. If the amounts shown above are listed as Contingent, Unliquidated or Disputed, a proof of claim must be filed. If you have already filed a proof of claim with the Bankruptcy Court or BMC, you do not need to file again. THIS SPACE IS FOR COURT USE ONLY	
NOTE: See Reverse for List of Debtors/Case Numbers/ important details. 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.					
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> Name of Creditor and Address: the person or other entity to whom the debtor owes money or property <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> BRENT ASSOCIATES, INC. 931 B CONKLIN AVE FARMINGDALE, NY 11735 Att: J. James Kogel, Pres.. jimkog@optonline.net </div> </div> <div style="width: 50%;"> <input type="checkbox"/> Check 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. </div> </div>					
Creditor Telephone Number (631) 420-0070		<div style="border: 1px solid black; padding: 10px; width: 150px; margin: 0 auto;"> RECEIVED OCT 25 2010 BMC GROUP </div>		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Claim Number (if known): Filed on:	
Name and address where payment should be sent (if different from above): Payment Telephone Number ()					
1. AMOUNT OF CLAIM AS OF DATE CASE FILED \$ 188,436.56 * <small>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. If all or part of your claim qualifies as an administrative expense under 11 U.S.C. § 503(b)(9), complete item 6.</small> <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.					
2. BASIS FOR CLAIM: For unpaid rent* due under a non-residential real property lease for premises located at 164 Glen Cove Rd (see (See instructions #2 and #3a on reverse side.)		3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR: None used <small>3a. Debtor may have scheduled account as:</small>			
4. SECURED CLAIM (See instruction #4 on reverse side.) below Check the appropriate box if your claim is secured by a lien on property or a right of set off and provide the requested information Nature of property or right of setoff: Describe: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other _____ Value of Property: \$ _____ Annual Interest Rate: _____ % if any: \$ _____ Basis for Perfection: _____ Secured Claim Amount: \$ _____ DO NOT include the priority portion of your claim here. Unsecured Claim Amount: \$ _____ Amount of arrearage and other charges as of time case filed included in secured claim,					
5. PRIORITY CLAIM <input checked="" type="checkbox"/> Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). <small>If any portion of your claim falls in one of the following categories, check the box and state the amount.</small> You MUST 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 checked="" type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(<u>2</u>) & 503(b)(1) <small>* 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.</small> Unsecured Priority Claim Amount: \$ 139,489.59 * Include ONLY the priority portion of your unsecured claim here.					
6. AMOUNT OF CLAIM THAT QUALIFIES AS AN ADMINISTRATIVE EXPENSE UNDER 11 U.S.C. § 503(b)(9): \$ -0- <small>See instruction #6 on reverse side</small>					
7. CREDITS: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.					
8. SUPPORTING DOCUMENTS: <u>Attach redacted copies of supporting documents</u> , such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of evidence of perfection of a security interest. (See instruction 8 and definition of "redacted" on reverse side.) If the documents are not available, please explain. DATE-STAMPED COPY: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim. DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.					
The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES NOT ACCEPTED) so that it is actually received on or before 5:00 pm, prevailing Eastern Time on October 25, 2010 for Non-Governmental Claimants OR on or before 5:00 pm, prevailing Eastern Time on January 18, 2011 for Governmental Units BY MAIL TO: BMC Group, Inc Attn: Jennifer Convertibles Claims Processing PO Box 3020 Chanhassen, MN 55317-3020				THIS SPACE FOR COURT USE ONLY Jennifer Convertibles 00303	
DATE 10/21/10		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. 			

Penalty for presenting fraudulent claim is a fine of up to \$500,000 or imprisonment for up to 5 years or both. 18 U.S.C. §§ 152 AND 3571

*Landlord reserves the right to amend this Proof of Claim.

#2 Carle Place, NY identified by the Landlord as Building #105, Unit 1

Date Range: From 12-01-2008 To 10-31-2010

Based Upon: Accounting Date

Property: 100-105 164 GLEN COVE ROAD

Accounting Date Charge Date Charge Type Description

Tenant: JENNIFER CONVERTIBLES, INC.
Lease: 100105-001-004(0) Primary Unit: 001

12-01-2008 12-01-2008 0-RENT RENT
12-22-2008 11-01-2008 0-RENT RENT
12-22-2008 12-01-2008 0-RENT RENT

December 2008 Subtotals:

01-01-2009 01-01-2009 0-RENT RENT

January 2009 Subtotals:

02-01-2009 02-01-2009 0-RENT RENT

February 2009 Subtotals:

03-01-2009 03-01-2009 0-RENT RENT
03-06-2009 02-01-2009 0-RENT RENT
03-10-2009 01-01-2009 0-RENT RENT

March 2009 Subtotals:

04-01-2009 04-01-2009 0-RENT RENT
04-06-2009 03-01-2009 0-RENT RENT

April 2009 Subtotals:

05-01-2009 05-01-2009 0-RENT RENT

May 2009 Subtotals:

06-01-2009 06-01-2009 0-RENT RENT
06-03-2009 04-01-2009 0-RENT RENT

June 2009 Subtotals:

07-01-2009 07-01-2009 0-RENT RENT
07-09-2009 05-01-2009 0-RENT RENT

July 2009 Subtotals:

08-01-2009 08-01-2009 0-RENT RENT
08-05-2009 06-01-2009 0-RENT RENT

Beginning Balance

Charges

Payments

Adjustments

Apply/
Return
Credits

Apply/
Forfeit/
Transfer/
Dep./Int.

Ending Balance

47,600.00

933.40-
47,600.00-

933.40

47,600.00

48,533.40*

.00*

.00*

.00*

.00

.00

47,600.00

.00*

.00*

.00*

.00*

47,600.00

47,600.00

47,600.00

.00*

.00*

.00*

.00*

95,200.00

61951
61205

47,600.00-
47,600.00-

95,200.00

47,600.00

95,200.00*

.00*

.00*

.00*

47,600.00

63620

47,600.00

47,600.00*

.00*

.00*

.00*

47,600.00

47,600.00

47,600.00

.00*

.00*

.00*

.00*

95,200.00

65021

47,600.00

47,600.00-

.00*

.00*

.00*

95,200.00

95,200.00

47,600.00

47,600.00*

.00*

.00*

.00*

95,200.00

75636

47,600.00

47,600.00-

.00*

.00*

.00*

95,200.00

95,200.00

47,600.00

47,600.00*

.00*

.00*

.00*

95,200.00

66585

48,552.00

47,600.00-

.00*

.00*

.00*

95,200.00

Date Range: From 12-01-2008 To 10-31-2010

Based Upon: Accounting Date

Property: 100-105 164 GLEN COVE ROAD

Accounting Date	Charge Date	Charge Type	Description	Check # or ID	Beginning Balance	Charges	Payments	Adjustments	Apply/ Refund Credits	Apply/ Forfeit Transfer/ Dep./Int.	Ending Balance
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Tenant: JENNIFER CONVERTIBLES, INC.

Lease: 100105-001-004(0) Primary Unit: 001

August 2009 Subtotals:											
					95,200.00	48,552.00*	47,600.00*	.00*	.00*	.00*	96,152.00
09-01-2009	09-01-2009	0-RENT	RENT			48,552.00					
09-01-2009	09-01-2009	CAM ESTIM	Voided - CAM ESTIMATE			2,499.54					
09-01-2009	09-01-2009	CAM ESTIM	Reversed - CAM ESTIMATE			2,499.54-					
09-01-2009	09-01-2009	GENERAL_TAX	Voided - GENERAL TAX			8,141.95					
09-01-2009	09-01-2009	GENERAL_TAX	Reversed - GENERAL TAX			8,141.95-					
09-01-2009	09-01-2009	SCHOOL TAX	Voided - SCHOOL TAXES			16,007.97					
09-01-2009	09-01-2009	SCHOOL TAX	Reversed - SCHOOL TAXES			16,007.97-					
09-02-2009	07-01-2009	0-RENT	RENT	66689			47,600.00-				
09-11-2009	08-01-2009	0-RENT	RENT	67774			47,600.00-				
09-30-2009	09-30-2009	0-RENT	RENT			952.00-					
09-30-2009	09-01-2009	0-RENT	RENT	68292			47,600.00-				
09-30-2009	09-01-2009	0-RENT	RENT			952.00-					
09-30-2009	10-01-2009	0-RENT	RENT			952.00-					
September 2009 Subtotals:											
					96,152.00	45,696.00*	142,800.00*	.00*	.00*	.00*	952.00-
10-01-2009	10-01-2009	0-RENT	RENT			48,552.00					
10-01-2009	10-01-2009	CAM ESTIM	Voided - CAM ESTIMATE			2,499.54					
10-01-2009	10-01-2009	CAM ESTIM	Reversed - CAM ESTIMATE			2,499.54-					
10-01-2009	10-01-2009	GENERAL_TAX	Voided - GENERAL TAX			8,141.95					
10-01-2009	10-01-2009	GENERAL_TAX	Reversed - GENERAL TAX			8,141.95-					
10-01-2009	10-01-2009	R&M-HVAC	R&M-HVAC			2,458.50					
10-01-2009	10-01-2009	SCHOOL TAX	Voided - SCHOOL TAXES			16,007.97					
10-01-2009	10-01-2009	SCHOOL TAX	Reversed - SCHOOL TAXES			16,007.97-					
October 2009 Subtotals:											
					952.00-	51,010.50*	.00*	.00*	.00*	.00*	50,058.50
11-01-2009	11-01-2009	0-RENT	RENT			47,600.00					
November 2009 Subtotals:											
					50,058.50	47,600.00*	.00*	.00*	.00*	.00*	97,658.50
12-01-2009	12-01-2009	0-RENT	RENT			47,600.00					
12-01-2009	12-01-2009	SCHOOL TAX	Voided - SCHOOL TAXES			16,526.81					
12-01-2009	12-01-2009	SCHOOL TAX	Reversed - SCHOOL TAXES			16,526.81-					
12-04-2009	10-01-2009	0-RENT	RENT	68977			47,600.00-				
12-04-2009	10-01-2009	R&M-HVAC	R&M-HVAC	68977			2,458.50-				
12-04-2009	11-01-2009	0-RENT	RENT	68977			367.50-				
December 2009 Subtotals:											
					97,658.50	47,600.00*	50,426.00*	.00*	.00*	.00*	94,832.50
01-01-2010	12-01-2009	0-RENT	RENT			952.00					

Date Range: From 12-01-2008 To 10-31-2010

Based Upon: Accounting Date

Property: 100-105 164 GLEN COVE ROAD

Accounting Charge Charge Description
Date Date Type

Tenant: JENNIFER JENNIFER CONVERTIBLES, INC.
Lease: 100105-001-004(0) Primary Unit: 001

01-01-2010 01-01-2010 0-RENT RENT
01-01-2010 01-01-2010 GENERL TAX GENERAL TAX
01-01-2010 01-01-2010 SCHOOL TAX SCHOOL TAXES

January 2010 Subtotals: 94,832.50 74,172.76 .00* .00* .00* 169,005.26

02-01-2010 02-01-2010 0-RENT RENT
02-01-2010 02-01-2010 GENERL TAX GENERAL TAX
02-01-2010 02-01-2010 SCHOOL TAX SCHOOL TAXES
02-01-2010 02-01-2010 SNOW 100% SNOW 100%
02-11-2010 11-01-2009 0-RENT RENT
02-11-2010 02-01-2010 SNOW 100% SNOW 100%
02-18-2010 02-04-2010 SNOW 100% SNOW 100%
02-22-2010 02-22-2010 SNOW 100% SNOW 100%
02-26-2010 02-26-2010 SNOW 100% SNOW 100%

71434 71434
124.65 1,349.50-
1,276.34 2,427.77

February 2010 Subtotals: 169,005.26 78,040.93* 48,582.00* .00* .00* 198,464.19

03-01-2010 03-01-2010 0-RENT RENT
03-01-2010 03-01-2010 CAM ESTIM CAM ESTIMATE
03-01-2010 03-01-2010 GENERL TAX GENERAL TAX
03-01-2010 03-01-2010 SCHOOL TAX SCHOOL TAXES
03-05-2010 12-01-2009 0-RENT RENT
03-05-2010 01-01-2010 0-RENT RENT
03-05-2010 02-01-2010 0-RENT RENT
03-05-2010 02-01-2010 SNOW 100% SNOW 100%
03-05-2010 02-04-2010 SNOW 100% SNOW 100%
03-05-2010 02-23-2010 SNOW 100% SNOW 100%
03-05-2010 02-23-2010 SNOW 100% SNOW 100%

72158 72158 48,552.00-
72158 72071 48,552.00-
72157 72157 182.28-
72157 124.65-
2,696.56 2,696.56-

March 2010 Subtotals: 198,464.19 78,972.11* 148,559.49* .00* .00* 128,776.81

04-01-2010 04-01-2010 0-RENT RENT
04-01-2010 04-01-2010 CAM ESTIM CAM ESTIMATE
04-01-2010 04-01-2010 GENERL TAX GENERAL TAX
04-01-2010 04-01-2010 SCHOOL TAX SCHOOL TAXES

April 2010 Subtotals: 128,776.81 76,276.55* .00* .00* .00* 205,052.36

05-01-2010 05-01-2010 0-RENT RENT
05-01-2010 05-01-2010 CAM ESTIM CAM ESTIMATE
05-01-2010 05-01-2010 GENERL TAX GENERAL TAX
05-01-2010 05-01-2010 SCHOOL TAX SCHOOL TAXES

48,552.00
3,595.16
7,601.58
16,526.81

Date Range: From 12-01-2008 To 10-31-2010

Based Upon: Accounting Date

Property: 100-105 164 GLEN COVE ROAD

Accounting Date	Charge Date	Charge Type	Description
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Tenant: JENNIO JENNIFER CONVERTIBLES, INC.

Lease: 100105-001-004(0) Primary Unit: 001

		May 2010 Subtotals:		205,052.36	76,276.55*	.00*	.00*	.00*	281,327.91
06-01-2010	06-01-2010	0-RENT	RENT		48,552.00				
06-01-2010	06-01-2010	CAM ESTIM	CAM ESTIMATE		3,595.16				
06-01-2010	06-01-2010	GENERL_TAX	GENERAL TAX		7,601.58				
06-01-2010	06-01-2010	SCHOOL TAX	SCHOOL TAXES		16,526.81				
				June 2010 Subtotals:	281,327.91	76,276.55*	.00*	.00*	357,603.46
07-01-2010	07-01-2010	0-RENT	RENT		48,552.00				
07-01-2010	07-01-2010	CAM ESTIM	CAM ESTIMATE		3,595.16				
07-01-2010	07-01-2010	GENERL_TAX	GENERAL TAX		7,601.58				
07-01-2010	07-01-2010	SCHOOL TAX	SCHOOL TAXES		16,526.81				
				July 2010 Subtotals:	357,603.46	76,276.55*	.00*	.00*	433,879.01
08-01-2010	08-01-2010	0-RENT	RENT		49,523.04				
08-01-2010	08-01-2010	CAM ESTIM	CAM ESTIMATE		3,595.16				
08-01-2010	08-01-2010	GENERL_TAX	GENERAL TAX		7,601.58				
08-01-2010	08-01-2010	SCHOOL TAX	SCHOOL TAXES		16,526.81				
08-05-2010	08-01-2010	0-RENT	RENT	75014		37,142.28-			
				August 2010 Subtotals:	433,879.01	77,246.59*	37,142.28-*	.00*	473,983.32
09-01-2010	09-01-2010	0-RENT	RENT		49,523.04				
09-01-2010	09-01-2010	CAM ESTIM	CAM ESTIMATE		3,595.16				
09-01-2010	09-01-2010	GENERL_TAX	GENERAL TAX		7,601.58				
09-01-2010	09-01-2010	SCHOOL TAX	SCHOOL TAXES		16,526.81				
09-03-2010	09-01-2010	0-RENT	RENT	75516		45,070.21-			
09-03-2010	09-01-2010	0-RENT	RENT	75516		45,070.21			
09-03-2010	09-01-2010	0-RENT	RENT	75516		37,404.97-			
09-03-2010	09-01-2010	0-RENT	Check 75516 - Returned	75516		37,404.97			
09-09-2010	09-01-2010	0-RENT	RENT	75635		37,142.28-			
				September 2010 Subtotals:	473,983.32	77,246.59*	37,142.28-*	.00*	514,087.63
10-01-2010	10-01-2010	0-RENT	RENT		49,523.04				
10-01-2010	10-01-2010	CAM ESTIM	CAM ESTIMATE		3,595.16				
10-01-2010	10-01-2010	GENERL_TAX	GENERAL TAX		7,601.58				
10-01-2010	10-01-2010	SCHOOL TAX	SCHOOL TAXES		16,526.81				
10-05-2010	07-01-2010	0-RENT	RENT	76033		16,270.39-			
10-05-2010	10-01-2010	0-RENT	RENT	76033		37,142.28-			

Date Range: From 12-01-2008 To 10-31-2010

Based Upon: Accounting Date

Property: 100-105 164 GLEN COVE ROAD

Accounting Date	Charge Date	Charge Type	Description
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Tenant: JENNINO JENNIFER CONVERTIBLES, INC.
Lease: 100105-001-004(0) Primary Unit: 001

Check # or ID	Beginning Balance	Charges	Payments	Adjustments	Apply/ Refund Credits	Apply/ Forfeit/ Transfer/ Dep./Int.	Ending Balance
October 2010 Subtotals:	514,087.63	77,246.59	52,412.67	.00	.00	.00	538,921.55
Lease 100105-001-004(0) Subtotals:	933.40	1,389,286.27	851,298.12	.00	.00	.00	538,921.55
Tenant JENNINO Totals:	933.40	1,389,286.27	851,298.12	.00	.00	.00	538,921.55
Property 100-105 Totals:	933.40	1,389,286.27	851,298.12	.00	.00	.00	538,921.55

Brent Associates, Inc.
931B Conklin Street
Farmingdale, New York 11735
631-420-0070/FAX420-0083

EXTENSION AGREEMENT

DATE: April 23, 2010
TO: Mr. Edward B. Seidner
RE: Lease dated 11/16/2006 as modified 11/21/2006 and 11/20/2008
PREMISES: 164 Glen Cove Road, Carle Place, NY 11514
LANDLORD: Brent Associates, Inc.
TENANT: Jennifer Convertibles, Inc.

Landlord and Tenant mutually agree as follows:

Reference is made to Second Lease Modification Agreement dated 11/20/2008. By this Extension Agreement, the terms of said Modification Agreement are hereby extended through June 30, 2010.

Dated: May 12 2010

Jennifer Convertibles, Inc.

