

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK (MANHATTAN)		PROOF OF CLAIM		 YOUR CLAIM IS SCHEDULED AS: Schedule/Claim ID s252	
In re: Jennifer Convertibles, Inc.		Case Number: 10-13779		Amount/Classification \$24,879.31 Unsecured	
<small>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.</small>					
Name of Creditor and Address: the person or other entity to whom the debtor owes money or property <div style="display: flex; justify-content: space-between;"> 25239790002315 </div> PLAZA K SHOPPING CENTER 6 PROSPECT STREET, SUITE 1B THE AZARIAN BUILDING MIDLAND PARK, NJ 07432				<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.	
Creditor Telephone Number (201) 444-7111 Name and address where payment should be sent (if different from above): Payment Telephone Number () _____				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 <input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Claim Number (if known): _____ Filed on: _____	
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 5px;"> RECEIVED OCT 25 2010 BMC GROUP </div> </div>					
1. AMOUNT OF CLAIM AS OF DATE CASE FILED \$ 33,151.02 <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: LEASE OBLIGATION - SEE ENCLOSED		<small>(See instructions #2 and #3a on reverse side.)</small>		3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR: 3a. Debtor may have scheduled account as: _____	
4. SECURED CLAIM (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of 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 type="checkbox"/> Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. 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 type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a) (_____). <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: \$ _____ 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): \$ _____ <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: Attach redacted copies of supporting documents, 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 00310	
DATE 10-21-2010		SIGNATURE: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. <div style="display: flex; justify-content: space-between;"> <div> <i>Joel K. Weinberg</i> JOEL K. WEINBERG </div> <div> CONTROLLER </div> </div>			

INSTRUCTIONS FOR PROOF OF CLAIM FORM

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

ITEMS TO BE COMPLETED IN PROOF OF CLAIM FORM (IF NOT ALREADY PROPERLY FILLED IN)

<p>Court, Name of Debtor, and Case Number: Fill in the name of the federal judicial district where the bankruptcy case was filed (for example Central District of California), the name of the debtor in the bankruptcy case, and the bankruptcy case number. If you received a notice of the case from the Claims Agent, BMC Group, some or all of this information may have been already completed.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Debtor Name</td> <td style="width: 50%;">Case No</td> </tr> <tr> <td>See attached sheet</td> <td></td> </tr> </table> <p>Creditor's Name and Address: Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).</p> <p>1. Amount of Claim as of Date Case Filed: State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete item, 4, 5 and 6. Check the box if interest or other charges are included in the claim.</p> <p>2. Basis for Claim: State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card.</p> <p>3. Last Four Digits of Any Number by Which Creditor Identifies Debtor: State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.</p> <p>3a. Debtor May Have Scheduled Account As: Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.</p> <p>4. Secured Claim: Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.</p>	Debtor Name	Case No	See attached sheet		<p>5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a). If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.</p> <p>6. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. §503(b)(9): State the value of any goods received by the debtor within 20 days before the date of commencement for which the goods have been sold to the debtor in the ordinary course of the debtor's business.</p> <p>7. Credits: An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.</p> <p>8. Supporting Documents: Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). Do not send original documents, as attachments may be destroyed after scanning.</p> <p>Date and Signature: The person filing this proof of claim <u>must</u> sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.</p> <p>Date-Stamped Copy Return claim form and attachments, if any. If you wish to receive an acknowledgement of your claim, please enclose a self-addressed stamped envelope and a second copy of the proof of claim form with any attachments to the Claims Agent, BMC Group, at the address on the front of this form.</p> <p><i>Please read – important information: upon completion of this claim form, you are certifying that the statements herein are true.</i></p> <p>Be sure all items are answered on the claim form. If not applicable, insert "Not Applicable."</p>
Debtor Name	Case No				
See attached sheet					

DEFINITIONS

INFORMATION

<p>DEBTOR A debtor is the person, corporation, or other entity that has filed a bankruptcy case.</p> <p>CREDITOR A creditor is any person, corporation, or other entity to whom the debtor owed a debt on the date that the bankruptcy case was filed.</p> <p>CLAIM A claim is the creditor's right to receive payment on a debt that was owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.</p> <p>PROOF OF CLAIM A form telling the bankruptcy court how much the debtor owed a creditor at the time the bankruptcy case was filed (the amount of the creditor's claim). This form must be filed with the court-appointed Claims Agent, BMC Group, at the address listed on the reverse side of this page</p> <p>SECURED CLAIM Under 11 U.S.C. §506(a) A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors.</p>	<p>The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car.</p> <p>A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).</p> <p>UNSECURED NONPRIORITY CLAIM If a claim is not a secured claim it is an unsecured claim. A claim may be partly secured and partly unsecured if the property on which a creditor has a lien is not worth enough to pay the creditor in full.</p> <p>UNSECURED PRIORITY CLAIM Under 11 U.S.C. §507(a) Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.</p> <p>Evidence of Perfection Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other</p>	<p>document showing that the lien has been filed or recorded.</p> <p>Redacted A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.</p> <p>Offers to Purchase a Claim Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.), and any applicable orders of the bankruptcy court.</p>
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ONCE YOUR CLAIM IS FILED YOU CAN OBTAIN OR VERIFY YOUR CLAIM NUMBER BY VISITING www.bmcgroup.com

Delinquency / Aging Report
(Detailed)

Property : **PLAZA K SHOPPING** as of 07/18/2010
52 CENTER

Unit Type	Unit Reference Number	Occupant Name	Deposits Held	Balance Due	AGED 1 - 30 DAYS	AGED 31 - 60 DAYS	AGED 61-90 DAYS	AGED OVER 90 DAYS
CURR	2	Jennifer Convertibles, Inc.	0.00	33,151.02	16,724.61	17,207.38		(780.97)
	Contact :	Ed Seider						
	Phone :	(732) 494-7270						

CHARGE CODE	CHARGE DESCRIPTION	CHARGE DATE		
OCR	Payment to Open Credit	04/12/2010		(780.97)
CMQ	CAM - QUARTERLY	05/26/2010	397.07	
INQ	INSURANCE QUARTERLY	05/26/2010	64.03	
REQ	QUARTERLY REAL ESTATE TAXES	05/26/2010	797.06	
CAM	MONTHLY ESTIMATED CAM CHARGE	06/01/2010	1,358.00	
INS	MONTHLY ESTIMATED INSURANCE	06/01/2010	365.00	
RE	MONTHLY ESTIMATED TAX CHARGE	06/01/2010	1,954.00	
RNT	MONTHLY BASE RENT	06/01/2010	12,272.22	
CAM	MONTHLY ESTIMATED CAM CHARGE	07/01/2010	1,358.00	
INS	MONTHLY ESTIMATED INSURANCE	07/01/2010	365.00	
RE	MONTHLY ESTIMATED TAX CHARGE	07/01/2010	1,954.00	
RNT	MONTHLY BASE RENT	07/01/2010	13,047.61	