By: 

Edward Seidner, Executive VP

Brent Associates, Inc.

By: 

Jacob James Kogel, Pres.

Brent Associates, Inc.
931B Conklin Street
Farmingdale, New York 11735
631-420-0070/FAX420-0083

EXTENSION AGREEMENT

DATE: September 28, 2009
TO: Mr. Edward B. Seidner
RE: Lease dated 11/16/2006 as modified 11/21/2006 and 11/20/2008
PREMISES: 164 Glen Cove Road, Carle Place, NY 11514
LANDLORD: Brent Associates, Inc.
TENANT: Jennifer Convertibles, Inc.

Landlord and Tenant mutually agree as follows:

Reference is made to Second Lease Modification Agreement dated 11/20/2008. By this Extension Agreement, the terms of said Modification Agreement are hereby extended through December 31, 2009.


Dated: October 1 2009

Jennifer Convertibles, Inc.

By: [Signature]
Edward Seidner, Executive VP

Brent Associates, Inc.

By: [Signature]
Jacob James Kogel, Pres.


Brent Associates, Inc.
931 B Conklin Street
Farmingdale, New York 11735
631-420-0070/FAX420-0083

Second Lease Modification Agreement

DATE: November 20, 2008
TO: Mr. Edward B. Seidner
RE: Lease dated 11/16/2006
PREMISES: 164 Glen Cove Road, Carle Place, NY 11514
LANDLORD: Brent Associates, Inc.
TENANT: Jennifer Convertibles, Inc.

Landlord and Tenant mutually agree as follows:

1. The above described Lease is in full force and effect.
2. Paragraph 4, "**Rent (f)**," of said Lease shall be modified and amended with the addition of this sentence at the end of sub-paragraph (b):
"Notwithstanding the above, Tenant is hereby permitted to pay Rent late without any associated late fees, only for the months starting November 2008 through and including August 2009."
3. Paragraph 7, "**Taxes**," of said Lease shall be modified and amended by the addition of the following sentence to the end of sub-paragraph (a):
"Notwithstanding the above, the payment of Taxes only for the months November 2008 through and including August 2009 shall be fully abated."
4. **Exhibit B** of said Lease shall be modified and amended by the addition of the following sentence under the CAM chart:
"Notwithstanding the above, CAM only for the months November 2008 through and including August 2009 shall be fully abated."
5. Paragraph 8, "**Common Area Charges**," shall be modified and amended by the addition of the following sentence at the end of sub-paragraph (b):
"Notwithstanding the above, CAM RETRO only for the months November 2008 through and including August 2009 shall be fully abated."
6. Notwithstanding the above, if Tenant files for bankruptcy protection during the period November 2008 through August 2009, all of the original terms and conditions of this Lease shall be re-instated and paragraphs 2, 3, 4 and 5 herein shall be null and void.
7. Paragraph 3, "**Exclusivity**," of the Lease Rider shall be modified and amended to read as follows:
Sub-paragraph (a) shall read:
Landlord agrees not to lease any space within the Shopping Center to any other proposed tenant whose use shall be the sale of furniture, sofas and mattresses which shall be exclusive to Tenant in the Shopping Center. Parties agree that a proposed tenant whose business is substantially limited to the sale of outdoor furniture, antique furniture, antique reproduction furniture, unfinished furniture and custom built furniture and does not include any other type of furniture, sofas or mattresses shall be deemed to not be in competition with, or interfering with, Tenant's Use. It is specifically agreed that the use and exclusive use rights granted to Tenant (located at 164 Glen Cove Road) herein shall also apply to Tenant and any related entity that is leasing the premises known as 168A Glen Cove Road and 168D Glen Cove Road and such tenancy shall not be a breach of this paragraph. In the event Tenant (located at 164 Glen Cove Road) is in default of its obligations under this Lease beyond all applicable cure periods, or files for bankruptcy protection, or Tenant provides a Termination Notice pursuant to this Lease, the rights of Tenant herein, as

well as the rights of tenants located at 168A and 168D Glen Cove Road, with respect to exclusive use shall terminate.

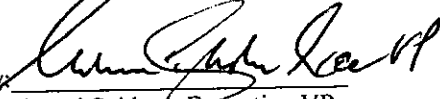
(b) Intentionally deleted.

(c) With respect to furniture, sofas and mattresses Landlord and Tenant agree that Landlord may rent to other tenants in the Shopping Center who, in the sole judgment of the Tenant, sell furniture, sofas or mattresses that are not in direct competition with, the furniture, sofas or mattresses of Tenant, provided, in each instance, Landlord first obtains the written consent of Tenant, which consent shall not be unreasonably withheld, delayed or denied.

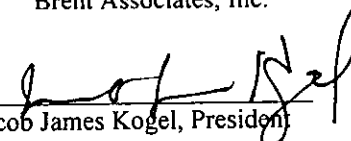
7. All other terms and conditions shall remain the same.

Dated: 12/5 2008

Jennifer Convertibles, Inc.

By: 
Edward Seidner, Executive VP

Brent Associates, Inc.

By: 
Jacob James Kogel, President

Brent Associates, Inc.
931 B Conklin Street
Farmingdale, New York
631-420-0070/420-0083

April 9, 2007

Owen Wincig, Esq.
The Law Offices of Wincig & Wincig
574 Fifth Avenue, 2nd Floor
New York, NY 10036

Re: Corrections to Jennifer Convertibles, Inc. Leases for 164 Glen Cove Road & 168 A Glen Cove Road

Dear Owen:

This letter is written to confirm our conversation of 4/5/07 that all parties are in agreement with the following corrections to the above referenced leases:

1) Lease between Brent Associates, Inc. and Jennifer Convertibles, Inc. for premises located at 164 Glen Cove Road, Carle Place, NY 11514 dated 11/16/2006:

Page 7, Paragraph 8 "Common Area Charges," (e) shall read:
"fifty-one (51.00%) percent" and not fifty one hundredths (51.00%) percent.

2) Lease between Brent Associates, Inc. and Jennifer Convertibles, Inc. for premises located at 168 A Glen Cove Road, Carle Place, NY 11514 dated 11/16/2006:

Page 7, Paragraph 8 "Common Area Charges," (f) shall read:
"ten and fifty-five one hundredths (10.55%) percent" and not ten and thirty five one hundreths (10.55%) percent.

Very truly yours,

Claudia Cositore

Claudia Cositore, Esq.

BRENT ASSOCIATES, INC.
931B Conklin Street
Farmingdale, NY 11735
516-420-0070/FAX 420-0083

LEASE MODIFICATION AGREEMENT

DATE: November 21, 2006
TO: Mr. Edward B. Seidner, Executive Vice President, Jennifer Convertibles, Inc.
RE: Lease Dated 11/16/06
PREMISES: 164 Glen Cove Road, Carle Place, New York 11514
LANDLORD: Brent Associates, Inc.
TENANT: Jennifer Convertibles, Inc.

Landlord and Tenant hereby mutually agree as follows:

1. The above described Lease is in full force and effect.
2. Paragraph 3, entitled "Exclusivity," of the Rider to said Lease is hereby amended as follows:

3. (b), last line shall read: "...statues; (ix) animal furnishings; and (x) custom made home furnishings and (xi) bathroom furnishings."
(newly added words are underlined)
3. All other terms and conditions shall remain the same.

Date: November 21, 2006

JENNIFER CONVERTIBLES, INC.

By: [Signature]

Edward B. Seidner, Executive Vice
President

BRENT ASSOCIATES, INC.

By: [Signature]

Jacob James Kogel, President

MEMORANDUM OF LEASE

between

Brent Associates, Inc.

as Landlord

and

Jennifer Convertibles, Inc.

as Tenant

Premises:

County: Nassau

State: New York

Section: 9

Block: 670

Lot: 60

A/K/A: 164 Glen Cove Road

Dated: as of November 17, 2006

Record and Return To:

The Law Offices of Wincig & Wincig
574 Fifth Avenue, 2nd Floor
New York, NY 10036
Attn: Owen Wincig, Esq.

THIS MEMORANDUM OF LEASE (this "Memorandum") made as of the 17 day of November 2006 between Brent Associates, Inc. a New York corporation having an office at 931B Conklin Street, Farmingdale, NY 11735, and Jennifer Convertibles, Inc., a Delaware corporation having an office at 419 Crossways Park Drive, Woodbury NY 11797.

LANDLORD: **BRENT ASSOCIATES, INC.**, a New York corporation, having an office at 931B Conklin Street, Farmingdale, NY 11735

TENANT: **JENNIFER CONVERTIBLES, INC.** a Delaware corporation having an office at 419 Crossways Park Drive, Woodbury, NY 11797

DATE OF LEASE: As of November 16, 2006

THE DEMISED PREMISES: The land and improvements currently existing or to be built thereon building, commonly known as 164 Glen Cove Road, Carle Place, NY 11514, as more particularly described on Schedule "A" annexed hereto.

TERM: The term of the Lease commenced as of November __, 2006 and ends ____, unless terminated earlier pursuant to its terms or extended pursuant to the options granted Tenant thereunder.

IN WITNESS WHEREOF, Landlord and Tenant have hereunto executed this Memorandum by their respective duly authorized representative as of the date and year first above written.

BRENT ASSOCIATES, INC.

By: [Signature]
Name: V. J. H. H. H.
Title: Pres

JENNIFER CONVERTIBLES, INC.

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

SCHEDULE "A"

STATE OF NEW YORK)
: ss.:
COUNTY OF Suffolk)

On this 17 day of November, 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared Edward B. Seidenberg personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on this instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Claudia A. Cositore
Notary Public

My commission expires: 8/11/10

STATE OF NEW YORK)
: ss.:
COUNTY OF Suffolk)

CLAUDIA A. COSITORE
Notary Public, State of New York
No. 4859752
Qualified in Suffolk County
Commission Expires 8/11/10

On this 17 day of November, 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared Jacob Kogel, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on this instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Claudia A. Cositore
Notary Public

My commission expires: 8/11/10

CLAUDIA A. COSITORE
Notary Public, State of New York
No. 4859752
Qualified in Suffolk County
Commission Expires 8/11/10

Exhibit G

AGREEMENT OF LEASE

BETWEEN

Brent Associates Inc.

AND

Jennifer Convertibles, Inc.

ORIGINAL
Number 2 of
3 execution
counterparts

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AGREEMENT OF LEASE

AGREEMENT OF LEASE made as of this day, **11/16/2006**, between **Brent Associates Inc.**, a New York corporation having its principal office at 931B Conklin Street, Farmingdale, New York 11735 (hereinafter referred to as "Landlord"), and **Jennifer Convertibles, Inc.**, a Delaware corporation having an office at **419 Crossways Park Drive, Woodbury, N.Y. 11797**, (hereinafter referred to as "Tenant").

1. SPACE.

a. Landlord hereby leases to Tenant and Tenant hereby hires from Landlord the real property and the building and other improvements thereon known as and located at **164 Glen Cove Road, Carle Place, New York 11514 identified by Landlord as Building # 105, Unit # 1**, (such real property being sometimes referred to as the "Real Property," such Real Property, building and improvements being sometimes hereinafter referred to as the "Premises" or "Demised Premises," as further described in **Exhibit "A-1", "A-2"** and such building being hereinafter referred to as the "Building"). The parties stipulate and agree that the Premises are deemed to contain approximately **40,000 square feet** which constitute **one hundred (100%) percent of the Building with respect to Real Estate Taxes for the Tax Lot of which 164 Glen Cove Road is a part.** ("Tenant's Proportionate Share").

b. The Premises are let subject to covenants, restrictions and easements of record, governmental laws, rules, regulations and orders, and the reservation by Landlord of all air rights above, around and about the Premises and all rights to increase the sizes of surrounding buildings based on the air rights appurtenant to the Premises, as, if and when permitted by any present or future zoning laws, ordinances, orders or regulations, and all rights to grant future utility easements, provided said future easements do not unreasonably interfere with the Building or the use of the Premises by Tenant **and provided further that the Landlord will not diminish the visibility of Tenant's signage on the Premises.**

2. TERM.

a. The term ("Term," "term," "Demised Term," or "Initial Term") of this Lease and Tenant's obligation to pay Rent (as defined in Article 4) and all items of Additional Rent (as defined in Article 4) reserved under this lease shall commence upon the execution of this lease, at which time Landlord shall simultaneously deliver the keys to the Premises. The first "Lease Year" shall commence upon the Rent Commencement Date, **defined as May 1, 2007**, and end on the last day of the calendar month in which the first Lease Year ends for the Premises known as 168A Glen Cove Road and 168D Glen Cove Road, which are leased to the Tenant or an entity related to the Tenant, the purpose of which is that the Lease Years for all three of the spaces run simultaneously after the First Lease Year. Each Lease Year after the First Lease Year shall be equal to twelve (12) calendar months. The term of this lease shall terminate after the tenth (10) Lease Year.

b. Tenant waives any right to rescind this lease under Section 223-a of the New York Real Property Law or any successor statute of similar import then in force and further waives the right to recover any damages which may result from Landlord's failure to deliver possession of the Premises.

3. OPTION TO RENEW

a. Provided Tenant is not in default beyond any applicable cure period in observing and performing any of the terms and conditions of this lease on its part to be observed and

c. As used in this paragraph the term "Tenant" shall mean only the original tenant executing this lease or any assignee of same which has been expressly approved and accepted by the Landlord but shall in no event be deemed to include any purchaser of this lease in a sale thereof in connection with a bankruptcy proceeding brought by or against the original tenant or any previously approved assignee.

4. RENT

a. Tenant covenants to pay to Landlord at its principal office, or at such place as Landlord shall from time to time direct in writing, the minimum annual Rent set forth on Exhibit "B," and the Additional Rent required to be paid pursuant to the terms of this lease. Minimum annual Rent and such other Additional Rent and charges which Tenant shall be required to pay are hereinafter sometimes referred to as "Rent," and shall be deemed "rent" for all purposes.

b. Tenant shall pay the minimum annual Rent in equal monthly installments in advance on the first day of each calendar month included in the term, except that Tenant shall pay the first month's Rent and Additional Rent upon execution of this lease. All subsequent Rent and Additional Rent payments shall commence on the Rent Commencement Date.

c. Within five (5) days of delivery of the Premises in the condition called for in this Lease by the Landlord, the parties agree to execute a Possession Agreement in the form annexed here as Exhibit D, which Agreement shall set forth the delivery date, the Commencement Date of this Lease, the Rent Commencement Date and the Expiration Date of the original term.

d. All Rent shall be paid in lawful money of the United States, which shall be legal tender in payment of all debts and dues, public and private, at the time of payment, at the address of Landlord set forth in this lease or at such other place as Landlord in writing may designate without any set-off or deduction whatsoever and without any prior demand therefor.

e. Landlord shall have the same remedies for failure to pay the Additional Rent as for a non-payment of minimum annual Rent, and in the event that Tenant shall be in default in the payment to Landlord of Rent or Additional Rent pursuant to the terms of any another Lease with Landlord or Landlord's predecessor-in-interest, Landlord may, at its sole discretion, and without notice to Tenant, include such amount to any monthly installment of Rent due hereunder and same shall be paid by Tenant as Additional Rent.

f. In any case in which the minimum annual Rent or Additional Rent is not paid within ten (10) days of the day when same is due, Tenant shall pay, as Additional Rent, late charges equal to 4 cents for each dollar so due; and, in addition thereto, the sum of \$100.00 for the purpose of defraying expenses incident to the handling of such delinquent account. Tenant further agrees that the late charges imposed herein are fair and reasonable, complies with all laws, regulations and statutes, and constitutes an agreement between Landlord and Tenant as to the estimated compensation for costs and administrative expenses incurred by Landlord due to the late payment of Rent to Landlord by Tenant. Tenant further agrees that the late charges assessed pursuant to this lease are not interest, and the late charges assessed do not constitute a lender or borrower/creditor relationship between Landlord and Tenant. A \$50.00 charge will be assessed as Additional Rent for all checks returned marked "insufficient funds," or the like.

g. If Tenant shall default in making any payment required to be made by Tenant or in performing any obligation of Tenant under this lease which shall require the expenditure of money, Landlord may, but shall not be obligated to, make such payment on behalf of Tenant or expend such sum as may be necessary to perform or fulfill such obligation. Any sums so paid by Landlord shall be deemed Additional Rent and shall be due and payable to Landlord at the time of

conditions of this lease, including, but not limited to, the payment of Rent and Additional Rent, Landlord may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any Rent and Additional Rent or any other sum as to which Tenant is in default or for any sum which Landlord may expend or may be required to expend by reason of Tenant's default in respect of any of the terms, covenants, and conditions of this lease, including but not limited to, any damages or deficiency in the reletting of the Premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Landlord, and all costs and damages incurred in Tenant's failure to deliver the Demised Premises in the condition required at the end of the term of this lease. In the event Landlord so uses, applies, or retains all or any portion of such monies, Landlord may add said amount to Tenant's monthly invoice as Additional Rent and Tenant shall forthwith restore the amount so used, applied, or retained. Should Tenant fail to restore the amount, Landlord may collect same as Additional Rent. (*See Paragraph 19, "Right to Sublet or Assign").

In the event that Tenant shall fully and faithfully comply with all of the terms, provisions, covenants, and conditions of this lease, the security shall be returned to Tenant after the date fixed as the end of the Lease or any extension thereof, and after delivery of entire possession of the Demised Premises to Landlord. In the event of a sale of the Real Property and Building or leasing of the Building, of which the Demised Premises form a part, Landlord shall have the right to transfer the security to the vendee or lessee and Landlord shall thereupon be released by Tenant from all liability for the return of such security, and Tenant agrees to look to the new Landlord or Lessee solely for the return of said security, and it is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new Landlord. Tenant further covenants that it will not assign or encumber or attempt to assign or encumber the monies deposited herein as security and that neither Landlord nor its successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. The security deposit shall be placed in an interest-bearing account where interest will accrue as additional security less 1% management fee.

6. USE OF PREMISES.

a. Tenant shall use and occupy the Premises solely for **Retail for the sale of Furniture & Furnishings, including but not limited to the retail sale of home décor items, sofas, furniture, mattresses, home furnishings, accessories, and all related items and ancillary items**, as is legally permitted under the zoning regulations and ordinances of the city, town, or village in which the premises lie as they are in force at the time of the commencement of the term of the lease and for no other purpose. Tenant shall not use or permit the use of the Premises contrary to any applicable statute, ordinance or regulation or in violation of the Certificate of Occupancy of the Building, or in a manner which would cause structural injury to the Building.

b. **Tenant shall be permitted to operate a retail store at the Premises under the any of the following trade names: Ashley Furniture Home Store, Jennifer Convertibles, and/or Jennifer Leather. In the event the Tenant alternates among the usage of any of these trade names during the term of the Lease, such event shall not constitute an assignment or sublet pursuant to this Lease.**

c. Tenant acknowledges that the value of the Premises and the reputation of Landlord will be seriously injured if the Premises are used for any obscene or pornographic purposes or if any obscene or pornographic material is permitted on the Premises. Tenant further agrees that Tenant will not permit any such uses by Tenant or a sublessee of the Premises or an assignee of this lease. This Paragraph shall directly bind any successors in interest to Tenant. Tenant agrees that, if at any time, Tenant violates any of the provisions of this Paragraph, such violation shall be deemed a breach of a substantial obligation of the terms of this lease and objectionable conduct. Pornographic material is defined for purposes of this Paragraph as any written or pictorial matter with prurient appeal or any objects or instruments that are primarily concerned with lewd or prurient sexual activity. Obscene material is defined here as it is in Penal Law § 235.00.

d. Except as otherwise provided for herein, Tenant acknowledges that

- iv. food processing, cooking, storage, warehousing and/or distribution;
- v. spraying of paint, adhesive, lacquer, or other like substances;
- vi. any process using an open flame;
- vii. smoking in the Demised Premises;

viii. use of the sanitary system or domestic water supply for any purpose other than ordinary lavatory purposes; use of the storm water drainage system for any purpose whatsoever.

7. TAXES.

a. As and for additional rent hereunder, Tenant agrees to pay to the Landlord **one hundred (100%) percent** of all real estate taxes, sewer charges, water charges and all other governmental assessments or impositions ("Taxes") imposed on the building and tax lot of which the demised premises are a part. Said Taxes shall be due and payable upon Tenant's receipt of a bill therefor, which Landlord agrees to tender not later than thirty (30) days prior to the date same must be paid to the assessing authority, or within a reasonable time of Landlord's receipt of any such bill from the taxing authority. The said obligation to pay such Taxes for the first and final lease year shall be pro-rated based on the Rent Commencement and Expiration Dates of this Lease. In the event that such Taxes are not paid by the Tenant to the Landlord within thirty (30) days after such Taxes are billed, the Landlord, at its option, may add the amount thereof to the rent of any month thereafter to become due and the same shall be collectible as additional rent.

b. Landlord may, at its option, collect from Tenant monthly, together with the payments of Monthly Rental, an amount reasonably estimated by Landlord to be sufficient to accrue tax payment balances due from Tenant in advance of the dates they are required to be paid by Landlord. Escrow payments due for the first lease year are set forth on Exhibit E. Thereafter, Landlord may bill or credit Tenant for the deficiency due of overpayment made by Tenant based on the actual tax bill. Tenant shall pay any such deficiency as additional rent within ten (10) days of receipt of demand therefor.

c. If the method of real estate taxation now in force in the State of New York shall be changed so that taxes are no longer levied in whole or in part against the demised premises, but are transferred, in effect, to income of the Landlord or to some other means assessable against the Landlord, then the Tenant agrees to pay such substitute taxes as "additional rent" in the same manner as the real estate taxes above mentioned. If such taxes are transferred to the income of the Landlord, Tenant's share shall be computed and paid as if the property of which the demised premises are a part were the sole property owned by the Landlord.

8. COMMON AREA CHARGES.

a. Tenant shall pay as additional rent hereunder **its pro rata share** of the cost to the Landlord to provide for the maintenance, repair and replacement of the parking areas*, driveways*, entries, exits, landscaping, walks, loading facilities, curbs and lighting ("Common Areas") of the property of which the demised premises are a part, including but not limited to maintenance, repair and replacement of the landscaped, paved and covered parking areas, exterior wall surfaces, utilities, water mains, and any pylon or directory sign, parking field cleaning, snow and ice removal and other weather related costs including, but not limited to, plowing and grading and pumping, common area and pylon or directory sign lighting, maintenance of the storm and sanitary systems, roof repairs, replacements* & aluminization, maintenance and use of domestic water supply and fire sprinkler system, site supervision/construction management & professional fees, **cost of cleaning and repair of any septic tank, grease pit, cesspool, storm drain, or waste water pipe appurtenant to the Demised premises and the hook-up to any municipal sewer system**.

any month that they are presented. A summary of bills for all other CAM charges will be presented to Tenant at least once per year during the lease term and an adjustment will be made between Landlord and Tenant reconciling any outstanding CAM balances ("CAM RETRO"). During the first quarter of each year a new estimated monthly CAM charge will be determined based on the previous year's actual expenses and reasonable projections by the Landlord of the next years costs and this charge will be payable by Tenant along with fixed minimum rent.

c. As required, during the demised term, Landlord will periodically perform the following maintenance:

- i. Plow snow accumulations in excess of two and one-half (2-1/2") inches;
- ii. Maintain landscaped areas;
- iii. Repair potholes in asphalt parking area provided notice that same is required has been received from the Tenant;
- iv. Repaint exterior exposed wood and metal surfaces, caulk joints and point masonry.
- v. Maintain and repair roof and make emergency repairs on notice from tenant.
- vi. Tenants pro rata share shall be defined as follows:

d. **With respect to 164 Glen Cove Road (40,000 square feet of gross floor area occupied by Tenant which represents 100% of the rentable area in 164 Glen Cove Road): one hundred (100%) percent for costs attributed to the building known as 164 Glen Cove Road (aka Section 9, Block 670, Lot 60) including but not limited to Real Estate Taxes, MTA Easement, domestic water, sewer, fire sprinkler related, insurance, roof, exterior walls, etc.**

e. **fifty one hundredths (51.00%) percent for costs attributed to the site as a whole (aka Lots 59 and 60 of Block 670, Section 9) including but not limited to snow related expenses, storm drainage system, landscaping, paved and covered parking and loading areas, site lighting, pylon signage, fences, traffic/parking signage, clean up, site supervision, etc., except for those expenses that are attributed to the building.**

9. CONDITION OF PREMISES, DELIVERY OF POSSESSION AND QUIET ENJOYMENT.

a. Except as described in Exhibit "C," entitled "Landlord's Work," Tenant agrees to accept the Premises in its "as is" condition and understands and agrees that Landlord shall not be required to perform any work, supply any materials or incur any expense to prepare the Premises for Tenant's occupancy. If any governmental license or permit or other approval shall be required for the proper and lawful conduct of Tenant's business, Tenant shall be responsible for and shall at its own cost and expense, procure and maintain such license permit or appraisals. Notwithstanding the foregoing, Landlord shall deliver possession of the Demised Premises to Tenant in vacant, broom clean condition, with all of the Building systems (including, without limitation, electrical, plumbing, sprinkler, septic and heating, ventilating and air conditioning, life safety, mechanical, i.e., all systems), and windows and doors, in good working order, and all windows, doors, plate glass, and the roof and Building free of leaks.

c. If the Tenant, upon prior written permission of Landlord, enters into possession prior to the date of the commencement of the term of this lease, the Tenant, its agents, servants, employees and contractors shall not interfere with any work which the Landlord is required to perform hereunder prior to the date of the commencement of the term of this lease. All of the terms of this Lease shall govern any such earlier possession. Without prior written permission, Tenant is not authorized to enter into possession prior to the Commencement of the term.

10. REPAIRS, MAINTENANCE, AND FLOOR LOADS.

a. Except as otherwise provided in subparagraph "b" hereof, Tenant shall at all times keep and maintain the Premises in good order, condition and repair, and shall make all structural and nonstructural repairs to the Premises, including, without limiting the generality of the foregoing, (i) maintenance, repair and replacement of the electrical, plumbing, sprinkler, heating*, air conditioning*, ventilation, windows, doors, plate glass, life safety, and all other mechanical systems servicing the Premises; (ii) regularly-scheduled cleaning and maintenance of the interior of the Premises; (iii) keeping the exterior Premises clean and free of debris, snow and ice to a distance of ten (10) feet from the doors or to the edge of the adjacent sidewalk; (iv) keeping the Premises free of rodents, vermin, insects, and maggots at all times, using the services of a licensed exterminator approved by the Landlord. Tenant shall obtain and keep in full force and effect for the benefit of Landlord and Tenant, with a contractor approved by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed), a service, repair and maintenance contract with respect to the heating, ventilating and air conditioning systems of the Premises. A copy of such contract and all renewals thereof shall be furnished to Landlord upon request. If Tenant fails to make any repairs or replacements required to be made by Tenant, Landlord may, without obligation, enter the Premises as necessary and perform same for the account of Tenant at Tenant's expense and the cost thereof shall immediately be due and payable by Tenant to Landlord as Additional Rent. In the event that structural repairs, replacements or alterations or any other repairs or replacements included under subparagraph "b" hereof shall be necessitated or occasioned, in whole or in part, by the acts, omissions, or negligence of Tenant or any person claiming through or under Tenant or any of their servants, employees, contractors, agents, visitors or licensees, or by the use or occupancy or manner of use or occupancy of the Premises by Tenant, or any such person, Landlord shall make such repairs, replacements or alterations at Tenant's sole cost and expense. Tenant agrees that all repairs shall be accomplished by licensed, insured contractors using UL Listed Class A non-combustible materials or materials which are consistent with the ISO fire classification of the Building and that all required governmental permits and approvals be obtained prior to commencement of any such work. Any such work shall be accomplished so as not to interfere with the use by other tenants of the Building of which the Demised Premises forms a part. ***Provided that: (a) Tenant is not in default then nor at any time during the initial term or any extension or option term hereof beyond any applicable cure period in observing and performing any of the terms and conditions of this lease on its part to be observed and performed; and (b) to the extent practicable, has notified Landlord in advance of the nature and cost of any repairs or replacements necessary to be performed; and (c) has given Landlord a reasonable period, under the circumstances, to verify this information and obtain competitive prices, then Landlord shall reimburse Tenant for the reasonable cost of such repairs and/or replacements to the Heating and Air Conditioning system during the first five (5) years of the initial term of the Lease, such reimbursement to be made within thirty (30) days following completion of this work and after receiving proof that the repairs or replacements have been completed and fully paid for. For purposes of this paragraph, the first five (5) years of the initial term of the Lease shall commence on the date that is the earlier of Tenant opening for business or the Rent Commencement Date. During the balance of the Lease Term, provided Tenant is in compliance with the preceding provisions of this paragraph, Landlord shall reimburse Tenant for 50% of the cost of repairs to the Heating and Air Conditioning system. In the event the any components of this system can't be repaired and the system must be replaced, then, provided Tenant is in compliance with the preceding provisions of this paragraph, Landlord shall reimburse Tenant for 100% of the replacement cost. In the event the cost to repair exceeds fifty (50%) percent of the replacement cost of any HVAC unit, part, or component, the same shall be deemed un-repairable and shall be replaced, and Landlord shall reimburse Tenant one hundred (100%) of the replacement cost. It is expressly agreed and understood, that should Tenant be in default beyond all applicable cure**

building of which the same forms a part, for work claimed to have been done for, or materials furnished to, Tenant, whether or not done pursuant to this article, the same shall be discharged by Tenant within thirty days thereafter, at Tenant's expense, by payment or filing the bond required by law or otherwise. All fixtures and all paneling, partitions, railings and like installations, installed in the premises at any time, either by Tenant or by Landlord on Tenant's behalf, shall, upon installation, become the property of Landlord and shall remain upon and be surrendered with the Demised Premises unless Landlord, by notice to Tenant no later than twenty days prior to the date fixed as the termination of this lease, elects to relinquish Landlord's right thereto and to have some or all of them removed by Tenant, in which event the same shall be removed from the Demised Premises by Tenant prior to the expiration of the lease, at Tenant's expense. Nothing in this Article shall be construed to give Landlord title to or to prevent Tenant's removal of trade fixtures, moveable office furniture, equipment and inventory, but upon removal of any such from the Premises or upon the removal of other installations as may be required by Landlord, Tenant shall immediately and at its expense, repair the Premises to the condition existing prior to installation and repair any damage to the Demised Premises or the Building due to such removal. All property permitted or required to be removed by Tenant at the end of the term remaining in the Premises after Tenant's removal shall be deemed abandoned and may, at the election of Landlord, either be retained as Landlord's property or removed from the Premises by Landlord, at Tenant's expense.

12. UTILITIES, CLEANING, AND RUBBISH REMOVAL.

a. Tenant shall provide, at its own expense, fuel, heat, water, electricity and all other utilities required in connection with its use of the Premises and must maintain sufficient temperatures to protect the components of the Premises from damage by the elements. Landlord shall be obligated only to make available to Tenant the utility lines and facilities servicing the Premises in working order at the commencement of the term of this lease.

b. Tenant shall be responsible for all deposits required by the respective utilities for service. Tenant shall comply with all requirements of the utilities supplying said service. Landlord shall have no responsibility for the installation of telephone or data service.

c. Tenant shall remove all refuse and rubbish from the Building at least weekly and more frequently as Landlord may reasonably request. The storage and removal of such refuse and rubbish by Tenant shall be subject to such reasonable rules and regulations as are, in the reasonable judgment of Landlord, necessary for the proper operation of the Building.

d. Tenant covenants and agrees that at all times its use of electric current shall not exceed the capacity of existing feeders to the Building or the risers or wiring installation and Tenant may not use any electrical equipment which, in Landlord's opinion, reasonably exercised, will overload such installations or interfere with the use thereof by other tenants of the Building. The change at any time of the character of electric service shall in no wise make Landlord liable or responsible to Tenant, for any loss, damages, or expenses which Tenant may sustain.

e. The water supply and sanitary waste system shall be used for ordinary lavatory purposes only. The cost to the Landlord for any unauthorized use of these services, including, but not limited to, the costs of water and water dispersion and cesspool testing and cleaning shall be borne by Tenant as an item of additional rent.

f. No foreign substances, including but not limited to, cloths, paints, solvents, degreasers, fuel, lubricants, etc. are permitted to be introduced into the sanitary or storm water drainage systems. The cost to clean and remove any foreign substances from these systems shall be reimbursable to Landlord as Additional Rent.

13. SPRINKLERS.

regulation, etc. required such alteration prior to Tenant's occupancy. Notwithstanding the foregoing, Tenant shall only be responsible for the cost of alterations that are required by such statutes, ordinances, rules, orders, regulations and requirements which result from Tenant's particular use or manner of use or occupancy of the Demised Premises. Landlord warrants that the sprinkler systems shall be, as of the Rent Commencement Date, in good working order.

b. Tenant shall keep and maintain any sprinkler system now or hereafter installed in the Premises in good repair and working condition, and if the New York Board of Fire Underwriters or the New York Fire Insurance Exchange or any bureau, department or official of any federal, state or local governmental or quasi-governmental authority shall require or recommend any changes, modifications or alterations, including, without limitation, additional sprinkler heads or other equipment, to be made or supplied by reason of Tenant's particular use or manner of use or occupancy of the Demised Premises or the location of partitions, trade fixtures, or other contents of the Premises, or if such changes, modifications, alterations, additional sprinkler heads or other equipment in the Premises are necessary to prevent the imposition of a penalty or charge against the full allowance for a sprinkler system in the fire insurance rate as fixed by said Exchange or by any fire insurance company with respect to the Building, the Premises or any adjoining or nearby buildings or improvements, Landlord shall, at Tenant's sole cost and expense, reimbursable to Landlord as Additional Rent (unless Landlord elects to have Tenant perform same at Tenant's sole cost and expense), promptly make and supply such changes, modifications, alterations, additional sprinkler heads or other equipment.

c. If by reason of Tenant's particular use or manner of use, occupancy or abandonment of the Premises, or if by reason of the improper or careless conduct of any business upon or use of the Premises, the fire insurance rates for the Building, or any other tenants or occupants of the Building or any adjoining or nearby buildings or improvements (including contents and equipment coverage) shall at any time be higher than it otherwise would be, Tenant shall reimburse Landlord, as Additional Rent hereunder, for that part of all fire insurance premiums charged to Landlord and such other owners, tenants or occupants, and shall make such reimbursement upon the first day of the month following billing thereof by Landlord. In any action or proceeding based upon or arising out of this provision, a schedule or "make up" of rates of the Building or any other affected insurance coverage purporting to have been issued by the New York Fire Insurance Exchange, or other body making fire insurance rates, shall be prima facie evidence of the facts therein stated.

14. INSURANCE.

a. Tenant shall obtain and keep in full force and effect during the Term, at its own cost and expense, (i) General Comprehensive Commercial Liability Insurance, such insurance to afford protection in an amount as set forth below, protecting Tenant as insured and Landlord as additional insured against any and all claims for personal injury, death or property damage, such policy or policies to cover the Premises and common areas, inclusive of sidewalks and parking facilities; and (ii) Fire and Extended Coverage Insurance on Tenant's property, insuring against damage by fire, and such other risks and hazards as are insurable under present and future standard forms of fire and extended coverage insurance policies, to Tenant's property for the full insurable value thereof, protecting Tenant as insured and Landlord as additional insured. The policy limit minimums may be increased by Landlord from time to time to amounts consistent with industry standards.