PLAZA K SHOPPING CENTER

INVOICE

JENNIFER LEATHER

May 26, 2010

PERIOD: 1/1/10 to 3/31/10

COMMON AREA MAINTENANCE CHARGES ("CAMs")

Alarm	\$ 353.30
Electricity	1,476.66
Garbage Removal	2,821.56
Maintenance	1,016.50
Management Fees	18,000.00
Sewer	1,090.40
Snowplowing	561.50
Water	1,598.00
Sub-total	26,917.92
Tenant's Allocation	0.1661
Sub-total	4,471.07
Less: Monthly estimated charges	4,074.00
TOTAL AMOUNT DUE - CAMs	\$ 397.07

INSURANCE

Total Insurance	\$ 6,977.91
Tenant's Allocation	0.1661
Sub-total	1,159.03
Less: Monthly estimated charges	1,095.00
TOTAL AMOUNT DUE - INSURANCE	64.03

REAL ESTATE TAXES ("TAXES")

Total Taxes	\$ 40,090.64
Tenant's Allocation	0.1661
Sub-total	6,659.06
Less: Monthly estimated charges	5,862.00
TOTAL AMOUNT DUE - TAXES	797.06
TOTAL AMOUNT DUE - CAMs	397.07
TOTAL AMOUNT DUE - INSURANCE	64.03
Past due	15,943.64

GRAND TOTAL DUE - THIS INVOICE **\$ 17,201.79**

PLEASE MAKE ALL CHECKS PAYABLE TO:

Plaza K Shopping Center
c/o The Azarian Group
The Azarian Building
6 Prospect Street, Suite 1B
Midland Park, NJ 07432-1634

Under the terms of your lease, the amount listed as GRAND TOTAL DUE - THIS INVOICE is due and payable within 20 days following your receipt of this invoice.

ESTOPPEL CERTIFICATE

DATED: October 18, 2006

TO: Plaza K Shopping Center,
a corporate entity organized under the laws of the State of New Jersey

Please be advised that the undersigned is a Tenant of a portion of certain property and improvements located thereon commonly known as Plaza K Shopping Center, 179-185 U.S. Route 1 South, Lot 1, 2A, 2B, 3, 4 & 5, Block 351L, in the Township of Woodbridge, Middlesex County, New Jersey (the "**Property**"), pursuant to a certain Lease dated January 2003, wherein Denton Woodbridge, LLC is the Landlord. The undersigned hereby certifies as follows:

1. Attached hereto as **Exhibit "A"**, and made a part hereof, is a true, correct and complete copy of the Lease and all amendments thereto (collectively the "**Lease**"). The Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way, except as hereinafter specifically stated.

2. Tenant has accepted possession of the premises and all improvements required by the Lease to be made by Landlord have been completed to the satisfaction of Tenant and there is no construction completed, ongoing or planned for which Landlord is obligated to reimburse Tenant. Tenant is paying rent on a current basis and no rent under the Lease has been paid more than 30 days in advance of its due date, and Tenant has no set-offs, claims, or defenses to the enforcement of the lease, except as hereinafter specifically stated.

3. As of the date of this certificate, and to the best of Tenant's knowledge, Tenant is not in default in the performance of any of its obligations under the Lease and has not

committed any breach of the Lease, and no notice of default has been given to Tenant, except as hereinafter specifically stated.

4. As of the date of this certificate, to the best of Tenant's knowledge, Landlord is not in default in the performance of any of its obligations under the Lease, and not committed any breach of the Lease, and no notice of default has been given to Landlord, except hereinafter specifically as stated.

5. The Lease does not require Tenant to post a security deposit with Landlord.

6. Tenant has not subleased any portion of the lease premises or assigned, transferred or hypothecated its interest in the Lease.

7. Tenant acknowledges that the Landlord is about to sell the Property to Plaza K Shopping Center, and makes this Certificate knowing that the Purchaser is relying upon the truth and accuracy of the facts contained herein.

The foregoing provisions may be relied on by and shall inure to the benefit of the addressee set forth above and their successors, assigns, grantees and shall be binding upon the undersigned and its successors and assigns.

TENANT:

JENNIFER CONVERTIBLES

Dated: October 18, 2006

BY: [Signature]

LEASE AMENDMENT

THIS LEASE AMENDMENT ("Amendment") is made this 31st day of March, 2009, by and between Plaza K Shopping Center, L.L.C., a New Jersey limited liability company ("Landlord") and Jennifer Convertibles, Inc. ("Tenant").

WHEREAS, Landlord and Tenant have entered into a Lease Agreement dated January, 2003 (the "Lease");

AND WHEREAS the parties to the Lease wish to modify certain of the terms thereof;

NOW THEREFORE, in consideration of the mutual covenants contained in this Amendment, and the payment by Tenant to Landlord of Ten (\$10) Dollars, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the following changes:

1. For the period January 1, 2009 through June 30, 2009 Tenant's Basic Monthly Rent shall be \$10,000.00. Beginning on July 1, 2009, the Basic Monthly Rent shall be \$13,047.61. In addition to the Basic Monthly Rent amounts specified above, Tenant shall be responsible for the payment of Management and Common Area Maintenance Charges, Taxes and Insurance as specified in the Lease.

2. Tenant hereby warrants and represents that (i) the Lease is in full force and effect and unmodified; (ii) that there are no defenses, charges, liens or claims of offset under the Lease or otherwise against the Rent or other charges due or to become due under

the Lease; (iii) Tenant has no claims of any kind against Landlord; and (iv) there is no default by Landlord in the performance of any covenant, agreement, term, provision or condition of the Lease.

3. Paragraph twenty five (25) of the Lease is hereby modified to provide all notices will be sent to the following parties: Jennifer Convertibles, Inc., 417 Crossways Park Drive, Woodbury, NY 11797, with a copy to Owen Wincig, Esq., Law Office of Wincig & Wincig, 137 Fifth Avenue, 9th Floor, New York, NY 10010.

4. All capitalized terms shall have the same meanings attributed to them in the Lease, unless otherwise indicated in this Amendment.

IN WITNESS WHEREOF, the Parties to this Amendment have signed, sealed and delivered same as of the date first set forth above.

LANDLORD:
PLAZA K SHOPPING CENTER, L.L.C.

BY: 

JOHN M. AZARIAN,
PRINCIPAL MANAGER

TENANT:
JENNIFER CONVERTIBLES, INC.

BY: 

Edward Seidner,
EXECUTIVE VICE PRESIDENT

LEASE AGREEMENT

ORIGINAL
Number 4 of
4 executed
contracts.