Tenant shall procure and continue in force during the term of this Lease (including any period prior to the commencement date of the term of this Lease in which Tenant is engaged in any alterations or repairs to the Leased Premises) Comprehensive Liability Insurance covering the following:

(a) <u>Commercial General Liability -</u>	
<u>Each Occurrence</u>	<u>\$1,000,000.00</u>
<u>Fire Damage (Any one fire)</u>	<u>50,000.00</u>
<u>Medical Expense (Any one person)</u>	<u>5,000.00</u>
<u>Personal & Adv Injury</u>	<u>1,000,000.00</u>

the State of New York, which shall be reasonably satisfactory to Landlord. Tenant shall procure, maintain and place such insurance and pay all premiums and charges therefor and upon failure to do so Landlord may, but shall not be obligated to, procure, maintain and place such insurance or make such payments, and in such event the Tenant agrees to pay the amount thereof, plus interest at the maximum rate permitted by law, to Landlord on demand and said sum shall be in each instance collectible as Additional Rent on the first day of the month following the date of payment by Landlord. Tenant shall cause to be included in all such insurance policies a provision to the effect that the same will be non-cancelable except upon twenty (20) days written notice to Landlord. At least ten (10) days prior to Tenant's occupancy of the Premises, the original insurance policies or appropriate certificates shall be deposited with Landlord. Any renewals, replacements or endorsements thereto shall also be deposited with Landlord to the end that said insurance shall be in full force and effect during the Term.

c. Tenant covenants and agrees that the Landlord shall not be liable for any damage to the property of Tenant, its agents, employees or invitees, as a result of any leak in the demised premises whether or not same results from a cause or event which it is the Landlord's obligation to maintain or repair pursuant to the terms hereof; and Tenant specifically agrees to look solely to its own funds and to its insurance to compensate it for any damage thus occurring. Tenant further agrees that any insurance policies carried by it covering its personal property shall contain specific provisions whereby the insurance carrier waives all rights of subrogation against the Landlord. Nothing herein shall be deemed to absolve the Landlord from liability from acts of gross negligence or willful misconduct.

d. Landlord shall not in any event whatsoever be liable for any injury or damage to Tenant or to any other person happening on, in or about the Demised Premises and its appurtenances, nor for any injury or damage to the Demised Premises or to any property belonging to Tenant or to any other person which may be caused by any fire or breakage, or by the use, misuses or abuse of the Demised Premises or the streets or sidewalk area within the Demised Premises or the parking lot or which may arise from any other cause whatsoever except to the extent any of the foregoing shall have resulted from the negligence or wrongful act of Landlord, its officers, agents, employees or licensees.

e. Landlord shall not be liable to Tenant or to any other person for any failure of water supply, gas, or electric current nor for any injury or damage to any property of Tenant or of any other person or to the Demised Premises caused by or resulting from gasoline, oil, electricity, or hurricane, tornado, flood, wind, or similar storms or disturbances, or water, rain, or snow which may leak or flow from the street, sewer, gas mains, or subsurface area, or from any part of the Demised Premises or leakage of gasoline or oil from pipes, appliances, sewer or plumbing works therein, or from any other incorporeal hereditaments by anybody, or caused by any public or quasi-public work except to the extent any of the foregoing shall have resulted from the negligence or wrongful act of Landlord, its officers, agents, employees, or licensees.

15. DAMAGE OR DESTRUCTION.

a. If the Building or the Premises or any part thereof shall be damaged by fire or other casualty and Tenant gives prompt notice thereof to Landlord, Landlord shall proceed with reasonable diligence to repair or cause to be repaired such damage. Tenant shall cooperate with Landlord's restoration by removing from the Premises as promptly as reasonably possible, all of Tenant's salvageable inventory and moveable equipment, furniture, and other property. The minimum annual Rent shall be abated to the extent that the Premises or a part thereof shall have been rendered untenable, such abatement to be from the date of such damage or destruction to the date the Premises shall be substantially repaired or rebuilt, in proportion which the area of the part of the Premises so rendered untenable bears to the total area of the Premises.

b. If the Premises shall be totally damaged or rendered wholly untenable by fire or other casualty, and Landlord has not terminated this lease pursuant to Subsection (c) and Landlord has not completed the making of the required repairs and restored and rebuilt the Premises

c. If the Premises shall be totally damaged or rendered wholly untenable by fire or other casualty or if the Building shall be so damaged by fire or other casualty that substantial alteration or reconstruction of the Building shall, in Landlord's opinion, be required (whether or not the Premises shall have been damaged by such fire or other casualty), then in any of such events Landlord may, at its option, terminate this lease and the Term and estate hereby granted, by giving Tenant thirty (30) days notice of such termination within ninety (90) days after the date of such damage. In the event that such notice of termination shall be given, this lease and the Term and estate hereby granted, shall terminate as of the date provided in such notice of termination (whether or not the Term shall have commenced) with the same effect as if that were the Expiration Date, and the Rent shall be apportioned as of such date or sooner termination and any prepaid portion of minimum annual Rent or Additional Rent for any period after such date shall be refunded by Landlord to Tenant.

d. Landlord shall not be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting in any way from such damage by fire or other casualty or the repair thereof. Landlord will not carry insurance of any kind on Tenant's property, and Landlord shall not be obligated to repair any damage thereto or replace the same.

e. This Lease shall be considered an express agreement governing any case of damage to or destruction of the Building or any part thereof by fire or other casualty, and Section 227 of the Real Property Law of the State of New York providing for such a contingency in the absence of such express agreement, and any other law of like import now or hereafter enacted, shall have no application in such case.

16. SUBORDINATION AND ESTOPPEL.

a. This Lease shall be subject and subordinate at all times to the lien of any mortgages hereafter made provided same are made to a lending institution. Tenant shall execute and deliver such further instrument or instruments subordinating this lease to the lien of any such mortgage or mortgages as shall be desired by any mortgagee or proposed mortgagee provided the mortgagee or proposed mortgagee agrees in writing that in the event of foreclosure or other action taken under the mortgage by mortgagee, this Lease and the rights of Tenant hereunder shall not be disturbed or diminished, but shall continue in full force and effect so long as Tenant complies with the terms hereof and Tenant is otherwise not in default beyond any applicable cure periods. As used in this lease, the term "lending institution" shall mean savings bank, savings and loan association, bank or trust company, real estate investment trust, investment bank or an affiliate thereof, insurance company, university, public or private, or employee, welfare, pension or retirement fund or system.

b. Tenant shall, upon not less than twenty (20) days' prior request by Landlord, and no more than two (2) times per calendar year, execute, acknowledge and deliver to Landlord a statement in writing certifying (i) that this lease is unmodified and in full force and effect (or if there have been modifications that the same are in full force and effect as modified and identifying the modifications), (ii) the dates to which the Rent and other charges have been paid, and (iii) that so far as the person making the certificate knows, Landlord is not in default under any provision of this lease. It is intended that any such statement may be relied upon by any person proposing to acquire Landlord's interest in this lease, any prospective purchaser of the Premises, or any prospective mortgagee, or assignee of any mortgage upon the Premises. Tenant hereby appoints Landlord the attorney-in-fact of Tenant, irrevocably, to execute and deliver any such statement, to be exercised only in the event Tenant fails to execute any such statement within twenty (20) business days of request for same by Landlord.

c. So long as there is a first mortgage lien encumbering the Premises which requires this, Landlord and Tenant shall not, without first obtaining the written consent of such mortgagee, enter into any agreement, the effect of which would be to (i) modify, cancel, terminate or surrender this lease; (ii) grant any concession in respect thereof; (iii) reduce the Rent or require the prepayment of any Rent in advance of the due date thereof; (iv) create any offsets or claims against

any work or other thing whatsoever done (other than by Landlord or its contractors or the agents or employees of either) in and on the Premises during any period of occupancy by Tenant including, without limitation, the Term of this lease and during the period of time, if any, prior to the specified commencement date that Tenant may have been given access to the Premises for the purpose of making installations, and will further indemnify and save harmless Landlord against and from any and all claims or losses arising from any condition of the Premises or Tenant's occupancy thereof due to or arising from any act or omissions or negligence of Tenant or any of its agents, contractors, servants, employees, licensees or invitees and against and from all costs, expenses, and liabilities incurred in connection with any such claim or loss or action or proceeding brought thereon (including reasonable attorney fees and costs); and in case any action or proceeding be brought against Landlord by reason of any such claim or loss, Tenant, upon notice from Landlord, agrees that Tenant, at Tenant's expense, will resist or defend such action or proceeding and will employ counsel therefor reasonably satisfactory to Landlord.

b. Landlord shall indemnify, defend, save and hold Tenant harmless from and against any and all injury, loss, claim, damage or suit of any kind and nature, including Tenant's reasonable counsel fees, to any person, firm, association or corporation or to any property, arising from the conduct or management of or from any work or other things whatsoever done (or omitted to be done with respect to any of Landlord's obligations hereunder) by Landlord, its agents, servants or employees (other than by Tenant or its contractors or the agents or employees of either), in or about either to the Premises or the common areas of the Building during or prior to the commencement of the Term (unless such injury, loss, claim or damage is attributable to the negligence or intentional acts of Tenant or its agents, servants or employees).

18. EMINENT DOMAIN.

a. If the whole of the Premises be taken under the power of eminent domain for any public or quasi-public improvement or use, the term of this lease shall expire as of the date of vesting of title in the condemning authority, and Tenant shall have no claim for the value of any unexpired term of said lease.

b. Tenant shall have the right to make an independent claim to the condemning authority for the value of Tenant's moving expenses and personal property, trade fixtures and equipment, provided Tenant is entitled pursuant to the terms of the Lease to remove such property, trade fixtures, and equipment at the end of the term and provided further such claim does not reduce Landlord's award.

19. RIGHT TO SUBLET OR ASSIGN.

a. Tenant covenants that it shall not assign this lease nor sublet the Premises by operation of law or otherwise, including, without limitation, an assignment or subletting as defined in subparagraph "d" below, without the prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) of Landlord in each instance, except on the conditions hereinafter stated. Tenant may assign this lease or sublet all, but not a portion, of the Premises **to an unrelated or unaffiliated company** with Landlord's written consent (which consent shall not be unreasonably withheld, conditioned or delayed), and the **sublessee or assignee shall post a security deposit equal to three (3) months rent in the form of cash or a self-renewing Letter of Credit of a type acceptable to Landlord**, provided:

i. That such assignment or sublease is for a use which is in compliance with this lease and the then existing zoning regulations and the Certificate of Occupancy;

ii. That, at the time of such assignment or subletting, there is no default **beyond any applicable cure period** under the terms of this lease on the Tenant's part;

iii. That, in the event of an assignment, the assignee shall assume in

v. Such assignment or subletting shall not, however, release the within Tenant or any successor tenant or any guarantor from their liability for the full and faithful performance of all of the terms and conditions of this lease;

vi. If this lease be assigned, or if the Premises or any part thereof be underlet or occupied by anybody other than Tenant, Landlord may after default by Tenant collect Rent from the assignee, undertenant or occupant, and apply the net amount collected to the Rent herein reserved;

vii. That, in the event Tenant shall request Landlord's consent to a proposed assignment of this lease or proposed sublease of all of the Premises, Tenant shall pay or reimburse to Landlord the reasonable attorneys' fees incurred by Landlord in processing such request, not to exceed \$1000 per each proposed assignment or sublease (provided such processing does not entail more than an initial review and one redraft of the proposed assignment or sublease by Landlord's attorney); and

viii. The sublessee or assignee must have a financial portfolio of equal or greater value than Tenant's.

b. Tenant may, without the consent of Landlord, assign this lease or sublet the Demised Premises, or part thereof, to an affiliate (*i.e.*, a corporation 20% or more of whose capital stock is owned by the same stockholders owning 20% or more of Tenant's capital stock), parent or subsidiary corporation of Tenant or to a corporation to which it sells or assigns all or substantially all of its assets or stock or with which it may be consolidated or merged, provided such purchasing, consolidated, merged, affiliated or subsidiary corporation shall, in writing, assume and agree to perform all of the obligations of Tenant under this lease and it shall deliver such assumption with a copy of such assignment to Landlord within ten (10) days thereafter, and provided further that Tenant shall not be released or discharged from any liability under this lease by reason of such assignment. Notwithstanding the above, or anything to the contrary, for purposes of this clause and this Lease, Jennifer Convertibles, Inc. and Jara Enterprises, Inc. shall be deemed to be "affiliates of" and "related to" each other.

c. For purposes of this Article: (i) the transfer of a majority of the issued and outstanding capital stock of any corporate tenant, or of a corporate subtenant, or the transfer of a majority of the total interest in any partnership tenant or subtenant, however accomplished, whether in a single transaction or in a series of related or unrelated transactions, shall be deemed an assignment of this lease, or of such sublease, as the case may be; (ii) any person or legal representative of Tenant, to whom Tenant's interest under this lease passes by operation of law or otherwise, shall be bound by the provisions of this Article 19; and (iii) a modification or amendment of a sublease shall be deemed a sublease.

d. Whenever Tenant shall claim under this Article or any other part of this lease that Landlord has unreasonably withheld or delayed its consent to some request of Tenant, Tenant shall have no claim for damages by reason of such alleged withholding or delay, and Tenant's sole remedy thereof shall be a right to obtain specific performance or injunction but in no event with recovery of damages.

e. Landlord agrees that it shall not unreasonably withhold its consent to a subletting or assignment in accordance with the terms of this Article. In determining reasonableness, there shall be taken into account the character and reputation of the proposed subtenant or assignee, the specific nature of the proposed subtenant's or assignee's business and whether same is in keeping with other tenancies in the building; the financial standing of the proposed subtenant or assignee; and the impact of all of the foregoing upon the Building and the other tenants of Landlord therein. Landlord shall not be deemed to have unreasonably withheld its consent if it refuses to consent to a subletting or assignment to an existing tenant in any building in the area which is owned by Landlord or its affiliate or to a proposed subtenant or assignee with whom Landlord is negotiating a lease or if at the time of

ii. the nature and character of the business of the proposed subtenant or assignee and its proposed use of the Premises to be demised;

iii. the most recent three (3) years of balance sheets and profit and loss statements of the proposed subtenant or assignee or other financial information satisfactory to Landlord; and

iv. such shall be accompanied by a copy of the proposed sublease or assignment of lease.

20. LANDLORD'S RIGHT TO INSPECT; POSTING SIGNS.

a. Tenant shall permit Landlord or Landlord's agents to enter the Premises at all reasonable hours, upon reasonable prior notice, for the purpose of (i) inspecting the same; (ii) making repairs required by the terms of this lease to be made by Tenant and which Tenant neglects or refuses to make; (iii) exhibiting the Premises to prospective purchasers and mortgagees; (iv) during the twelve (12) months preceding the expiration of this lease, exhibiting the Premises to brokers and prospective tenants; and (v) for the purpose of making any additions or alterations to the Building or to any surrounding building provided, in each and every case, Landlord shall use its reasonable efforts not to unreasonably interfere with the conduct of Tenant's business at the Premises. If, at reasonable hours, upon reasonable notice by telephone, admission to the Premises for the aforesaid purposes cannot be obtained or, if at any time entry shall be deemed necessary for the inspection or protection of the Premises or for making any emergency repairs, whether for the benefit of Tenant or not, Landlord or Landlord's agents may enter the Premises by any lawful means without rendering Landlord or its agents liable to Tenant for damages by reason thereof, except in the case of Landlord's gross negligence. If Landlord inspects the Premises pursuant to 20(a)(i) and determines that Tenant is not in compliance with the terms of the lease, then Tenant shall be charged for the cost of said inspection in addition to any other rights, remedies or relief available to Landlord.

b. During the twelve (12) months preceding the end of the term, Landlord may post and maintain, without hindrance or molestation, commercially reasonable signs or notices indicating that the Premises are for sale and/or for rent; however, no such sign shall be affixed to a door or window of the Premises.

c. If Tenant refuses to allow Landlord access and Landlord is prevented from gaining access to the Demised Premises, Tenant shall be liable to Landlord for all actual and consequential damages, as Additional Rent, which Landlord incurs as a result thereof.

21. DEFAULT.

a. If Tenant shall fail to pay any installment of minimum annual Rent or any Additional Rent or other charges within three (3) days after notice of such failure, or if Tenant defaults in fulfilling any of the other covenants of this lease and such default shall continue for a period of twenty (20) days after notice (or if the said default shall be of such a nature that the same cannot be completely cured or remedied within said twenty (20) day period, then if Tenant shall not have diligently commenced during such default within such twenty (20) day period, and shall not thereafter with reasonable diligence and in good faith proceed to remedy or cure such default), or if Tenant shall dissolve or liquidate or commence to dissolve or liquidate, or if the Premises become vacant or deserted, then, in any one or more of such events, Landlord may serve a written five (5) day notice of cancellation of this lease upon Tenant, and upon the expiration of said five (5) days, this lease and the term thereunder shall end and expire as fully and completely as if the date of expiration of such five (5) day period were the day herein definitely fixed for the end and expiration of this lease, and the term thereof, and Tenant shall then quit and surrender the Premises to Landlord but Tenant shall remain liable as hereinafter provided.

of Tenant or other occupant of the Premises) by summary proceedings or otherwise and remove their effects and hold the Premises as if this lease had not been made. If Tenant shall be in default hereunder beyond all applicable cure periods herein prior to the date fixed as the commencement of any renewal or extension of this lease, Landlord may cancel and terminate such renewal or extension agreement by written notice.

22. REMEDIES OF LANDLORD.

a. If this lease is terminated pursuant to Tenant's uncured default or if Landlord re-enters the Premises under Article 21 or any other default provision contained herein, Tenant shall pay to Landlord as damages, at the election of Landlord, sums equal to the minimum annual Rent and Additional Rent that would have been payable by Tenant through and including the Expiration Date had this lease not terminated or had Landlord not re-entered the Premises, payable upon the due dates therefor specified in this lease; provided, that if Landlord shall relet all or any part of the Premises for all or any part of the period commencing on the day following the date of such termination or re-entry to and including the Expiration Date, Landlord shall credit Tenant with the net rents received by Landlord from such reletting, such net rents to be determined by first deducting from the gross rents as and when received by Landlord from such reletting the expenses incurred or paid by Landlord in terminating this lease and of re-entering the Premises and of securing possession thereof, as well as the expenses of reletting, including, without limitation, altering and preparing the Premises for new tenants, brokers' commissions, and all other expenses properly chargeable against the Premises and the rental therefrom in connection with such reletting, it being understood that any such reletting may be for a period equal to or shorter or longer than said period; provided, further, that (i) in no event shall Tenant be entitled to receive any excess of such net rents over the sums payable by Tenant to Landlord under this lease, (ii) in no event shall Tenant be entitled, in any suit for the collection of damages pursuant to this Article to a credit in respect of any net rents from a reletting except to the extent that such net rents are actually received by Landlord, and (iii) Landlord shall have no obligation to so relet the Premises and Tenant hereby waives any right Tenant may have, at law or in equity, to require Landlord to so relet the Premises. At any time after the Demised Term shall have expired and come to an end or Landlord shall have re-entered upon the Premises, as the case may be, whether or not Landlord shall have collected any monthly deficiencies as provided below, Landlord shall be entitled to recover from Tenant, and Tenant shall pay to Landlord, on demand, as and for liquidated and agreed final damages, a sum equal to the amount by which the minimum annual Rent and Additional Rent reserved in this lease for the period which otherwise would have constituted the unexpired portion of the Demised Term exceeds the then fair and reasonable rental value of the Premises for the same period, both discounted to present worth at the rate of four (4%) per cent per annum. If, before presentation of proof of such liquidated damages to any court, commission, or tribunal, the Premises, or any part thereof, shall have been relet by Landlord for the period which otherwise would have constituted the unexpired portion of the Demised Term, or any part thereof, the amount of Rent reserved upon such reletting shall be deemed, prima facie, to be the fair and reasonable rental value for the part or the whole of the Premises so relet during the term of the reletting. Suit or suits for the recovery of any damages payable hereunder by Tenant or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall require Landlord to postpone suit until the date when the Term would have expired but for such termination or re-entry. In all cases hereunder, and in any suit, action or proceeding of any kind between the parties, it shall be presumptive evidence of the fact of the existence of a charge being due, if Landlord shall produce a bill, notice or certificate of any public official entitled to give such bill, notice or certificate to the effect that such charge appears of record on the books in his or her office and has not been paid.

b. Nothing contained in this lease shall be construed as limiting or precluding the recovery by Landlord against Tenant of any sums or damages to which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any default hereunder on the part of Tenant. Anything in this lease to the contrary notwithstanding, during the continuation of any default by Tenant, Tenant shall not be entitled to exercise any rights or options, or to receive any funds or proceeds being held, under or pursuant to this lease.