THIS LEASE AGREEMENT, made the day of January, 2003

BETWEEN

DENTON WOODBRIDGE, L.L.C.

having offices at 224 East Broad Street, Westfield, New Jersey 07090, herein designated as the Landlord,

AND

JENNIFER CONVERTIBLES, INC.

located at c/o Ed Seidner, 419 Crossways Park Drive, Woodbury, New York, 11797, herein designated as the Tenant;

WITNESSETH THAT, the Landlord does hereby lease to the Tenant and the Tenant does hereby rent from the Landlord, the following described premises: Store at Plaza K Shopping Center, Route 1 South at Ford Avenue, Woodbridge, New Jersey, consisting of approximately 4825 square feet, which premises are currently occupied by Tenant. The term shall be ten (10) years commencing on February 1, 2003 and ending June 31, 2013, to be used and occupied only and for no other purpose than a store for the display and retail sale of sofas, furniture, home furnishings, mattresses and related and ancillary items.

Upon the following Conditions and Covenants:

1st. RENT AND LATE CHARGE. A. The Tenant covenants and agrees to pay to the Landlord, as basic monthly rent, for and during the term hereof, the following:

\$11,861.46 on the first of February, 2003 and on the first of each and every month thereafter through January 31, 2008;

\$13,047.61 on the first of February, 2008 and on the first of each and every month thereafter through January 31, 2013;

B. The monthly rent shall be due and payable on the first day of each month. A grace period of ten (10) days will be allowed. If rent is not paid in full by the 10th of any month, a late charge of five (5%) percent of the monthly rent will be imposed, which said late charge will be due and payable with the monthly rent, as additional rent. The allowance of a grace period and/or the imposition of a late charge shall not be deemed a waiver of the Landlord's right to obtain a summary dispossession.

2nd. REPAIRS AND ALTERATIONS. A. The Tenant has examined the premises and has entered into this lease without any representation on the part of the Landlord as to the condition

thereof. The Tenant shall take good care of the premises and shall at the Tenant's own cost and expense, make all repairs, including painting and decorating, and shall maintain the premises in good condition and state of repair, and at the end or other expiration of the term hereof, shall deliver up the rented premises in good order and condition, wear and tear from a reasonable use thereof, damage by the elements and damage from fire, casualty or taking not resulting from the neglect or fault of the Tenant, excepted. The Tenant shall neither encumber nor obstruct the sidewalks, driveways, yards, entrances, hallways and stairs, but shall keep and maintain the same in a clean condition, free from debris, trash, refuse, snow and ice, and shall not use same as a work area. Tenant, at Tenant's sole expense, shall make all repairs and decorations required in and about the interior of the demised premises, except for structural repairs thereto, which shall be made by the Landlord unless occasioned by the negligence of the Tenant, or required in conjunction with any alterations, renovations, or modifications undertaken by the Tenant, in which case such structural repairs shall be made by the Tenant, at the Tenant's sole expense. The Tenant specifically, but not by way of limitation, shall make all necessary repairs to the plumbing fixtures in the demised premises and to the lines leading from the walls and floors of the demised premises to the fixtures; similarly, Tenant shall be responsible for:

- (1) All repairs to the electrical system which services the demised premises alone, and
- (2) All repairs necessitated by any attempted or accomplished forced entry into or exit from the demised premises;
- (3) All repairs required by any blockage in water and/or sewer lines that service the demised premises alone, even if the blockage occurs outside the demised premises.
- (4) Installation of all business fixtures and removing same at the end of the lease.

B. Landlord agrees that, upon the signing of this lease, Landlord shall repair the heating unit of the HVAC system currently on the premises and, further, that it will make any required repairs to said system including the replacement of same, if required, for the duration of the lease term and option term. Tenant represents that it has disclosed to Landlord all known defects in the condition of the said HVAC system. Tenant shall obtain a regular service contract for the HVAC system to maintain it in good working order. Landlord shall maintain and keep in good order and repair all structural elements, exterior, exterior walls, steel frame, roof, gutters, downspouts, if any, and underground utility lines which service more than one tenant in the Building. Tenant shall be responsible for maintenance of all utility lines which service only the demised Premises.

C. Except for the HVAC system, the Tenant shall, at the Tenant's own cost and expense, maintain all other systems, fixtures and equipment belonging to the Landlord and contained in the interior of the demised premises, including the replacement of same, if required, at its own expense. At the expiration of the term, Tenant shall deliver the foregoing in good order and condition,

damages by the elements and ordinary wear and tear excepted.

D. If Tenant fails to make any repairs as hereinabove required, the Landlord shall have the right to make said repairs and charge the cost thereof against the Tenant as additional rent hereunder, which amounts shall accrue and become payable together with the rent next falling due hereunder. Tenant agrees to accept the premises in their present condition notwithstanding any need for repairs, alterations, or modifications, and Tenant further agrees to make in a good and workmanlike manner and at its sole cost and expense, all necessary repairs, modifications, alterations or other changes to the interior and exterior of the demised premises which it deems necessary or desirable to accommodate its tenancy, subject, however, to the prior written consent to the same by the Landlord. Tenant shall have the right, however, to make non-structural repairs and alterations without Landlord's consent provided the cost for said repairs and alterations does not exceed \$25,000.00 in any one lease year. It is specifically intended hereby to relieve the Landlord of any responsibility, obligation or expense in connection with any repairs, modifications, alterations or other changes in or to the interior and exterior of the demised premises in connection with this lease, except as such repairs may be required by the negligent acts of Landlord or its employees. Any present or future repairs, alterations, and/or modifications which Tenant desires to make and which the Landlord may now or hereafter authorize Tenant to make are subject to the following terms and conditions:

(1) That no alteration, modification or other work shall be done which will involve any structural change to the building of which the demised premises are a part or which will adversely affect the structure of the said building.

(2) That once the improvement is commenced, it will be carried or cause to be carried forward to its completion without any delay.

(3) That prior to proceeding with such improvement, the approval of the Building Department of the Township of Woodbridge and a proper building permit, at Tenant's expense, will be obtained allowing the construction of such alterations. Any structural improvements which are required by the Town in connection with these alterations shall be the sole obligation of the Tenant.

(4) That the alterations shall be made and constructed in a good and workmanlike manner and, upon completion, shall be considered a part of the building and property of the Landlord.

(5) That any consent given in or pursuant to this lease by the Landlord to Tenant for the purpose of making any alterations, improvements, repairs or other construction work shall not be construed as a consent required by the Mechanic's Lien Act of the State of New Jersey to make the estate of the Landlord liable to such Mechanic's Lien, the Landlord hereby expressly refusing to consent to the creation of any lien against the title to the land and building in which the demised premises are situated by reason of any materials to be furnished or labor to be performed in

making any such alterations, changes or improvements, it being distinctly understood that Tenant shall be solely liable and responsible for same.

(6) That all alterations and improvements made by Tenant at Tenant's request in and to the realty shall be deemed and considered part of the realty and shall not be removed or in any manner disturbed by Tenant or by anyone else, except, however, that at Tenant's option they may elect to remove the fixtures upon vacating the premises. In the event the Tenant elects to remove the fixtures upon vacating the premises, the premises shall be restored to the condition pre-existing any one or more improvements at the Tenant's sole cost and expense upon the termination of this lease. Upon default, the Landlord shall be entitled to apply the security deposit under this lease to said restoration, but Tenant shall remain liable for any costs in excess of the security so applied.

(7) That Tenant shall save the Landlord harmless from any damages which they may suffer as a result of, in connection with, or in anywise related to the aforesaid construction or the manner in which it is performed.

(8) That the said construction shall be performed in accordance with all statutes, ordinances, rules, regulations and requirements of the Federal, State and City Governments and of any and all of their departments and bureaus applicable to the same.

(9) That the aforesaid construction work for which Tenant is seeking the Landlord's consent shall be done at Tenant's sole cost, expense and risk.

(10) Tenant will be responsible to the Landlord for the payment of all additional taxes which the owners are charged by reason of an increase in the assessment of the building in which the demised premises are located which increase is attributable to said improvements.

(11) Commencement of construction by Tenant will be considered an acceptance of the terms and conditions in this Paragraph 2nd.

3rd. GLASS. In case of the destruction of or any damage to the glass or the glass framing in the leased premises, or the destruction of or damage of any kind whatsoever to the said premises, caused by the carelessness, negligence or improper conduct on the part of the Tenant or the Tenant's agents, employees, guests, licensees, invitees, subtenants, assignees or successors, the Tenant shall repair the said damage or replace or restore any destroyed parts of the premises, as speedily as possible, at the Tenant's own cost and expense. Tenant shall, during the term of this lease, insure the plate glass in the show windows and front entrance door of the demises premises at its own cost and expense, or Tenant may choose to self-insure for the plate glass. In the event that damage occurs to such glass while no insurance is in effect, the Tenant shall pay the cost of repair or restoration and in the event of its failure to do so, the Landlord may cause the replacement of all broken glass and the Tenant shall be required to reimburse the Landlord for the cost thereof on the first business day of the following month, the same to become due and payable as additional rent.

4th. ALTERATIONS AND IMPROVEMENTS. No alterations, additions or improvements shall be made, and no climate regulating, air conditioning, cooling, heating or sprinkler systems, television or radio antennas, heavy equipment, apparatus and fixtures, shall be installed in or attached to the leased premises, without the written consent of the Landlord. Unless otherwise provided herein, all such alterations, additions or improvements and systems, when made, installed in or attached to the said premises, shall belong to and become the property of the Landlord and shall be surrendered with the premises and as part thereof upon the expiration or sooner termination of this lease, without hindrance, molestation or injury.

5th. SIGNS. A. The Tenant shall not place nor allow to be placed any signs of any kind whatsoever, upon, in or about the outside of said premises or any part thereof, except of a design, structure, size, shape, height, lighting, color and general appearance and in or at such places as may be indicated and consented to by the Landlord in writing. In case the Landlord or the Landlord's agents, employees or representatives shall deem it necessary to remove any such signs in order to paint or make any repairs, alterations or improvements in or upon said premises or any part thereof, they may be so removed, but shall be replaced at the Landlord's expense when the said repairs, alterations or improvements shall have been completed. Any signs permitted by the Landlord shall at all times conform with all municipal ordinances or other laws and regulations applicable thereto. Any sign so placed by the Tenant shall be maintained at the Tenant's own cost and expense, and the Tenant shall and does hereby indemnify and save harmless the Landlord against any damage, loss, or injury of any kind whatsoever caused by such sign or signs. At the expiration of the term, Tenant's signs shall be removed, at the Tenant's expense, including the cost of repairing any damage to the Premises or the Shopping Center resulting from the installation or removal of such signs. In the event that Landlord renovates the façade of the building during the term hereof and requires uniform signage, Tenant agrees to install a conforming sign, at Tenant's expense. Tenant shall not, without Landlord's prior written consent, make any changes to the store front or install any exterior lighting, decorations, paintings, awnings or canopies.

B. Tenant may, without Landlord's prior consent, place and maintain 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, and so long as Tenant complies with Paragraph 40th, Tenant shall be permitted to display a "relocating" sign during the last 60 days of the term.

6th. SYSTEMS, UTILITIES AND GARBAGE. A. Tenant shall be responsible during the term of this lease and any extensions thereto for the maintenance of the plumbing and electrical systems, which service its premises alone, and the hot water heater and for the replacement of same, if necessary. Upon expiration of the lease, Tenant shall deliver to Landlord all systems in proper working order. Tenant, at Tenant's expense, shall procure and continue in effect throughout the term of this Lease and any extensions thereof, a Maintenance Contract with a reputable licensed company covering all heating and air conditioning equipment servicing the premises. Such

contract shall provide for the inspection of such equipment, change of filters, adjustment of belts and other routine service and maintenance that appears necessary from inspection at least every one hundred and eighty (180) days. Landlord will be responsible for all other repairs and replacements which may become necessary during the Lease term and any extensions thereof with respect to such heating and/or air conditioning equipment except to the extent resulting from the negligent or willful wrongful acts or omissions of Tenant or Tenant's employees, invitees and licensees, etc.

B. Tenant shall pay all rents or charges for electric, heat, hot water, and any other utilities used by the Tenant, which are or may be assessed or imposed upon the leased premises. The Tenant shall be responsible for the cost of the removal of all garbage from the premises. All utility bills shall be sent to Tenant directly by the suppliers of the services and shall be paid by Tenant, with the exception of water and sewer bills, which will be paid by Landlord and charged along with other CAM expenses.

7th. COMPLIANCE WITH LAWS. A. The Tenant shall promptly comply at its own cost and expense with all laws, ordinances, rules, regulations, requirements and directives of the Federal, State and Municipal Governments or Public Authorities and of all their departments, bureaus and subdivisions, applicable to and affecting the said premises, their use and occupancy, for the correction, prevention and abatement of nuisances, violations or other grievances in, upon or connected with said premises, during the term hereof; and shall promptly comply with all orders, regulations, requirements and directives of the Board of Fire Underwriters or similar authority and of any insurance companies which have issued or are about to issue policies of insurance covering the said premises and its contents, for the prevention of fire or other casualty, damage or injury, at the Tenant's own cost and expense. In case the Tenant shall fail or neglect to comply with the aforesaid statutes, ordinances, rules, orders, regulations and requirements or any of them, or in case the Tenant shall fail or neglect to make any repairs required to be made hereunder, then the Landlord or their agent may enter said premises and make said repairs and comply with any and all of the statutes, ordinances, rules, orders, regulations or requirements, at the cost and expense of the Tenant, and in case of the Tenant's failure to pay therefor, the said cost and expense shall be added to the next month's rent and be due and payable as such, or the Landlord may deduct the same from the balance of any sum remaining in the Landlord's hands. This provision is in addition to the right of the Landlord to terminate this lease by reason of any default on the part of the Tenant, as otherwise provided for herein.

B. Landlord shall comply with the Americans with Disabilities Act of 1990 (ADA) and any amendments thereto regarding access for and service to such individuals, as it relates to the common areas. Tenant shall comply with the act within the demised premises.