If either party shall at any time be in default hereunder, and if the other party shall institute an action or summary proceeding based upon such default and such party shall be successful, or if such party shall; (i) otherwise engage an attorney in connection with the enforcement of any provision of this lease; (ii) successfully defend an action relating in anyway to this lease, then the losing party shall reimburse the prevailing party for the reasonable expenses of attorney's fees, costs, and disbursements incurred by the prevailing party. If the Landlord is successful in any such legal proceedings, the amount of such expenses due from Tenant to Landlord shall be deemed to be "Additional Rent" hereunder and shall be due on the first day of the month following the incurring of such expenses. If Tenant is successful in any such legal proceedings, Tenant shall send a bill to Landlord for such expenses, which shall be paid within thirty (30) days of receipt.

24. WAIVER OF REDEMPTION, COUNTERCLAIM, TRIAL BY JURY.

a. Tenant hereby expressly agrees that it shall not interpose any counterclaim in any summary proceeding or any action based on non-payment of Rent or any other payments or charges required to be made by Tenant to Landlord.

b. Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other with respect to any matters arising out of or connected with this lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, and/or any claim of injury or damage and any emergency statutory or any other statutory remedy.

25. NO WAIVER.

a. No act or thing done by Landlord or Landlord's agents during the term hereby demised shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless in writing signed by Landlord. No employee of Landlord or of Landlord's agents shall have any power to accept the keys of the Premises prior to the termination of this lease. The delivery of keys to any employee of Landlord or of Landlord's agents shall not operate as a termination of this lease or a surrender of the Premises. The failure of Landlord to seek redress for violation of, or to insist upon the strict performance of, any covenant or condition of this lease shall not prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. The receipt by Landlord of Rent with knowledge of the breach of any covenant of this lease shall not be deemed a waiver of such breach. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly Rent herein stipulated shall be deemed to be other than on account of the earliest stipulated Rent nor shall any endorsement or statement on any check or any letter accompanying any check or payment of Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy in this lease provided. No provision of this lease shall be deemed to have been waived by Landlord unless such waiver be in writing signed by Landlord. The words "re-enter" and "re-entry" as used herein are not restricted to their technical legal meaning.

26. RULES AND REGULATIONS.

Tenant and Tenant's servants, employees, agents, visitors, and licensees shall observe faithfully and comply strictly with the Rules and Regulations annexed hereto and such other and further reasonable Rules and Regulations as Landlord may from time to time adopt. Notice of any additional rules or regulations shall be given in such manner as Landlord may elect. The right to dispute the reasonableness of any additional Rule or Regulation upon Tenant's part shall be deemed waived unless the same shall be asserted by service of a notice, in writing upon Landlord within thirty (30) days after the giving of notice thereof. Nothing in this lease contained shall be construed to impose upon Landlord any duty or obligation to enforce the Rules and Regulations or terms, covenants or conditions in any other lease, as

by law. Public parking areas provided by Landlord in and about said premises are acknowledged to be intended primarily for use by customers and visitors to said premises. Tenant shall not and shall not permit its employees to use said parking areas, the street, alleys, or vacant lands at said premises for the maintenance, cleaning, or repair of automotive vehicles, machinery, materials, etc. or for parking or storage of any automobiles, trucks or vehicles owned or used by them except as may be approved and designated in writing by Landlord, and Tenant shall furnish to Landlord an up-to-date written statement of the names of all employees, agents, and representatives employed in or at the premises by Tenant and the license registration number of all vehicles owned or used by Tenant or by such employees, agents, or representatives and any changes thereto as they occur.

b. The Parking and all other common areas and facilities provided by the Landlord for the general use of Tenants, their employees and customers, shall at all times be subject to the exclusive control and management of Landlord, and Landlord shall have the right to establish, modify, change and enforce reasonable uniform and non-discriminatory rules and regulations with respect to the Parking and any other common areas and facilities hereinabove mentioned, and Tenant agrees at all times to abide by and conform to such rules and regulations.

c. Landlord shall have the right upon reasonable notice to Tenant to close any part of the Parking or other common areas and facilities for such time as may be necessary to prevent a dedication thereof or the accrual of any rights in any person or in order to discourage non-customer parking or other unauthorized parking or to repair or replace the same, and to make repairs to the Parking and other common areas and facilities as Landlord in its sole discretion deems necessary.

d. It is expressly covenanted and agreed by Tenant that the use of any portion of the parking area or common area for unauthorized parking, use, or storage, whether in trailers, other storage containers or fenced areas shall subject Tenant to a charge of \$100 per day for each parking spot or equivalent area so utilized or obstructed by Tenant, which charge shall not be deemed a grant, license or permission to use the parking area/common area for such purpose. Any lining up of vehicles must be done at the perimeter of the property lines so as not to impede egress and ingress of other Tenant's or their access to loading facilities.

e. It is expressly understood and agreed that the Tenant will not park any vehicles longer than **eighteen (18) hours** in the Parking area except by written permission of the Landlord. Employee and invitee parking may be restricted to areas designated by the Landlord. Landlord reserves the right to re-designate any such areas.

f. Tenant shall pay as an item of Additional Rent **all costs incurred by the Landlord which in the reasonable judgment of the Landlord** were the result of Tenant, its employees, agents, or invitees, improper or unauthorized use of the parking and loading areas. This shall include costs to investigate complaints made by other tenants regarding use of the parking areas by Tenant, its agents, employees, and invitees. This shall include but not be limited to removal of skids and rubbish, snow related costs, towing, storage, parking in unauthorized spaces, queuing of vehicles, loitering, unsafe automotive practices, unruly behavior, general site maintenance issues, legal fees, etc.

28. END OF TERM AND HOLDING OVER.

a.

On the last day of the term hereof or on the earlier termination thereof, Tenant shall peaceably and quietly leave, surrender and deliver the Premises up to Landlord, broom clean, vacant, and free of all occupants, with all mechanical, HVAC, electrical, and plumbing, and all alterations, changes, additions, and improvements which may have been made upon the Premises (except movable furniture or movable trade fixtures installed at the expense of Tenant) in good working order, reasonable wear and tear, and damage by fire, other insured casualty or the elements excepted, and Tenant shall remove all of its personal property from the Premises and any property not so

i. pay as holdover rental for each month of the holdover tenancy an amount equal to two hundred and fifty (250%) percent of the minimum annual Rent payable by Tenant for the month prior to the Expiration Date of the term of this lease, and otherwise observe, fulfill and perform all of its obligations under this Lease, including but not limited to, those pertaining to additional rent, in accordance with its terms;

ii. be liable to Landlord for any payment or Rent concession which Landlord may be required to make to any tenant in order to induce such tenant not to terminate an executed lease covering all or any portion of the Premises by reason of the holdover by Tenant; and

iii. be liable to Landlord for any damages suffered by Landlord as the result of Tenant's failure to surrender the Premises.

c. No holding over by Tenant after the Term shall operate to extend the Term.

d. The holdover, with respect to all or any part of the Premises, of a person deriving an interest in the Premises from or through Tenant, including, but not limited to, an assignee or subtenant, shall be deemed a holdover by Tenant.

e. Notwithstanding anything in this Article contained to the contrary, the acceptance of any Rent paid by Tenant pursuant to this Article, shall not preclude Landlord from commencing and prosecuting a holdover or eviction action or proceeding or any action or proceeding in the nature thereof. The preceding sentence shall be deemed to be an "agreement expressly providing otherwise" within the meaning of Section 232-c of the Real Property Law of the State of New York and any successor law of like import.

f. If at any time during the last month of the term of this lease Tenant shall have removed all or substantially all of Tenant's property from the Premises, Landlord may, and Tenant hereby irrevocably grants to Landlord a license to, immediately enter and alter, renovate and redecorate the Premises, without elimination, diminution or abatement of minimum annual Rent or Additional Rent, or incurring liability to Tenant for any compensation, and such acts shall have no effect upon this lease.

29. BROKER.

a. Landlord and Tenant represent that no broker brought about the execution of this lease other than **DM Leto LLC** and Landlord agrees to pay the commission as per separate agreement between Landlord and said broker. Tenant hereby warrants and represents to Landlord that it has not negotiated or dealt with any other broker in connection with this lease or the property demised, and Tenant agrees to indemnify and hold the Landlord harmless against any and all claims of any nature whatsoever by any other person, firm or corporation for any brokerage commissions or any other compensation in connection with this lease transaction arising from any act on the part of Tenant.

b. In the event the Tenant vacates the demised premises and ceases paying the minimum rent and additional rent prior to the expiration of the term without first obtaining the written consent of the Landlord or is evicted through summary proceedings, the Tenant agrees to pay to the Landlord as additional rent any brokerage commissions for re-renting the demised premises for the unexpired term of this lease.

30. NON-LIABILITY OF LANDLORD.

a. Landlord and Landlord's agents and employees shall not be liable for, and Tenant waives all claims for, loss or damage to Tenant's business or damage to person or property sustained by Tenant resulting from any accident or occurrence (unless caused by or resulting from the

coming through the roof, except to the extent Landlord has the obligation to maintain, skylight, trapdoor, stairs, doorways, windows, walks or any other place upon or near the Building or the Premises or otherwise; (ix) the falling of any fixture, plaster, tile or stucco; and (x) any act, omission or negligence of other tenants, licensees or of any other persons or occupants of the Building or of adjoining or contiguous buildings or of owners of adjacent or contiguous property.

b. In the event of a breach or default by Landlord, its successors or assigns, or any of its obligations hereunder of any kind or nature whatsoever or of any provisions of this Lease, Tenant shall look solely to the equity of the Landlord, its successors or assigns in the Demised Premises or the Building of which they are a part for the satisfaction of Tenant's remedies and no personal judgment shall be sought against Landlord, its successors or assigns. If Landlord or a successor in interest is an individual (which term as used herein includes aggregates of individuals such as joint ventures, general or limited partnerships, or associations), such individual shall be under no personal liability with respect to its obligations under this Lease, Tenant shall look solely to the equity of such individual in the Real Property and Building constituting the Demised Premises (and to the proceeds resulting from the sale, condemnation or casualty thereof) for the satisfaction of Tenant's remedies, and in no event shall Tenant attempt to secure any personal judgment against any such individual or any principal, partner, employee or agent of Landlord by reason of such default by Landlord. It is expressly understood and agreed that Landlord's liability, successors or assigns hereunder shall in no event exceed the loss of its equity in the Demised Premises or the Building of which it is a part.

c. The word "Landlord" as used herein means only the owner in fee for the time being of the Premises, and in the event of any sale of the Premises, Landlord shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord hereunder and it shall be deemed and construed without further agreement between the parties or between the parties and the purchaser of the Premises, that such purchaser has assumed and agreed to carry out any and all covenants and obligations of Landlord hereunder.

31. APPLICABLE LAW AND CONSTRUCTION.

a. The laws of the State of New York shall govern the validity, performance and enforcement of this lease. The invalidity or unenforceability of any provision of this lease shall not affect or impair any other provision. The submission of this document to Tenant for examination does not constitute an offer to lease, or a reservation of or option to lease, and becomes effective only upon execution and delivery thereof by Landlord and Tenant. All negotiations, considerations, representations and understandings between the parties are incorporated in this lease. Landlord or Landlord's agents have made no representations or promises with respect to the Building or the Premises except as herein expressly set forth. The headings of the several articles and sections contained herein are for convenience only and do not define, limit or construe the contents of such articles or sections. Whenever herein the singular number is used, the same shall include the plural, and the neuter gender shall include the masculine and feminine genders. Neither this lease nor any provision hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

b. The covenants, agreements and obligations contained in this Lease shall, except as herein otherwise provided, extend to, bind and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and permitted assigns. Each covenant, agreement, obligation or other provision herein contained shall be deemed and construed as a separate and independent covenant of the party bound by, undertaking or making the same, not dependent on any other provision of this lease unless otherwise expressly provided.

32. CONSTRUCTION ON ADJACENT PREMISES OR BUILDINGS.

If any construction is in progress at, on or about the Building or any excavation or other building

such construction, excavation, shoring-up, scaffolding or barricades, but Landlord shall use its best efforts so that such work will cause as little inconvenience, annoyance or disturbance to Tenant as possible consistent with accepted construction practice in the vicinity and so that such work shall be expeditiously completed. Notwithstanding any of the foregoing, Landlord shall be responsible for any damage to Tenant's property if due to the negligence of Landlord, its agents, or employees and to the extent not covered by Tenant's insurance, including signs, and if as a result of the Landlord's work the visibility of Tenant's sign is altered for more than 72 consecutive hours, e.g., by erection of scaffolding, Landlord shall promptly (and at its sole cost) provide other adequate, suitable, and proper replacement to the extent allowable by law.

33. NOTICES.

All notices to be given hereunder shall be in writing and given by hand delivery or by certified or registered mail, return receipt requested or reputable overnight courier, addressed as follows:

To the Landlord: **Brent Associates Inc.**
931B Conklin Street
Farmingdale, NY 11735

With a copy to: **Hamburger, Maxson, Yaffe, Wishod & Knauer, LLP**
225 Broadhollow Road, Suite 301E
Melville, NY 11747

To the Tenant: **Jennifer Convertibles, Inc.**
419 Crossways Park Drive
Woodbury, NY 11797
Attn: Edward B. Seidner

With a copy to: **Law Offices Wincig & Wincig**
574 Fifth Avenue, 2nd Fl.
New York, NY 10036
Attn: Bernard Wincig, Esq.

Any such notice shall be deemed to have been rendered or given on the date when it shall have been hand delivered, mailed, or deposited with a reputable overnight courier, as provided in this Article.

34. UNAVOIDABLE DELAYS.

Whenever Landlord shall be required by the terms of this lease or otherwise to make any improvements or repairs, to furnish any service, to perform any construction or reconstruction, or to fulfill any other obligation hereunder, and Landlord shall be delayed in, or prevented from, so doing, Landlord shall not be deemed to be in default and this lease and the obligation of Tenant to pay Rent hereunder and to perform all of the other covenants and agreements hereunder on the part of Tenant to be performed shall not be affected, impaired or excused, and any time limit herein fixed for Landlord's performance thereof shall be extended if and so long as Landlord's non-performance, delay or default shall be caused by reason of strike or labor troubles, accidents, any rule, order, regulation or delay of any governmental agency, or any department or subdivision thereof, governmental pre-emption in connection with any national emergency or war, insurance claim or adjustment, the conditions of supply and demand which have been or are affected by war or other emergency, or any other cause beyond Landlord's reasonable control.

35. NON-RECORDING.

Tenant shall not record this Lease or any portion hereof, except that either party may record a

against the Demised Premises or any building or improvement thereon by reason of or arising out of any equipment, fixture, labor or material furnished or alleged to have been furnished or to be furnished to or for the Tenant at the Demised Premises, the Tenant shall cause the same to be canceled and discharged of record by payment, bond or otherwise, at the sole expense of the Tenant. Such cancellation and discharge shall be effected by the Tenant within thirty (30) days after notice of filing of such security interest or lien from the Landlord or within thirty (30) days after Tenant has actual notice of such filing from any other source. Landlord may defend, at the Tenant's sole cost and expense, any action, suit or proceeding which may be brought thereon or for the enforcement of such lien, liens or orders and the Tenant shall pay any damages and discharge any judgment entered therein and save harmless the Landlord from any claim or damage resulting therefrom. Tenant shall reimburse Landlord the cost of such defense as Additional Rent immediately upon demand therefor.

37. SIGNS.

Anything to the contrary herein notwithstanding, Tenant, at its own cost and expense, is given permission to erect signs on the exterior of the Demised Premises provided said signs: (a) shall comply with all rules and regulations of any governing authorities having jurisdiction thereof; (b) shall not interfere with the signs of any other tenants of Landlord adjacent to or in close proximity to the Demised Premises; (c) shall be installed without damage to the Building of which the Demised Premises are a part and are to be removed at Tenant's expense at the expiration of the term of this lease; (d) shall be in character with the Building of which the Demised Premises are a part.* Tenant may utilize portions of the existing pylon sign used by Treasure Island and the current tenant at unit 168A. Landlord allows Tenant to enlarge the existing pylon sign** provided any changes provide adequate signage and of no less size for Landlords' other tenants at the site, and agrees to cooperate with Tenant's efforts to enlarge the sign, and further provided that all work which results from such efforts shall be at the sole expense of Tenant. By execution of this Lease, Landlord has approved all signage as set forth on Exhibit F.

*Tenant has Landlord's approval to erect a sign on the side of the building which faces the Long Island Rail Road. If Tenant's erection of such sign results in a violation of local ordinances or laws, Tenant shall cure the violation and indemnify Landlord for out of pocket expenses relating to same, payable as an item of Additional Rent.