8th. LIABILITY INSURANCE AND INDEMNIFICATION. The Tenant, at Tenant's own cost and expense, shall obtain or provide and keep in full force for the benefit of the Landlord, during the term hereof, general public liability insurance, insuring the Landlord against any and all liability or claims of liability arising out of, occasioned by or resulting from any accident or otherwise in or about the leased premises, for injuries to any person or persons, for limits of not less

than \$2,000,000.00 for injuries to one person and \$2,000,000.00 for injuries to more than one person, in any one accident or occurrence, and for loss or damage to the property of any one person or persons, for not less than \$50,000.00. In addition, Tenant's policy shall provide excess liability coverage of \$10,000,000.00. The policy or policies of insurance shall be of a company or companies authorized to do business in this State and shall be delivered to the Landlord, together with evidence of the payment of the premiums therefor, not less than fifteen (15) days prior to the commencement of the term hereof or of the date when the Tenant shall enter into possession, whichever occurs sooner. At least fifteen (15) days prior to the expiration or termination date of any policy, the Tenant shall deliver a renewal or replacement policy with proof of the payment of the premium therefor. The Tenant also agrees to and shall save, hold and keep harmless and indemnify the Landlord from and for any and all payment, expenses, costs, attorney fees and from and for any and all claims and liability for losses or damage to property or injuries to persons occasioned wholly or in part by or resulting from any acts or omissions by the Tenant or the Tenant's agents, employees, guests, licensees, invitees, subtenants, assignees or successors, or for any cause or reason whatsoever arising out of or by reason of the occupancy by the Tenant and the conduct of the Tenant's business.

9th. ASSIGNMENT OR SUBLET. A. The Tenant shall not, without the written consent of the Landlord, which consent shall not be unreasonably withheld or delayed, assign, mortgage or hypothecate this lease, nor sublet or sublease the premises or any part thereof. Consent to an assignment shall not be deemed a waiver of the necessity to obtain the written consent of the Landlord to any subsequent assignment. In the event of an assignment, the assumption of liability by the assignee will not relieve the Tenant of its liability on the lease. The cost of the preparation of assignment, consent and assumption of liability shall be paid for by the Tenant and shall be in form satisfactory to the Landlord. If not prepared by the Landlord's attorney, the cost of the examination shall be paid for by the Tenant but shall not exceed \$250.00. In the event of a proposed sale of business or assignment of lease, Tenant shall deposit with Landlord either the sum of \$500.00 which shall be applied to Landlord's legal expenses for the preparation and/or review of the assignment or the sum of \$1,000.00 which shall be applied to Landlord's legal expenses for the preparation, negotiation, and review of a new lease agreement with the prospective new tenant. Upon receipt of the bill for said attorneys fees, Landlord shall return to tenant any excess deposit held or shall bill tenant for the balance. In no event shall the assignee or sublessee conduct any business other than that permitted in this lease and specified herein. In the case of any subsequent assignment made by an assignee, the same procedure set forth in this paragraph shall be followed.

B. Notwithstanding the above, no consent shall be required for, and Tenant shall have the right to make, any assignment, transfer or subletting of the Premises, or any part thereof (1) to a parent, subsidiary or affiliated company, (2) directly or indirectly, in any manner, in connection with a merger, or a consolidation or a combination, or a sale of substantially all of the assets constituting a portion and/or all of the retail chain of which the business in the Premises is a part in the state in which the Premises is located. Upon any assignment in accordance with the foregoing, the Tenant named herein shall remain fully liable for full performance of all its obligations under this Lease.

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

10th. RESTRICTION OF USE. The Tenant shall not occupy or use the leased premises or any part thereof, nor permit or suffer the same to be occupied or used for any purposes other than as herein limited on page one of this lease, nor for any purpose deemed unlawful, disreputable, or extra hazardous, on account of fire or other casualty. Tenant shall not use or permit the premises for any purpose which may constitute a public or private nuisance or make voidable any insurance in force relating to the premises or Shopping Center or for any purpose which creates or produces noxious odors, smoke, fumes, emissions, noise or vibrations.

11th. MORTGAGE PRIORITY. This lease shall not be a lien against the said premises in respect to any mortgages that may hereafter be placed upon said premises. The recording of such mortgage or mortgages shall have preference and precedence and be superior and prior in lien to this lease, irrespective of the date of recording and the Tenant agrees to execute any reasonable instruments, without cost, which may be deemed necessary or desirable to further effect the subordination of this lease to any such mortgage or mortgages. A refusal by the Tenant to execute such instruments shall entitle the Landlord to the option of canceling this lease, and the term hereof is hereby expressly limited accordingly.

12th. CONDEMNATION AND EMINENT DOMAIN. A. If the land and premises leased herein, or of which the leased premises are a part, or a substantial portion thereof, shall be taken under eminent domain or condemnation proceedings, or if suit or other action shall be instituted for the taking or condemnation thereof, or if in lieu of any formal condemnation proceedings or actions, the Landlord shall grant an option to purchase and or shall sell and convey the said premises or any portion thereof, to the governmental or other public authority, agency, body or public utility, seeking to take said land and premises or any portion thereof, then either party may elect, at its option, to terminate this lease, and the term hereof shall end not more than sixty (60) days before the date on which title shall rest in the public authority; and the Tenant shall have no claim or right to claim or be entitled to any portion of any amount which may be awarded as damages or paid as the result of such condemnation proceedings or paid as the purchase price for such option, sale or conveyance in lieu of formal condemnation proceedings; and all other rights of the Tenant to damages, if any, are hereby assigned to the Landlord, except that Tenant shall be entitled to its claim for relocation expenses, leasehold improvements and Tenant's personal property. The Tenant agrees to execute and deliver any instruments, at the expense of the Landlord, as may be deemed reasonably necessary or required to expedite any condemnation proceedings or to effectuate a proper transfer of title to such governmental or other public authority, agency, body or public utility seeking to take or acquire the said lands and premises or any portion thereof. The Tenant covenants and agrees to vacate the said premises, remove all the Tenant's personal property therefrom and deliver up peaceable possession thereof to the Landlord or to such other party

designated by the Landlord in the aforementioned notice. Failure by the Tenant to comply with any provisions in this clause shall subject the Tenant to such costs, expenses, damages and losses as the Landlord may incur by reason of the Tenant's breach hereof.

B. If only a portion of the demised premises is taken. This lease shall continue in full force and effect and the proceeds of the award shall be used by Landlord to restore the remainder of the improvements on the demised premises so far as practicable to a complete unit of the quality and condition to that which existed immediately prior to the taking.

C. A reduction in the parking area which may result from a condemnation proceeding or otherwise as set forth which does not eliminate more than 30% of the parking spaces in the shopping center shall not entitle the Tenant to any rent abatement, nor shall Tenant be permitted to terminate this lease for said cause.

13th. FIRE AND OTHER CASUALTY. In case of fire or other casualty, the Tenant shall give immediate notice to the Landlord. If the premises shall be partially damaged by fire, the elements or other casualty, the Landlord shall repair the same as speedily as practicable, but the Tenant's obligation to pay the rent hereunder shall not cease. All insurance proceeds, however recovered, shall be made available for payment of the cost of repair, replacing and rebuilding the building and demised premises and Tenant's insurance shall be available to repair and replace its improvements and decorations. If, in the opinion of the Landlord, the premises be so extensively and substantially damaged as to render them untenable, then the rent shall cease until such time as the premises shall be made tenantable by the Landlord. However, if, in the opinion of the Landlord, the premises be totally destroyed or so extensively and substantially damaged as to require practically a rebuilding thereof, then the rent shall be paid up to the time of such destruction and then and from thenceforth, this Lease shall come to an end. If Landlord elects to terminate the Lease it shall give Tenant written notice of such election within 60 days following the date of the casualty. If, within 6 months after the occurrence, the Landlord shall not have fully restored the premises and enabled Tenant to re-occupy the premises, then Tenant may elect to terminate the Lease by giving written notice to Landlord. In no event, however, shall the provisions of this clause become effective or be applicable, if the fire or other casualty and damage shall be the result of the carelessness, negligence or improper conduct of the Tenant or the Tenant's agents, employees, guests, licensees, invitees, subtenants, assignees or successors. In such case, the Tenant's liability for the payment of the rent and the performance of all the covenants, conditions and terms hereof on the Tenant's part to be performed shall continue and the Tenant shall be liable to the landlord for the damage and loss suffered by the Landlord. If the Tenant shall have been insured against any of the risks herein covered, then, the proceeds of such insurance shall be paid over to the Landlord to the extent of the Landlord's costs and expenses to make the repairs hereunder, and such insurance carriers shall have no recourse against the Landlord for reimbursement.

14th. REIMBURSEMENT OF LANDLORD. If the Tenant shall fail or refuse to comply with and perform any conditions and covenants of the within lease, the Landlord may, after written

notice to Tenant, if the Landlord so elects, carry out and perform such conditions and covenants, at the cost and expense of the Tenant, and the said cost and expense shall be payable on demand, or at the option of the Landlord shall be added to the installment of rent due immediately thereafter but in no case later than one month after such demand, whichever occurs sooner, and shall be due and payable as such. This remedy shall be in addition to such other remedies as the Landlord may have hereunder by reason of the breach by the Tenant of any of the covenants and conditions in this lease contained.

15th. INSPECTION AND REPAIR. The Tenant agrees that the Landlord and the Landlord's agents, employees or other representatives, shall have the right to enter into and upon the said premises or any part thereof, at all reasonable hours, for the purpose of examining the same or making such repairs, renovations or alterations therein as may be necessary for the safety, improvement, and preservation thereof. This clause shall not be deemed to be a covenant by the Landlord nor be construed to create an obligation on the part of the Landlord to make such inspection or repairs. It is understood and agreed that the Landlord may desire to make structural and cosmetic improvements to the premises of which the subject store is a part. The Tenant agrees to allow the Landlord access to the leased premises to facilitate the improvements contemplated by the Landlord and the Tenant shall not be entitled to a reduction or abatement of rent during the time during which the improvements are being made unless it shall be impossible for the Tenant to operate its business during said period. Landlord shall make its best effort to minimize any interference with Tenant's business.

16th. RIGHT TO EXHIBIT. The Tenant agrees to permit the Landlord and the Landlord's agents, employees or other representatives to show the premises to persons wishing to rent or purchase the same, and Tenant agrees that on and after 180 days next preceding the expiration of the term hereof, the Landlord or the Landlord's agents, employees or other representatives shall have the right to place notices on the front windows of said premises or any part thereof, offering the premises for rent or for sale; and the Tenant hereby agrees to permit the same to remain thereon without hindrance or molestation; provided, however, the signs shall not exceed 25% of the display windows.

17th. LANDLORD'S INSURANCE, INCREASE OF INSURANCE RATES.

A. The Tenant shall pay and discharge as additional rent to the Landlord 16.61% of the premiums for the following insurance coverages, which insurance premiums shall be based on the Landlord's insurance policy for the demised premises, a copy of which policy shall be provided to Tenant:

(1) General Businessman's policy including (a) Loss or damage by fire; (b) loss or damage by other risks contemplated within extended coverage endorsements (as such endorsements are customarily written in the State of New Jersey); (c) rent insurance; (d) such other risks as shall be reasonably required by the Landlord (including but not limited to "all risks" coverage, flood insurance and glass breakage insurance); water damage (including sprinkler

system) liability insurance; and (e) vandalism and malicious mischief insurance. This insurance shall (1) name the Landlord as the insured and provide that any loss shall be payable to the Landlord; (2) provide that no act of the Tenant shall impair the rights of the Landlord to receive and collect the insurance proceeds; and (3) provide that the rights of the Landlord shall not be diminished because of any additional insurance carried by the Tenant for the Tenant's own account.

(2) General liability insurance covering claims for bodily injury, death, or property damage occurring in or about the demised premises, including any sidewalks adjoining the demised premises. This insurance shall be in the amount of not less than \$1,000,000.00 in the event of bodily injury or death to any one person; not less than \$1,000,000.00 in respect of any one accident; and not less than \$500,000.00 for property damage; and shall name the Landlord as insured.

B. The Tenant shall pay the Landlord 16.61% of the insurance premiums in twelve monthly installments along with the monthly charges for common area maintenance, or at such times as Tenant may be periodically billed by Landlord. If the Tenant fails to pay, the Landlord shall have the same remedy as provided to the Landlord in this lease for the Tenant's default in the payment of rent.

C. If for any reason it shall be impossible to obtain fire and other hazard insurance on the buildings and improvements on the leased premises, in an amount and in the form and in insurance companies reasonably acceptable to the Landlord, or if the Tenant's occupancy causes a cancellation of the Landlord's fire insurance policy, the Landlord may, if the Landlord so elects at any time thereafter, terminate this lease and the term hereof, upon giving to the Tenant fifteen days notice in writing of the Landlord's intention so to do, and upon the giving of such notice, this lease and the term thereof shall terminate. If by reason of the use to which the premises are put by the Tenant or character of or the manner in which the Tenant's business is carried on, the insurance rates for fire and other hazards shall be increased, the Tenant shall, upon demand pay to the Landlord, as rent, the one hundred (100%) percent of amounts by which the premiums for such insurance are increased.

18th. REMOVAL OF TENANT'S PROPERTY. Any equipment, fixtures, goods or other property of the Tenant, not removed by the Tenant upon the termination of this lease, or upon any quitting, vacating or abandonment of the premises by the Tenant, or upon the Tenant's eviction, shall be considered as abandoned and the Landlord shall have the right, without any notice to the Tenant, to sell or otherwise dispose of the same, at the expense of the Tenant, and shall not be accountable to the Tenant for any part of the proceeds of such sale, if any.