**The pylon sign shall be formulated as per the rendering set forth on Exhibit G annexed hereto and made a part hereof.

38. ENVIRONMENTAL HAZARDS.

a. Tenant is not responsible for pre-existing conditions of environmental contamination if any.

b. Definitions. As used herein, the term "**Hazardous Substance**" means any hazardous, nonhazardous or toxic substance, material, waste, pollutant or contaminant, petroleum and any petroleum-related product, and building material, which is or becomes regulated by any state or local governmental authority or the United States government and includes but is not limited to those substances so designated in or by the Resource Conservation and Recovery Act, ("RCRA") (42 U.S.C. Section 6901 et seq.), the Comprehensive Environmental Response, Compensation and Liability Act, (42 U.S.C. Section 9601 et seq.) ("CERCLA" or "Superfund"), the Superfund Amendments and Reauthorization Act ("SARA"), the Small Business Liability Relief and Brownfields Revitalization Act (Public Law 107-118), the Clean Air Act, (42 U.S.C. Section 7401 et seq.), the Hazardous Materials Transportation Act, (49 U.S.C. Section 5101 et seq.), the Atomic Energy Act of 1954, (42 U.S.C. Section 2011, et seq.), the Occupational Safety and Health Act ("OSHA") (29 U.S.C. Section 651) and the regulations promulgated pursuant to said laws; the New York State Environmental Conservation Law and the regulations promulgated thereunder, and any other local, state and/or federal laws or regulations, whether currently in existence or hereafter enacted or amended ("**Applicable Laws**"), that govern: (i) the use, generation, transport, storage, treatment, existence, response to, removal of, cleanup of and/or remediation of any Hazardous Substance; (ii) the protection of the Environment from a Release of any Hazardous Substance (as hereinafter defined); or (iii) the control of any Hazardous Substance. The term "**Release**" means any spill, deposit, emission, leakage, discharge, emplacement, release or threatened loss of any Hazardous Substance at in under on or migrating from the property, the drainage

any Hazardous Substance to the Environment shall be deemed to be normal "wear and tear" as said term is used elsewhere in this lease. Tenant shall be responsible to promptly and completely clean up any Release of a Hazardous Substance that occurs at the Premises during the term of the lease and shall surrender the Premises free of any contamination or other damage caused by such occurrences during the term of the lease.

ii **Maintenance of Premises:** Tenant shall, at its sole cost, keep and maintain the Premises in good and sanitary order, condition and repair. Tenant shall promptly respond to and/or clean up any Release of a Hazardous Substance to the Environment, in a safe manner, in accordance with the Applicable Laws, and as authorized or approved by governmental agencies having authority to regulate the Hazardous Substance.

iii. **Use of Hazardous Substances:** Tenant shall not use any Hazardous Substance at the Premises without first obtaining Landlord's written approval, which approval may be reasonably withheld. Such use shall be in full compliance with the Applicable Laws. Tenant shall notify Landlord and obtain such approval in writing at least fifteen (15) days prior to bringing any Hazardous Substance to the Premises. Landlord may withdraw its approval for reasonable cause related to the threat of contamination or damage or injury to the Environment, persons, property or resources on or near the property. Receipt of notice that Landlord has withheld its approval of any Hazardous Substance or Landlord's failure to approve any Hazardous Substance under this paragraph shall not limit or affect Tenant's obligations under this lease, including Tenant's duty to address any Release; to comply with the Applicable Laws relating to the Hazardous Substance and to indemnify Landlord against any harms or damages caused by such Hazardous Substance.

d. **Responsibility on Discovery of Contamination of the Premises.**

The provisions of this Article apply whenever any Hazardous Substance is discovered at the Premises whether discovered by the Tenant or by any person or government entity at any time before, during or after the term of this lease.

i. **Notification by Tenant:** Tenant shall immediately notify the Landlord in writing of any Release of any Hazardous Substance at the Premises. Tenant shall similarly provide immediate written notification to the Landlord if Tenant receives any notification from any local, state or federal governmental agency or official which pertains to Hazardous Substances, including, but not limited to, notices of violation or requests for inspection or information.

ii. **Notification by Landlord:** Landlord shall immediately notify Tenant if Landlord determines or learns that any Release of a Hazardous Substance has occurred or is occurring which in any way affects or threatens to affect the Premises, the Building, the property, or the people, structures, equipment or other property located thereon.

iii. **Removal, Response and Remedial Actions:** Tenant shall initiate all activities necessary to respond to, remove or remediate any Release of any Hazardous Substance located at the Premises, within ten (10) days after discovery thereof or sooner as directed by the Landlord or by any governmental agency or as required by the Applicable Laws. Tenant shall be solely and completely responsible for responding to and complying with any administrative or court notice, order, directive, request or demand or any third party claim or demand relating to a Release of or potential or actual contamination at the Premises. Tenant shall be fully responsible to conduct such removal, response and remedial activities, which shall be accomplished as quickly as reasonably possible. All such work shall be performed in accordance with the Applicable Laws and Landlord's consent. Tenant shall directly contract for or perform all such actions in its own name and shall dispose of any Hazardous Substance removed from the Premises. Without waiving its rights hereunder, Landlord may, at its option, perform such removal, response, or remedial work as described above and thereafter seek reimbursement from Tenant for the costs thereof. Tenant shall permit Landlord access to the Premises to perform such activities. Whenever Landlord has incurred costs described in this section, Tenant shall within ten (10) days of receipt of notice thereof, reimburse Landlord as an item of additional rent for all such expenses together

v. **Common Waste Streams:** To the extent that contamination from the Building or property enters into the Environment via common waste systems, such as a septic system used by more than one tenant, and if the contamination contains any Hazardous Substance or degradation product of any Hazardous Substance that is consistent with material used, generated, transported, stored, handled, treated, and/or disposed of by Tenant, its employees, agents, assigns or invitees at the Premises, then Tenant shall be jointly and severally responsible with any other third party that may have caused or contributed to the contamination for the necessary removal, response and remediation activities associated with that contamination.

vi. **Reports to Landlord:** Tenant shall promptly provide Landlord with copies of: (i) all reports, notices, demands, inspection reports, violations, complaints, correspondence, manifests, or any other documents it receives from or submits to local, state or federal governmental authorities relating to any Hazardous Substance at the Premises; and (ii) all technical data, test results, expert opinions and other materials generated in connection with the contamination of the Premises, Building or property by any Hazardous Substance or the Release of any Hazardous Substance or any removal, response or remedial activities related thereto. Tenant shall promptly provide written notice to Landlord of any oral or written request, demand or notice Tenant receives from any governmental authority or third party concerning a Release of any Hazardous Substance, or contamination, clean up, property damage or personal injury relating to Tenant's Use of any Hazardous Substance. For purposes of this provision, providing prompt notice shall mean within 10 days.

e. **Indemnity and Release.**

i. **Indemnity:** Tenant shall indemnify, defend and save harmless Landlord from and against any suits, actions, legal or administrative proceedings, demands, claims, liabilities, fines, penalties, losses, injuries, damages, expenses or costs, including interest and attorneys' fees and expenses, in any way connected with any injury to person or damage to any property of or any loss to Landlord occasioned in any way related to the Use of a Hazardous Substance at the Premises, Building or property or by the acts and omissions of Tenant, Tenant's employees, agents, assigns and invitees before, during or after Tenant's occupancy of the Premises.

Landlord shall indemnify, defend and save harmless Tenant from and against any suits, actions, legal or administrative proceedings, demands, claims, liabilities, fines, penalties, losses, injuries, damages, expenses or costs, including interest and attorneys' fees and expenses, in any way connected with any injury to person or damage to any property of or any loss to Tenant caused by any Hazardous Substance located at the Premises, Building or property prior to the commencement of this Lease, provided that the acts or omissions of Tenant, its employees, agents, assigns and invitees, did not exacerbate the investigation or remediation of, or cause or contribute, in whole or in part, to the Hazardous Substance.

f. **Landlord's Right to Conduct an Environmental Audit.**

i. **Audit:** Landlord shall also have the right to conduct periodical environmental audits of the Premises for the purposes of establishing Tenant's compliance with the provisions of this lease that involve Hazardous Substances. The cost of any periodic environmental audit shall be paid for by Tenant as an item of Additional Rent. If any such periodic environmental audit reveals non-compliance with Applicable Laws by Tenant, Tenant shall, at Tenant's sole cost and expense, immediately correct same and reimburse Landlord as an item of additional rent for Landlord's cost to review any submissions or environmental reports submitted by Tenant in connection with Tenant's noncompliance and in addition for Landlord's cost to inspect, reinspect and reaudit the Premises as is necessary in the sole judgment of the Landlord to confirm that Tenant has corrected the condition of noncompliance.

ii. **Reimbursement For Certain Uses:** If Tenant uses, stores, handles, or generates any Hazardous Substance at the Premises, Building or property, including but not limited to, solvents, paints, inks, lacquers, petroleum products, or degreasers, whether water soluble or not, or

g. Landlord's Remedial Actions:

If during the term of this lease or Tenant's occupancy of the Premises, Landlord or any predecessor or any successor in title (collectively "Landlord" for purposes of this Article) is required to remove, clean-up, neutralize or take any other affirmative act with respect to the presence or suspected presence of any Hazardous Substance, whether of Landlord's own choice or as the result of a directive or order from any governmental authority or court having jurisdiction, Tenant specifically acknowledges and agrees that any such action shall not be a breach of the covenant of quiet enjoyment of the Premises. Except as provided in Article 39(d)(iv), Tenant shall be entitled to an abatement of rent, pro rata, as to any area of the Premises (but not the parking area or other common areas) that Tenant is required to vacate for these activities. Tenant further agrees to cooperate fully with Landlord in connection with any such actions, including Tenant's removal from the Premises, or any such portion thereof to permit such action as may be required of Landlord. It is specifically understood and agreed that nothing herein contained shall relieve Tenant from any liability to Landlord or any governmental authority as a result of any actions of the Tenant, its employees, agents, assigns or invitees with respect to the causation of any such Hazardous Substance at the Premises. In the event that Landlord is required to take any such actions with respect to any Hazardous Substance, Landlord shall take reasonable steps to minimize, to the extent reasonably possible, disruption of Tenant's business activities at the Premises.

h. Failure To Comply:

Failure of Tenant to comply with the terms of this Article and to maintain the Premises free of Hazardous Substances shall be deemed a material breach of this lease entitling Landlord to immediately terminate same.

i. Survival of this Article:

The provisions of this Article shall survive the expiration or termination of the Lease and shall be personally guaranteed by the principal, officer, shareholder, general partner, or other guarantors of Tenant signing this Lease or prior Lease Extension or modification.

40. EXHAUST.

If required by law or the nature of Tenant's operations Tenant shall provide all necessary hoods, exhaust fans, fresh air intakes dust collection, and ventilating devices, and grease eliminatory filters and grease cutters which shall, at Tenant's own cost and expense, be kept in a safe manner and cleaned at reasonable intervals. All soil lines shall, at Tenant's own cost and expense be protected by grease interceptors and these must be cleaned, maintained, and emptied at reasonable intervals by Tenant.

42. SPECIFIC PERFORMANCE.

With respect to any provision of this Lease which provides, in effect, that Landlord shall not unreasonably withhold or delay any consent or approval, Tenant in no event shall be entitled to make, nor shall Tenant make any claim for, and Tenant waives any claim for, money damages; nor shall Tenant claim any money damages by way of setoff, counterclaim or defense, based upon any claim or assertion by Tenant that Landlord has unreasonably withheld or delayed any consent or approval. Tenant's sole remedy for the unreasonable withholding of such consent or approval shall be an action or proceeding for specific performance, injunction or declaratory judgment.

43. TENANT'S RIGHT TO TERMINATE

1. Notwithstanding anything to the contrary contained in this Lease, Tenant shall have the absolute right to terminate this Lease, at any time after November 30, 2010, upon satisfaction of the following terms and conditions:

c. No default, including any default that would otherwise exist but for the giving of or the expiration of a notice already provided, exists on the part of Tenant as of the Termination Date;

d. Tenant vacates and surrenders the Premises to Landlord no later than the Termination Date in the condition set forth in this Lease.

In the event Tenant satisfies the terms and conditions set forth above, this Lease, and all of Tenant's obligations hereunder, shall be null and void as of the Termination Date, except for those obligations contained herein which expressly survive termination or expiration of this Lease. Notwithstanding anything to the contrary contained in this Lease, Tenant shall have no right to terminate this Lease during the Third Option Term.

2. Tenant's right to terminate pursuant to this paragraph shall not be an event of default under this Lease, and it is specifically agreed and acknowledged that Tenant's right to terminate shall not be impaired or extinguished by virtue of any uncured default hereunder, the assignment or subleasing of this Lease, or the Tenant being the subject of a proceeding under the bankruptcy laws of the United States.

3. Upon receipt of Tenant's Termination Notice, Landlord shall have the right to accelerate the Termination Date by providing Tenant with no less than ninety (90) days written notice (as defined herein). In the event Landlord exercises such right, **Landlord shall accept the Premises on the accelerated Termination Date as per paragraph 28, "End of Term and Holding Over."**

4. The Termination Fee due for Premises 164 Glen Cove Road (approx. 40,000 square feet) shall be equal to \$750,000.00.

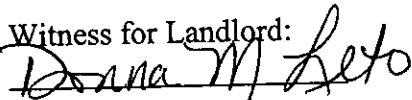
IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first above written.

Brent Associates Inc.

By:

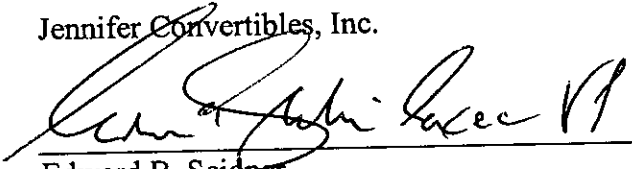

Jacob Kogel
President

Witness for Landlord:

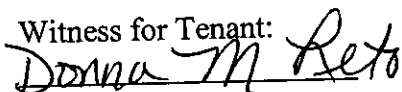


Jennifer Convertibles, Inc.

By:


Edward B. Seidner
Executive Vice President

Witness for Tenant:



signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Claudia A. Cositore
Notary Public

CLAUDIA A. COSITORE
Notary Public, State of New York
No. 4859752
Qualified in Suffolk County
Commission Expires 8/11/10

STATE OF NEW YORK)
COUNTY OF SUFFOLK)

SS.:

On the 17th day of November, 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared Jacob Kogel, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Claudia A. Cositore
Notary Public

CLAUDIA A. COSITORE
Notary Public, State of New York
No. 4859752
Qualified in Suffolk County
Commission Expires 8/11/10

LANDLORD'S RULES AND REGULATIONS

1. Obstruction of Space: No portion of nor the entirety of any sidewalk, Common Area, parking area, entrance, interior corridor or stairway shall be obstructed or encumbered by any Tenant or used for any purpose whatsoever other than for ingress and egress to and from the space demised to such Tenant.

2. Washroom Facilities: The washroom facilities and all plumbing fixtures shall not be used for any purposes other than those for which they were constructed and no sweepings, rubbish, bags, sanitary napkins, paper towels, acids or other substances shall be thrown therein. Tenant shall not permit the unnecessary running of water and shall maintain the plumbing fixtures so as not to waste water. Any damage or expense arising from the misuse of plumbing fixtures shall be borne by the Tenant whose agents, servants, employees, visitors, licensees, contractors or customer shall have caused such damages, as an item of additional rent.

3. Bicycles/Vehicles: No bicycles or vehicles of any Tenant or any agent, servant, employee, licensee, contractor or customer of any kind shall be brought into or kept at or about the Demised Premises or in the Building with the exception of the parking area provided.

4. Cooking/Orders: No cooking shall be done or permitted by any Tenant or any agent, servant, employee, licensee, invitee or customer of any Tenant at or about the Demised Premises without the prior written consent of the Landlord. Neither shall any Tenant permit any unusual or objectionable odors to be produced at or to emanate from the Demised Premises.

5. Manufacturing: No portion nor the entirety of the Demised Premises shall be used for manufacturing or for the sale at auction of merchandise, goods or property.

6. Noises: No Tenant shall make or permit to be made any disturbing noises which may in any respect interfere with the occupancy of the Building by any other Tenant or by any customer of any other Tenant; the source of any foregoing noise to include, without limitation, any musical instrument, radio, television set, audio device or any kind, a musical noise, singing or the like.

7. Narcotics or Drugs: No Tenant shall use or occupy any portion of the entirety of the Demised Premises nor any Common Area at or about the Demised Premises for the storage, manufacture or sale of any narcotic substance, drug or liquor.

8. Advertising: The Landlord shall have the right to prohibit any advertising

10. Tenant's Requirements. No Building employee shall be required to perform nor shall any such employee be requested by the Tenant to perform any work outside of their regular duty unless authorization first be given herefore by the Landlord or the manager of the Building.

11. Refuse: Tenant shall maintain the premises in a clean and sanitary condition. Tenant shall dry-wrap and deposit garbage and trash in the receptacles provided for that purpose. Trash should be so disposed of on a daily basis.

12. Animals: No animal of any kind shall be brought into or kept about the Demised Premises or in any other portion of the Building by any Tenant or any agent, servant, employee or customer of any Tenant.

13. Awnings: No awnings or other projections shall be attached to the outside walls of the Building without the prior written consent of Landlord.

14. Locks: No additional locks or bolts of any kind shall be placed upon any of the doors or windows by any Tenant, nor shall any changes be made in existing locks or mechanism thereof. Each Tenant must, upon the termination of his Tenancy, restore to Landlord all keys of stores, offices and toilet rooms, either furnished to, or otherwise procured by, such Tenant, and in the event of the loss of any keys, so furnished, such Tenant shall pay to Landlord the cost thereof, as an item of additional rent.

15. Speed Limits: Vehicles shall not be driven in excess of 5 mph in the paved or common areas.

Exhibit A-1

Exhibit A - 1 of 2

Brent Associates

Glen Cove Road
Carle Place
New York 11514

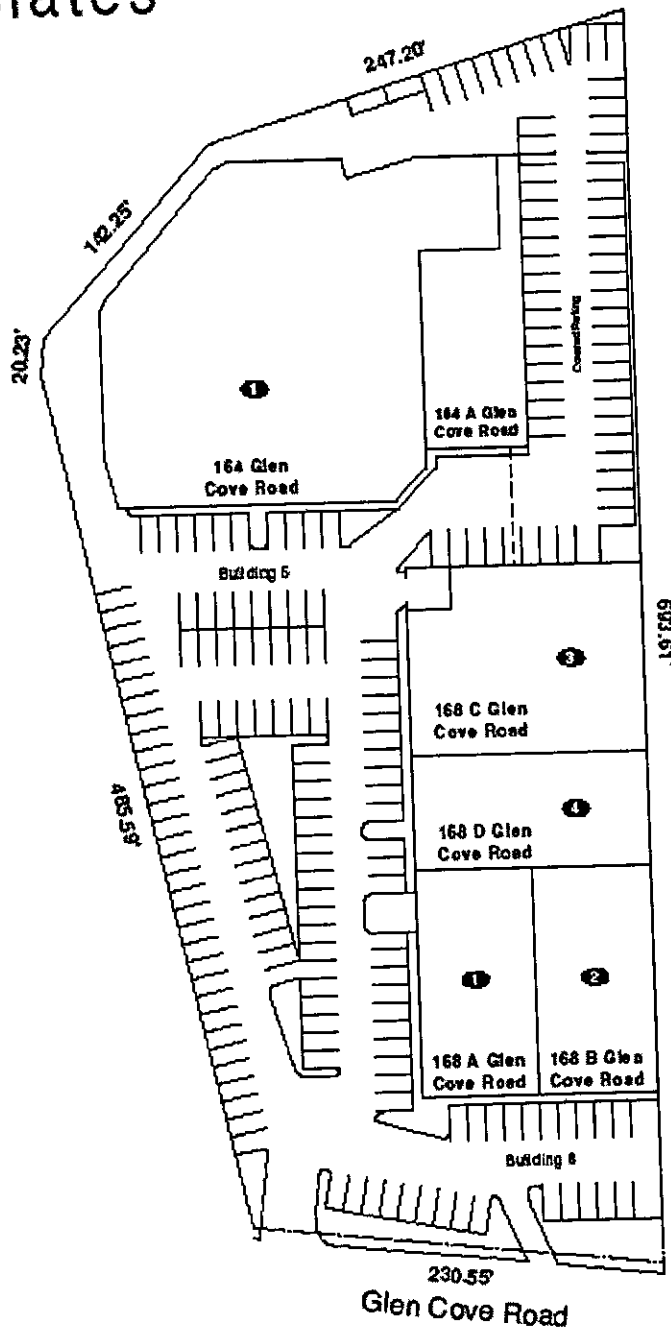


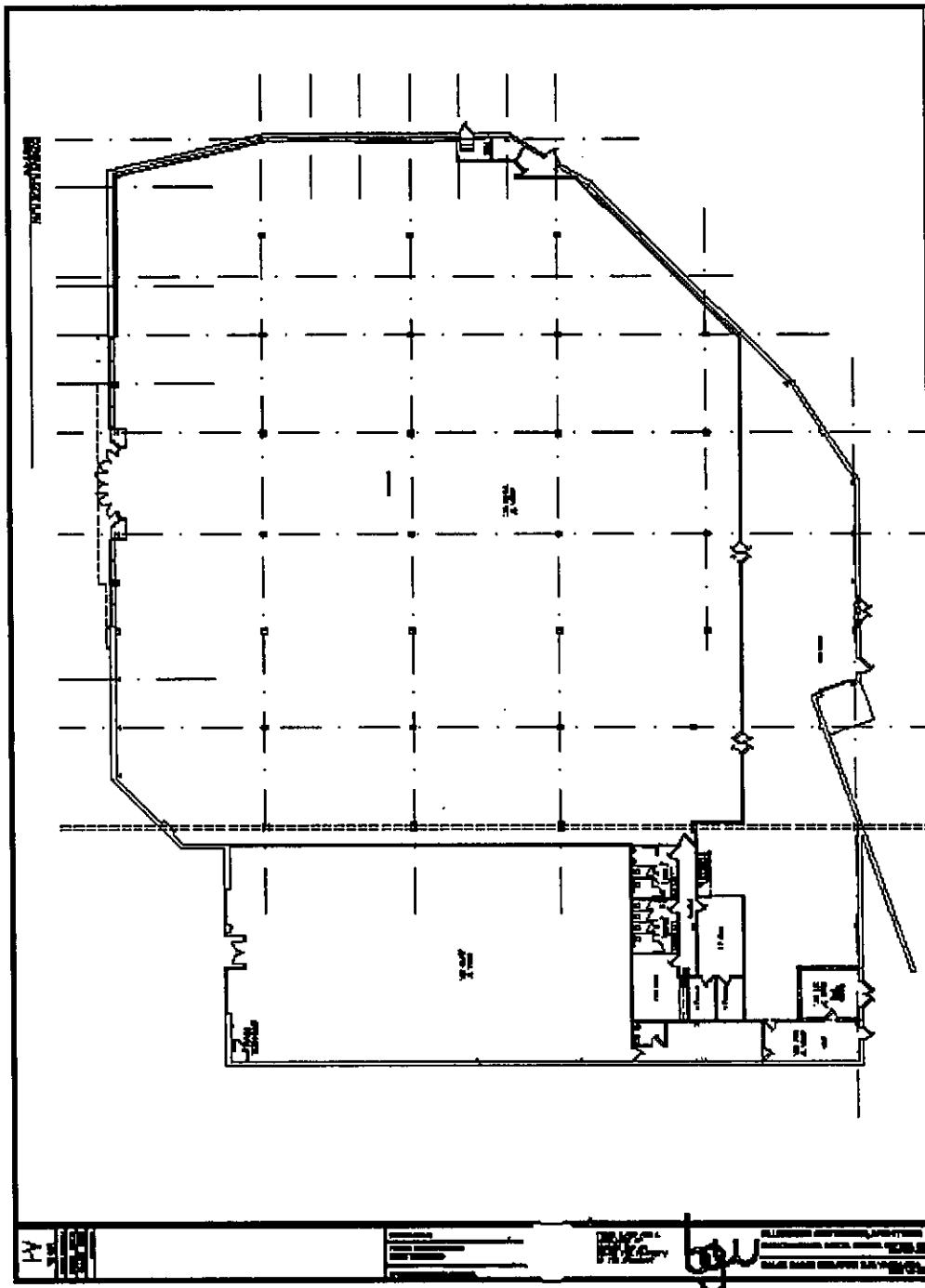
Exhibit A-2

Exhibit B

Rent Schedule for Initial Term and Option Terms of Lease

Period	Monthly Rent	Annual Rent
Initial Term:		
10/1/06-4/30/07*	\$0.00	
5/1/07-7/31/08	\$46,666.67	\$560,000.04
8/1/08-7/31/09	\$47,600.00	\$571,200.00
8/1/09-7/31/10	\$48,552.00	\$582,624.00
8/1/10-7/31/11	\$49,523.04	\$594,276.48
8/1/11-7/31/12	\$50,513.50	\$606,162.00
8/1/12-7/31/13	\$52,028.91	\$624,346.92
8/1/13-7/31/14	\$53,589.77	\$643,077.24
8/1/14-7/31/15	\$55,197.47	\$662,369.64
8/1/15-7/31/16	\$56,853.39	\$682,240.68
8/1/16-7/31/17	\$58,558.99	\$702,707.88
First Option Term:		
8/1/17-7/31/18	\$60,315.76	\$723,789.12
8/1/18-7/31/19	\$62,125.23	\$745,502.76
8/1/19-7/31/20	\$63,988.99	\$767,867.88
8/1/20-7/31/21	\$65,908.66	\$790,903.92
8/1/21-7/31/22	\$67,885.92	\$814,631.04
Second Option Term:		
8/1/22-7/31/23	\$69,922.50	\$839,070.00
8/1/23-7/31/24	\$72,020.17	\$864,242.04
8/1/24-7/31/25	\$74,180.78	\$890,169.36
8/1/25-7/31/26	\$76,406.20	\$916,874.40
8/1/26-7/31/27	\$78,698.39	\$944,380.68
Third Option Term:		
8/1/27-7/31/28	\$81,059.34	\$972,712.08
8/1/28-7/31/29	\$83,491.12	\$1,001,893.44
8/1/29-7/31/30	\$85,995.85	\$1,031,950.20
8/1/30-7/31/31	\$88,575.73	\$1,062,908.76
8/1/31-7/31/32	\$91,233.00	\$1,094,796.00

***Tenant's obligation to pay Rent, Additional Rent (including expenses related to snow and ice), Cam and Taxes shall not commence until 5/1/07.**

Cam Schedule for Lease and Option Terms

Period	Monthly Cam	Annual CAM
10/1/06-4/30/07	\$0.00	\$0.00

Exhibit C

Landlords Work

The premises shall be broom clean with the HVAC, Electric, Plumbing, Exit Doors and Overhead Door in working order. All windows to be free of cracks and leaks. All prior signage, desks, shelves, garbage, rubbish, etc., to be removed by Landlord. Outside and back of buildings to be delivered clean, without rubbish. Weather permitting, Landlord shall seal and re-stripe all parking areas around, in front of, and in the rear of the Premises, including the covered parking area. Landlord shall have completed all work relating to the Premises prior to delivery of possession to the Tenant, and complete all work relating to the parking lot prior to the Rent Commencement Date. Landlord and Tenant shall share the costs equally for such sealing and re-striping, but in no event shall Tenant be responsible for more than \$5,000.00.

Exhibit D

LETTER OF POSSESSION

Pursuant to Agreement dated November __, 2006 between:

LANDLORD: **BRENT ASSOCIATES, INC.**, a New York corporation,
 having an office at 931B Conklin Street, Farmingdale, NY 11735

TENANT: **JENNIFER CONVERTIBLES, INC.** a Delaware corporation
 having an office at 419 Crossways Park Drive, Woodbury, NY
 11797

WHEREAS, the Parties hereto entered into a Lease of the premises at _____ Glen Cove Road, Carle Place, NY 11514.

WHEREAS, the Landlord has complied with all the terms and conditions of such Lease on the Landlord's part to be performed with respect to the delivery of possession of the Premises, and

THEREFORE, in consideration of the mutual covenants herein contained, and for the sum of \$1.00 each to the other in hand paid, receipt of which is hereby acknowledged, it is agreed as follows:

1. The Tenant acknowledges that the Landlord has complied with all the terms, covenants, and the conditions of said Lease on Landlord's part to be performed with respect to delivery of possession of the Premises. The Tenant agrees that he has taken possession of the premises on the ____ day of _____, 20__.

2. The Tenant is to commence rental payments on the ____ day of _____, 20__ as provided for in the Lease. The Termination Date of said Lease shall be the ____ day of _____, 2__.

BRENT ASSOCIATES, INC.

By: _____
Name: Jacob Kogel
Title: President

JENNIFER CONVERTIBLES, INC.

By: _____
Name: Edward B. Seidner
Title: Executive Vice President

Exhibit E

[TO BE FILLED IN]

MEMORANDUM OF LEASE

between

Brent Associates, Inc.

as Landlord

and

Jennifer Convertibles, Inc.

as Tenant

Premises:

County: Nassau
State: New York
Section: 9
Block: 670
Lot: 60
A/K/A: 164 Glen Cove Road

Dated: as of November __, 2006

Record and Return To:

The Law Offices of Wincig & Wincig
574 Fifth Avenue, 2nd Floor
New York, NY 10036
Attn: Owen Wincig, Esq.

THIS MEMORANDUM OF LEASE (this "Memorandum") made as of the ____ day of November 2006 between Brent Associates, Inc. a New York corporation having an office at 931B Conklin Street, Farmingdale, NY 11735, and Jennifer Convertibles, Inc., a Delaware corporation having an office at 419 Crossways Park Drive, Woodbury NY 11797.

LANDLORD: **BRENT ASSOCIATES, INC.**, a New York corporation, having an office at 931B Conklin Street, Farmingdale, NY 11735

TENANT: **JENNIFER CONVERTIBLES, INC.** a Delaware corporation having an office at 419 Crossways Park Drive, Woodbury, NY 11797

DATE OF LEASE: As of November ___, 2006

THE DEMISED PREMISES: The land and improvements currently existing or to be built thereon building, commonly known as 164 Glen Cove Road, Carle Place, NY 11514, as more particularly described on Schedule "A" annexed hereto.

TERM: The term of the Lease commenced as of November ___, 2006 and ends _____, unless terminated earlier pursuant to its terms or extended pursuant to the options granted Tenant thereunder.

IN WITNESS WHEREOF, Landlord and Tenant have hereunto executed this Memorandum by their respective duly authorized representative as of the date and year first above written.

BRENT ASSOCIATES, INC.

By: _____
Name:
Title:

JENNIFER CONVERTIBLES, INC.

By: _____
Name:
Title:

SCHEDULE "A"

STATE OF NEW YORK)
 : ss.:
COUNTY OF _____)

On this ____ day of November, 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on this instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

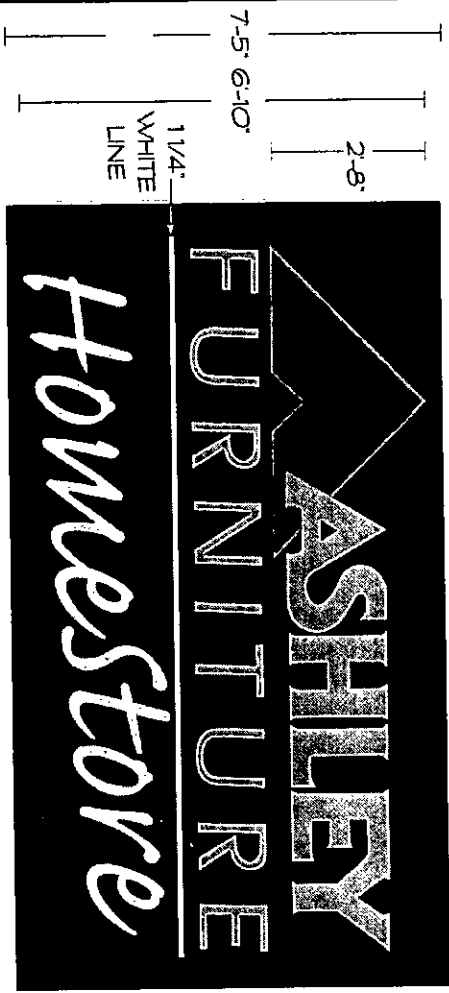
My commission expires:

STATE OF NEW YORK)
 : ss.:
COUNTY OF _____)

On this _____ day of November, 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on this instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

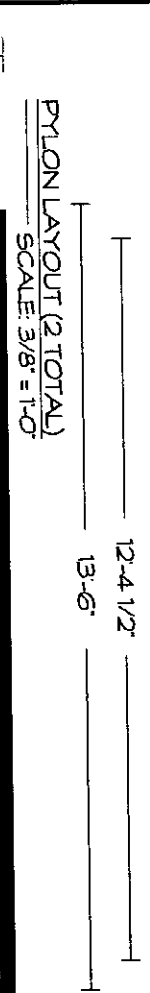
My commission expires:



ASHLEY SPECIFICATIONS:

FACE: PANAFLEX FACE - EXTERIOR GRADE - WHITE
 BACKGROUND: BLUE DIGITAL PRINT - DPI TO BE BASED ON HEIGHT FROM GRADE - TO MATCH 3630-36
 LOGO: TRANS. VINYL OVERLAY
 TO MATCH 3630-44 (ORANGE)
 TRANS. VINYL OVERLAY
 TO MATCH 3630-15 (YELLOW)
 TO MATCH SHOW THRU
 WHITE TO ILLUMINATE
 MOUNTINGS: 2 COLOR RED TO MATCH EXISTING

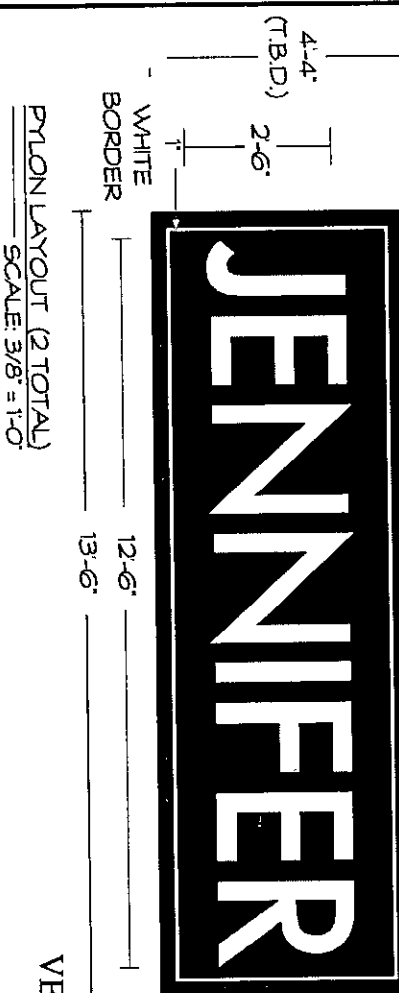
2'-
 14 1/2"
 29 1/4"
 ASHLEY & FURNITURE:
 HOMESTORE & LINE:
 MOUNTINGS:



JENNIFER SPECIFICATIONS:

FACE: PANAFLEX FACE - EXTERIOR GRADE - WHITE
 BACKGROUND: BLACK VINYL OVERLAY
 COPY: WHITE TO ILLUMINATE
 BORDER: WHITE TO ILLUMINATE
 MOUNTINGS: 2 COLOR RED TO MATCH EXISTING



12'-4 1/2"
 13'-6"
 PYLON LAYOUT (2 TOTAL)
 SCALE: 3/8" = 1'-0"