19th. REMEDIES UPON TENANT'S DEFAULT. With regard to any monetary default, Tenant shall have the right to cure said default within fifteen (15) days after notice to Tenant prior to Landlord proceeding against Tenant. If there should occur any default on the part of the Tenant in the performance of any conditions and covenants herein contained other than a monetary default which default shall not be cured after fifteen (15) days notice by Landlord to Tenant, provided that,

if Tenant has commenced curing the default within 15 days and diligently works to cure the default, Landlord shall allow Tenant to complete the cure or if during the term hereof the premises or any part thereof shall be or become abandoned or deserted, vacated or vacant, or should the Tenant be evicted by summary proceedings or otherwise, the Landlord, in addition to any other remedies herein contained or as may be permitted by law, may, without being liable for prosecution therefor, or for damages, re-enter the said premises and the same have and again possess and enjoy; and as agent for the Tenant or otherwise, re-let the premises and receive the rents therefor and apply the same, first to the payment of such reasonable expenses, reasonable attorney fees and costs, as the Landlord may have been put to in re-entering and repossessing the same and in making such repairs and alterations as may be necessary; and second to the payment of the rents due hereunder. The Tenant shall remain liable for such rents as may be in arrears and also the rents as may accrue subsequent to the re-entry by the Landlord, to the extent of the difference between the rents reserved hereunder and the rents, if any, received by the Landlord during the remainder of the unexpired term hereof, after deducting the aforementioned expenses, fees and costs; the same to be paid as such deficiencies arise and are ascertained each month. Nothing herein shall be construed to limit or deprive the Landlord of the right to institute dispossession proceedings against the Tenant upon default in the payment of rent or other charges when due.

20th. TERMINATION UPON DEFAULT. Upon the occurrence of any of the contingencies set forth in the preceding clause, or should the Tenant be adjudicated a bankrupt, insolvent or placed in receivership, or should proceedings be instituted by or against the Tenant for bankruptcy, insolvency, receivership or agreement of composition or assignment for the benefit of creditors, or if this lease or the estate of the Tenant hereunder shall pass to another by virtue of any court proceedings, writ of execution, levy, sale, or by operation of law, the Landlord may, if the Landlord so elects at any time thereafter, terminate this lease and the term hereof, upon giving to the Tenant or to any trustee, receiver, assignee or other person in charge of or acting as custodian of the assets or property of the Tenant, five (5) days notice in writing, of the Landlord's intention so to do. Upon the giving of such notice, this lease and the term hereof shall end on the date fixed in such notice as if the said date was the date originally fixed in this lease for the expiration hereof, and the Landlord shall have the right to remove all persons, goods, fixtures and chattels therefrom, by force or otherwise, without liability for damages.

21st. NON-LIABILITY OF LANDLORD. The Landlord shall not be liable for any damage or injury which may be sustained by the Tenant or any other person, as a consequence of the failure, breakage, leakage or obstruction of the water, plumbing, steam, sewer, waste or soil pipes, roof, drains, leaders, gutters, valleys, downspouts or the like or of the electrical, gas, power, conveyor, refrigeration, sprinkler, air-conditioning or heating systems, elevators or hoisting equipment; or by reason of the elements; or resulting from the carelessness, negligence or improper conduct on the part of any other Tenant or of the Landlord or of the Landlord's or this or any other Tenant's agents, employees, guests, licensees, invitees, subtenants, assignees or successors; or attributable to any interference with, interruption of or failure, beyond the control of the Landlord, of any services to be furnished or supplied by the Landlord.

22nd. NON-WAIVER BY LANDLORD OR TENANT. The various rights, remedies, options and elections of the Landlord, expressed herein, are cumulative and the failure of the Landlord to enforce strict performance by the Tenant of the conditions and covenants of this lease or to exercise any election or option or to resort or have recourse to any remedy herein conferred or the acceptance by the Landlord of any installment of rent after any breach by the Tenant, in any one or more instances, shall not be construed or deemed to be a waiver or a relinquishment for the future by the Landlord of any such conditions and covenants, options, elections or remedies, but the same shall continue in full force and effect. No consent 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.

23rd. FORCE MAJEURE. This lease and the obligation of the Tenant to pay the rent hereunder and to comply with the covenants and conditions hereof, shall not be affected, curtailed, impaired or excused because of the Landlord's inability to supply any service or material called for herein, by reason of any rule, order, regulation or preemption by any governmental entity, authority, department, agency or subdivision or for any delay which may arise by reason of negotiations for the adjustment of any fire or other casualty loss or because of strikes or other labor trouble or for any cause beyond the control of the Landlord. Except as otherwise specifically provided herein, in any case where either party is required to do any act, delays caused by or resulting from acts of God, war, civil commotion, fire or other casualty or any of the circumstances listed above in this paragraph, shall not be counted in determining the time during which work shall be completed, whether such time be designated by a fixed date of a "reasonable time".

24th. SEVERABILITY. The terms, conditions, covenants and provisions of this lease shall be deemed to be severable. If any clause or provision herein contained shall be adjudged to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity of any other clause or provision herein, but such other clauses or provisions shall remain in full force and effect.

25th. NOTICES. All notices required under the terms of this lease shall be given and shall be complete by mailing such notices by certified or registered mail, return receipt requested, to the parties as follows:

To Landlord: Denton Woodbridge, LLC
 224 East Broad Street
 Westfield, New Jersey 07090

To Tenant: Jennifer Convertibles, Inc.
 419 Crossways Park Drive
 Woodbury, New York 11797
 Attention: Edward B. Seidner

With copy to: Wincig & Wincig, Esqs.
574 Fifth Avenue
New York, New York 10036
Attention: Bernard Wincig, Esq.

26th. TITLE AND QUIET ENJOYMENT. The Landlord covenants and represents that the Landlord is the owner of the premises herein leased and has the right and authority to enter into, execute and deliver this lease; and does further covenant that the Tenant on paying the rent and performing the conditions and covenants herein contained, shall and may peaceably and quietly have, hold and enjoy the leased premises for the term aforementioned.

27th. ENTIRE CONTRACT. This lease contains the entire contract between the parties. No representative, agent or employee of the Landlord has been authorized to make any representation or promises with reference to the within letting or to vary, alter or modify the terms hereof. No additions, changes or modifications, renewals or extensions hereof, shall be binding unless reduced to writing and signed by the Landlord and the Tenant.

28th. TAXES. A. Tenant shall pay the Landlord as additional rent 16.61% of all real estate taxes assessed and levied by the Township of Woodbridge against the property known as Block 351L, Lots 1, 2A, 2B, 3, 4 & 5, of which the demised premises are a part. Landlord, or its mortgagee, shall make all payments of the real estate taxes and assessments levied against the property to the Township of Woodbridge in a timely manner. Tenant shall not be responsible for any penalties or interest which results from late payment of taxes so long as Tenant pays its rent and other monetary obligations in a timely manner. If Landlord shall obtain any abatement, refund or rebate in real estate taxes, Tenant shall receive its share of such abatement, refund or rebate, less Tenant's share of the reasonable cost and expense of obtaining same.