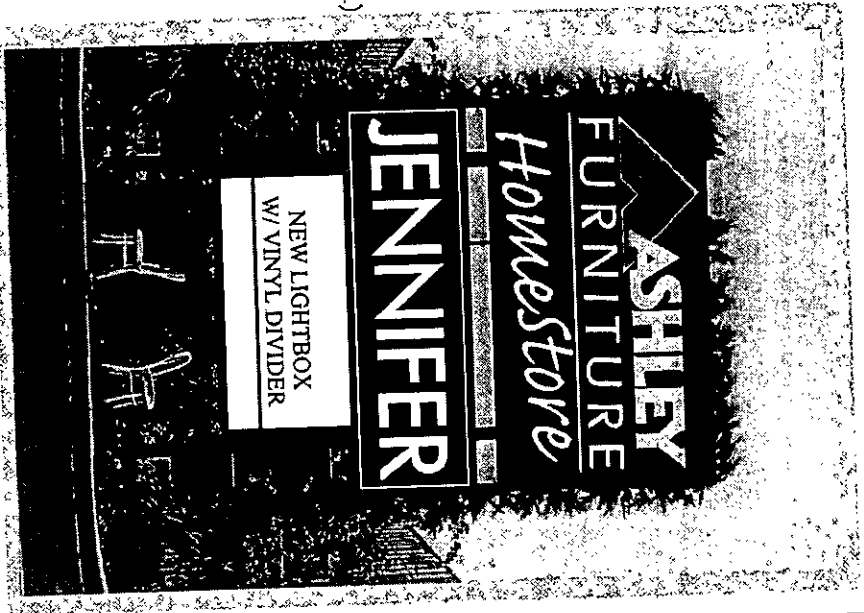
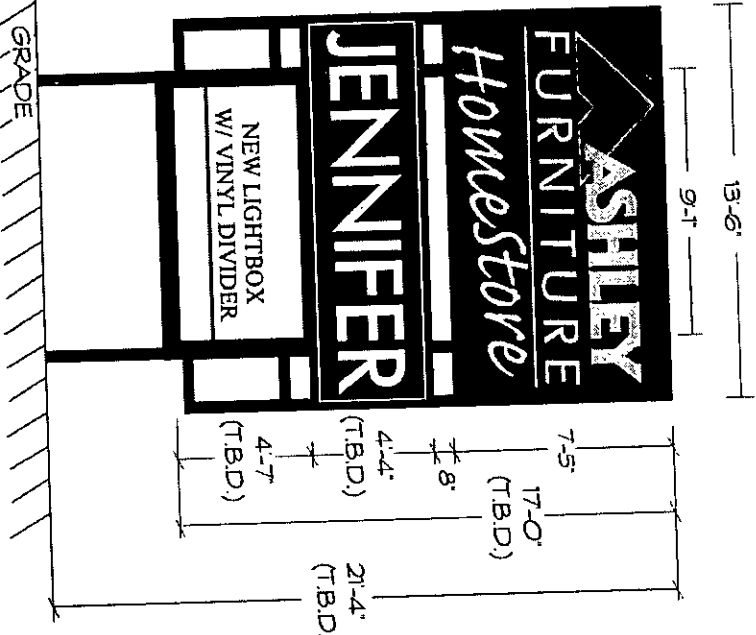
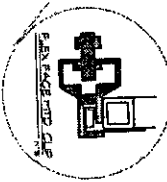
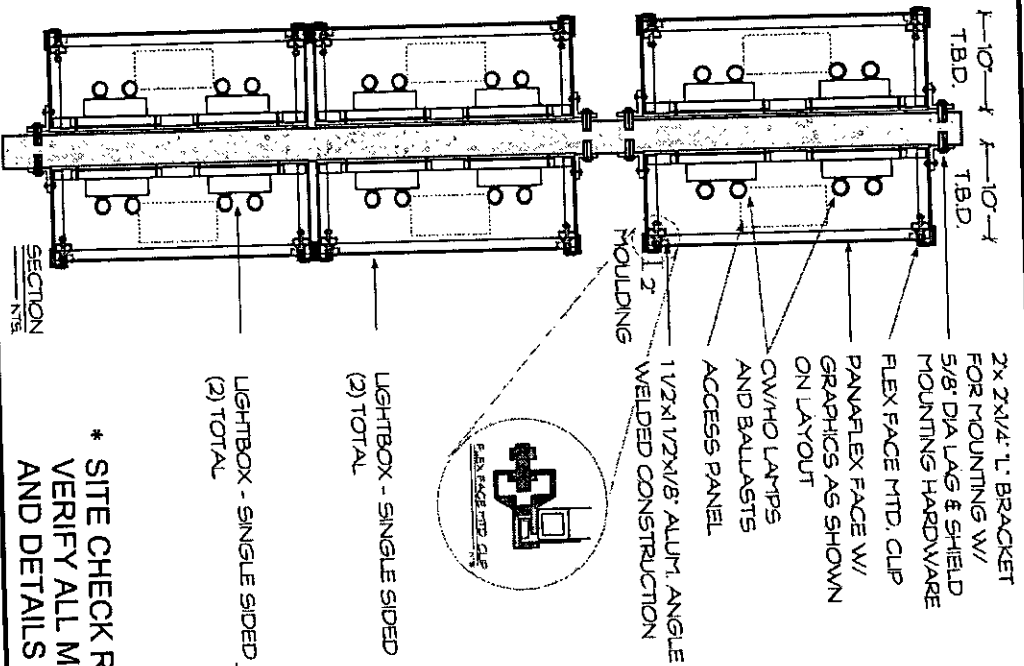


SPECIFICATIONS FOR FACES:

MATERIAL SIZE: 4'-10" X 14'-0" (3" BLANK BORDER INCLUDED)
 V.O. SIZE: 4'-0" X 13'-2"

WHITE
 BORDER
 PYLON LAYOUT (2 TOTAL)
 SCALE: 3/8" = 1'-0"

LOGO: JENNIFER CONVERTIBLES & ASHLEY FURNITURE CARLE PLACE, NY DWG: LAYOUT		 UNDERWRITERS LABORATORIES, INC. DATE: 11-06	SCALE: AS NOTED	 61 CABOT STREET W. BABYLON, NY 11704 PH 631-753-2586 FX 631-753-2587	ALL DRAWINGS AND DESIGNS DEPICTED HEREIN ARE THE SOLE PROPERTY OF CAPITOL SIGNS & SERVICE, INC. ALL DESIGNS WERE CREATED IN CONNECTION WITH THE ABOVE SPECIFIED PROJECT. NO REPRODUCTIONS, COPIES AND/OR EXHIBITS OF THIS PRINT AND/OR DESIGN SHALL BE DONE WITHOUT THE WRITTEN PERMISSION OF CAPITOL SIGNS & SERVICE, INC. 61 CABOT STREET, W. BABYLON, NY	APPROVAL: DATE:
---	--	--	--------------------	--	--	--------------------



* SITE CHECK REQUIRED TO VERIFY ALL MEASUREMENTS AND DETAILS PRIOR FABRICATION

VERSION 4

PYLON ELEVATION (DOUBLE SIDED)

LOC. JENNIFER CONVERTIBLES & ASHLEY FURNITURE CARLE PLACE, NY

SCALE: AS NOTED

DATE: 11-06

ALL DRAWINGS AND DESIGNS DEPICTED HEREIN ARE THE SOLE PROPERTY OF CAPITOL SIGNS & SERVICE, INC. ALL DESIGNS WERE PROVIDED IN CONNECTION WITH THE ABOVE SPECIFIED PROJECT. NO REPRODUCTIONS, COPIES AND/OR EXHIBITS OF THIS PRINT AND/OR DESIGN SHALL BE DONE WITHOUT THE WRITTEN PERMISSION OF CAPITOL SIGNS & SERVICE, INC. 61 CABOT STREET, W. BABYLON, NY

APPROVAL:

DATE:

Rider attached to Lease dated: November __, 2006

Landlord:

BRENT ASSOCIATES

Tenant:

JENNIFER CONVERTIBLES, INC.

Relating to property known as:

164 Glen Cove Road, Carle Place, NY 11514

Consisting of provisions numbered:

R1 -

1. 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. The use of the following terms shall be interchangeable: Landlord and Owner. The use of the following terms shall be interchangeable: Premises, demised premises, Demised Premises, and Leased Premises.

2. Character of Shopping Center - Tenant has entered into this Lease in reliance upon the representation by Landlord that the shopping Center is 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 X-rated and is not available for sale or rental to children under 18 years old because such inventory explicitly deals with or depicts human sexuality).

3. Exclusivity - (a) Landlord agrees not to lease any space within the Shopping Center to any other proposed Tenant whose use shall be the sale of furniture, sofas, mattresses and home furnishings, other than as set forth below, which use shall be exclusive to Tenant in the Shopping Center. The parties agree that a proposed tenant whose business is substantially limited to the sale of outdoor furniture, antique furniture, antique reproduction furniture, unfinished furniture and custom built furniture and does not include any other type of furniture, sofas, mattresses or unpermitted home furnishings shall be deemed to not be in competition with or interfering with Tenant's Use. It is specifically agreed that the use and exclusive use rights granted to Tenant (located at 164 Glen Cove Road) herein shall also apply to Tenant and any related entity that is leasing the premises known as 168A Glen Cove Road and 168D Glen Cove Road and such tenancy shall not be a breach of this paragraph. In the event Tenant (located at 164 Glen Cove Road) is in default of its obligations under this Lease beyond all applicable cure periods, or Tenant provides a Termination Notice pursuant to this Lease, the rights of Tenant herein, as well as the rights of tenants located at 168A and 168D Glen Cove Road, with respect to exclusive use shall terminate.

(b) Landlord and Tenant agree that Landlord is permitted to rent to other tenants in the Shopping Center who sell the following home furnishings: (i) wall, floor and window coverings (including, but not limited to, vinyl, wood and synthetic materials, ceramic tile, carpeting, rugs, wall paper, window blinds and treatments, etc.); (ii) furnishings for kitchen (including, but not limited to anything related to the preparation, storage and eating of food and liquids), closet, garage, unfinished spaces such as attic and basement spaces, storage systems and containers; (iii) moveable and fixed appliances, computers and other electronic media systems; (iv) light fixtures other than table and floor lamps; (v) fabric and upholstery; (vi) steps, stairs, railings, doors, windows and mirrors and related hardware; (vii) outdoor furnishings and related hardware; (viii) statues; (ix) animal furnishings and custom made home furnishings.

(c) With respect to home furnishings not specifically permitted in sub-paragraph (b) above, Landlord and Tenant agree that Landlord may rent to other tenants in the Shopping Center who, in the sole judgment of the Tenant, sell home furnishings that are complementary to, and not in competition with, the home furnishings of Tenant, provided, in each instance, Landlord first obtains the written consent of Tenant, which consent shall not be unreasonably withheld, delayed or denied.

4. Commencement of Term and Rent Commencement Date – **Intentionally deleted.**

5. 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.

6. 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 **other than in connection with repairs and renovations to be done on the site throughout the Lease Term.**

7. Delivery of Possession – **Except as otherwise provided in Paragraph 2 of the Lease, entitled "Term,"** 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 **other than improvements such as floor finishes, sheetrock partitions, lights, doors, etc.** and/or occupants, and with any 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.

8. Real Estate Taxes - (a) Landlord covenants and agrees that: (i) it shall timely and fully pay the real estate taxes and assessments levied against the Building, including the Premises and all improvements therein; and (ii) there are currently no abatements or exemptions affording the Premises.

(b) Abatements - If Landlord shall obtain any abatement, refund or rebate in Real Estate Taxes for the time period that Tenant was in occupancy of the Premises, and for which Tenant has paid the 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). Notwithstanding the foregoing, Landlord shall have no obligation to forward any abatement, refund or rebate, or portion thereof, to the Tenant, which abatement, refund or rebate was not actually received by the Landlord at the time Tenant provides Notice of Termination as set forth in the Lease.

9. Alterations - intentionally omitted

10. Hazardous Materials - Landlord represents that to the best of Landlord's knowledge, the Demised Premises, on the commencement date of this Lease, will contain no Hazardous Materials.

11. Ownership - Landlord represents that it is the sole owner of the fee simple interest in the entire Building; and Landlord further represents that, to the best of its knowledge, there are no zoning regulations, governmental use restrictions, restrictive agreements, leases or environmental laws that prevent or restrict the use of the Premises or any part of the Premises for the business Tenant initially intends to conduct therein, with which intended use Landlord is familiar, or otherwise conflict with any of the provisions of this Lease.

12. Maintenance - (a) 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 working 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 best efforts to make all repairs and replacements without, to the extent practicable, interfering with the conduct of Tenant's business.

13. Total or Partial Destruction - intentionally omitted.

14. Condemnation - Tenant may terminate this lease if there is 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) The whole of the demised premises; or

(b) More than twenty-five percent (25%) of the common area of the shopping center without a proportionate reduction in the use of the common area for the other tenants on the site.

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 condemner 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.

15. 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. Tenant shall be permitted a "relocating sign" during the last six (6) months.

16. Remedies Cumulative - Any and all rights and remedies that Landlord or 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, except as otherwise provided in Provisions 22 (a), Remedies of Landlord, of the Lease.

17. Right to Cure Defaults intentionally omitted.

18. Effect of Waivers on Default - No consent or waiver, express or implied, by either party to or of any breach of any covenants, 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.

19. Assignment, Subletting, etc. intentionally omitted.

20. Recording - Each party agrees not to record this Lease, but each party hereto agrees on request in writing by the other, to execute a Notice or Short Form of this Lease

in recordable form in accordance with applicable statutes, and reasonably satisfactory to Landlord's and Tenant's attorneys. In no event shall such document set forth the rental or other charges payable by Tenant under this Lease; and any such document shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

21. 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."

22. Waiver of Subrogation – intentionally omitted.

23. Subordination and Rights of Mortgagee – intentionally omitted.

24. Consent - Where pursuant to the terms of this Lease, or in connection with the administration of the Lease, the consent, approval, judgment, satisfaction or similar exercise of discretion of or by one party shall be required, requested or appropriate, such party covenants and agrees that its consent, approval, judgment, satisfaction or similar exercise of discretion shall not be unreasonably withheld, delayed or conditioned, and shall not be charged for.

25. Government Requirements - (a) In regard to any provision regarding work to be performed as required by government or other authorities, Tenant shall not be obligated to make any repairs, changes, alterations or additions that are otherwise the obligation of Landlord under this Lease. Notwithstanding anything to the contrary in this Lease, Landlord shall be responsible for complying, and the cost of complying, with any and all governmental regulation of environmental matters relating to substances in or about the Premises or the Building except for those substances placed there by Tenant, its agents, employees, licensees, contractors or invitees. Specifically, but without limiting the generality of the foregoing, Landlord shall be responsible for abating any and all hazards relating to lead paint or asbestos in or about the Premises or the Building that pre-exists Tenant's occupancy, as may be required by governmental regulation including such abatement as may be required in connection with the issuance of any building permits or otherwise.

(b) Laws and Ordinances – Tenant shall, at Tenant's sole cost and expense, promptly observe and comply with all present or future laws, rules, requirements, recommendations, orders, directions, ordinances, and regulations of the United State of America, the State, county, and any other municipal, governmental or lawful authority whatsoever affecting the Premises, and of any and all of its or their departments, bureaus and officials.

(c) 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 **shall comply with said laws as they relate** to the interior design and interior alterations of the Premises.

26. **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.

27. **Damages – intentionally omitted.**

28. **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.

29. **Mutuality of Lease Provisions - All provisions of said Lease relating to (i) payment of attorneys' fees, (ii) delays ("force majeure"), and (iii) indemnification of Landlord,** shall be deemed mutual, Tenant having the same rights with respect thereto as Landlord.

30. **Powers of Attorney – intentionally omitted.**

31. **Hold-over – intentionally omitted.**

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

33. **Insurance – intentionally omitted (see Lease)**

34. **Payment for Services** - Tenant **will not** 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.

35. **Representation** - (a) Landlord represents that the bathrooms, HVAC system, plumbing system and electrical system will be in 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. In addition, Landlord will **make best efforts to address the issue of** noise or odors emanating from any other Tenant entering into the demised premises.

36. **Exculpation** - Landlord agrees that the liability of Tenant hereunder shall be limited to Tenant's assets, if any, and Tenant's stockholders (including, but not limited to its successors and assigns) shall not be liable directly or indirectly for any obligation of Tenant, and Landlord agrees not to commence any legal proceedings against Tenant's stockholders.

37. **Imputation – intentionally omitted.**

38. Common Area Charges - (a) It shall not include (i) to the extent not covered by insurance, expenses for repairs or other work occasioned by fire, windstorm or other insured casualty; (ii) expenses incurred in leasing or procuring new Tenants (i.e. lease commissions, Tenant inducements, advertising expenses and expenses of renovating space for new Tenant); (iii) interest or amortization payments on any mortgage or mortgages Note: we bill replacements @ 20% /yr. and/or capital improvements (except as provided in Provision 8(a) of the Lease, Common Area Maintenance); (iv) reserve funds; (v) administrative expenses of Landlord in excess of five (5%) percent; (vi) removal of hazardous material other than vehicular waste including, but not limited to, petroleum products or derivatives, anti-freeze, solvents, etc. and waste deposited by Tenant its agents, employees, licensees, contractors and invitees or that of other tenants on the site; (vii) earthquake insurance--unless such coverage is reasonably available at a commercially reasonable cost; and (viii) direct settlement payments by Landlord in personal injury or property claims.

(b) All common area costs shall be based upon competitive charges for similar services and/or materials that are available in the general vicinity of the shopping center.

(c) The Landlord confirms that the costs for common area maintenance, taxes and insurance for the first lease year shall be approximately as follows:

	CAM	\$52,917.63
	Insurance	\$21,082.37
Real Estate Taxes	(The tax bill has not been received as yet.)	

(d) However, in no event will Landlord be entitled to collect in excess of 100% of the total expense from all the Tenants in the center.

(e) Tenant dispute of Common Area Charges - Any statement rendered by Landlord to Tenant for Tenant's share of Landlord's Common Area Charges shall be deemed accepted by Tenant unless, within six (6) 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 Common Area 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.

~~(f) Notwithstanding the above, CAM charges shall not include snow or weather related costs and expenses.~~

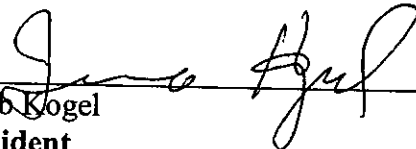
39. Execution - Landlord shall have seven **(10) days** from receipt of Tenant's executed copies of the Lease in which to execute and return this Lease to Tenant or this Lease shall be considered null and void and Landlord shall return any and all monies, if any, advanced by Tenant to Landlord in connection with this Lease.

40. Early Termination See paragraph 43 of Lease.

IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first above written.

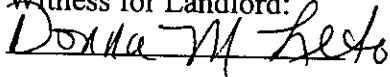
Brent Associates Inc.

By:



Jacob Kogel
President

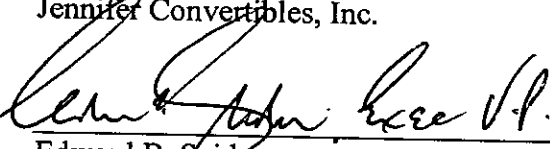
Witness for Landlord:



Donna M. Leto

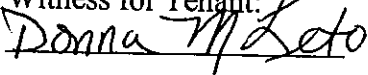
Jennifer Convertibles, Inc.

By:



Edward B. Seidner
Executive Vice President

Witness for Tenant:



Donna M. Leto

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**Brent Associates, Inc.
931B Conklin Street
Farmingdale, New York 11735
631-420-0070/FAX420-0083**

Overnight Delivery

October 21, 2010

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

**RE: Proofs of Claim for the Jennifer Convertibles, Inc. Bankruptcy
Case No. 10-13779 (ALG)**

Ladies and Gentlemen:

Brent Associates, Inc. is a creditor in the subject bankruptcy. We are, hereby filing three Proofs of Claim forms against the debtor, Jennifer Convertibles, Inc. Jennifer Convertibles, Inc. leases three commercial units from us in Carle Place, NY. Enclosed please find three Proofs of Claim; one for each of the three units located at 164, 168A and 168D Glen Cove Road, Carle Place, NY.

Enclosed, also, please find the following supporting documentation for our Proofs of Claim:

- 1) Lease and modifications for Premises located at 164 Glen Cove Road, Carle Place, NY;
Tenant ledger sheets from our accounting department showing amounts billed and amounts paid.
- 2) Lease and modifications for Premises located at 168A Glen Cove Road, Carle Place, NY;
Tenant ledger sheets from our accounting department showing amounts billed and amounts paid;
- 3) Lease for Premises located at 168D Glen Cove Road, Carle Place, NY;
Tenant ledger sheets from our accounting department showing amounts billed and amounts paid.

Also enclosed are three duplicate Proofs of Claim to be date-stamped received and returned in the self-addressed stamped envelope for an acknowledgement that said claims have been received.

Thank you.

Sincerely,


Jacob James Kogel
President, Brent Associates, Inc.

Enclosures