B. All real estate taxes which shall become payable for the first and last year of the lease term shall be apportioned pro rata between the Landlord and the Tenant in accordance with the respective months during which each party is in possession of the demised premises and responsible for the taxes in the respective tax year.

C. Tenant shall pay the Landlord the Tenant's proportionate share of the taxes in twelve monthly installments, along with CAM charges, or at such times as Tenant may be periodically billed by Landlord. If the Tenant fails to pay, the Landlord shall have the same remedy as provided to the Landlord in this lease for Tenant's default in the payment of rent.

D. Tenant shall not be charged with, nor obligated to pay, any income tax, inheritance tax, gift tax, franchise tax, corporate tax, gross receipts tax or tax on the business of Landlord, it being the intent hereof that Tenant shall be liable proportionately, as provided in subparagraphs A & B hereof, for the payment of only such real estate taxes, assessments and special assessments as are assessed against the real estate (inclusive of the buildings and improvements thereon) as such; provided, however, that if at any time during the term of this Lease the present method of taxation

or assessment shall be so changed that the real estate taxes, assessments previously levied, assessed or imposed on real estate and the buildings and improvements thereon shall, in lieu thereof as in addition thereto, be imposed, assessed or levied as a capital levy or otherwise upon the rents reserved herein or as a tax, corporation franchise tax, assessment, levy or charge or any part thereof, measured by, or based upon, the Demised Premises or on the rents derived therefrom and imposed upon Landlord, then Tenant shall pay all such taxes in the same manner and proportion as in subparagraphs A, B and C above.

29th. MECHANIC'S LIEN. If any mechanics' or other liens shall be created or filed against the leased premises by reason of labor performed or materials furnished for the Tenant in the erection, construction, completion, alteration, repair or addition to any building or improvement, the Tenant shall within 30 days thereafter, at the Tenant's own cost and expense, cause such lien or liens to be satisfied and discharged of record together with any Notices of Intention that may have been filed. Failure so to do, shall entitle the Landlord to resort to such remedies as are provided herein in the case of any default of this lease, in addition to such as are permitted by law. Tenant may obtain a Bond in lieu of satisfying said lien within the prescribed 30 days.

30th. WAIVER OF SUBROGATION RIGHTS. The Tenant waives all rights of recovery against the Landlord or Landlord's agents, employees or other representatives, for any loss, damages or injury of any nature whatsoever to property or persons for which the Tenant is insured. The Tenant shall obtain from the Tenant's insurance carriers and will deliver to the Landlord, waivers of the subrogation rights under the respective policies.

31st. INTENTIONALLY OMITTED.

32nd. DISPOSSESS ACTION. Tenant agrees to pay all reasonable costs of proceedings by the Landlord, for recovery of rents, and recovering of possession of the premises, or for the enforcement of any other terms and conditions of this lease, including a reasonable attorney's fee, together with Court costs, if any, which fees and costs shall be considered additional rent, due hereunder. The parties hereby agree that a reasonable attorney's fee for a dispossession action, whether contested or uncontested, shall be FIVE HUNDRED AND 00/100----(\$500.00)----DOLLARS plus costs. The failure of the Tenant to pay such additional rent immediately may be cause for a summary dispossession action and a breach of Contract Action. Tenant shall not be responsible to pay the fees provided in this paragraph if the Tenant prevails in a contested action.

33rd. CONFORMATION WITH LAWS AND REGULATIONS. The Landlord may pursue the relief or remedy sought in any invalid clause, by conforming the said clause with the provisions of the statutes or the regulations of any governmental agency in such case made and provided as if the particular provisions of the applicable statutes or regulations were set forth herein at length.

34th. EXTERMINATING SERVICES. It is the responsibility and obligation of the Tenant

to engage and pay for such exterminating service as may be required in the demised premises.

35th. RECORDING LEASE. The parties hereto agree that either party may record the within lease or a short form of same, which short form shall outline the basic terms of this lease. The recording of the short form shall have the same effect as the entire lease.

36th. ENVIRONMENTAL COMPLIANCE. Tenant shall, at Tenant's own expense, comply with the Industrial Site Recovery Act ISRA 13:1K 6 *et seq.* and the regulations promulgated thereunder ("ISRA"). Tenant shall, at Tenant's own expense, make all submissions to, provide all information to, and comply with all requirements of, the Bureau of Industrial Site Evaluation ("the Bureau") of the New Jersey Department of Environmental Protection and Energy ("NJDEPE"). Should the Bureau or any other division of NJDEPE determine that a cleanup plan be prepared and that a cleanup undertaken because of any spills or discharges of hazardous substances or wastes at the premises which occur during the term of this lease, then Tenant shall, at Tenant's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans. Tenant shall not be responsible for cleanup of any discharges of hazardous substances or wastes occurring prior to the time when Tenant occupied the premises, nor for the abatement of any hazards which exist outside the demised premises which were not the result of Tenant's acts or the acts of its employees or agents. Tenant's obligations under this paragraph shall arise if there is any closing, terminating or transferring of operations of an industrial establishment at the premises pursuant to ISRA. At no expense to Landlord, Tenant shall promptly provide all information requested by Landlord for preparation of non-applicability affidavits and shall promptly sign such affidavits when requested by Landlord. Landlord represents that, to the best of Landlord's knowledge, the demised premises contains no hazardous materials.

37th. ESTOPPEL STATEMENT. (a) Upon Landlord's request, Tenant shall execute, acknowledge and deliver to Landlord a written statement certifying: (i) the Commencement Date; (ii) the Expiration Date; (iii) that this Lease is in full force and effect and unmodified (or if modified, stating the modifications); (iv) the last date of payment of the Base Rent and other charges and the time period covered by each payment; (v) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default; stating the nature of the default); and (vi) such other matters as may be reasonably required by Landlord or any Landlord's mortgagee. Tenant shall deliver such statement to Landlord within fifteen (15) days after Landlord's request. Any such statement may be given to and relied upon by any prospective purchaser or mortgagee of the Shopping Center.

(b) Within ten (10) days after Landlord's request, Tenant shall deliver to Landlord such financial statements as are reasonably required to verify the net worth of Tenant. Any such statement may be given by Landlord to any Landlord's mortgagee or prospective mortgagee of the Shopping Center, but otherwise shall be kept confidential by Landlord. Tenant represents to Landlord that each such financial statement is a true and accurate statement as of the date of such statement.

38th. OPERATION AND CONTROL OF COMMON AREA BY LANDLORD. All areas and facilities of the Shopping Center not leased or designated for lease for the exclusive use of a tenant ("Common Areas") shall at all times be subject to the exclusive operation, control, management and maintenance of Landlord, provided, however, Landlord may delegate, assign, or subcontract its rights and obligations, in whole or in part, under this section to a tenant or tenants or third parties) and Landlord shall have the right from time to time to establish, modify and enforce reasonable rules and regulations with respect to all facilities and areas mentioned in this section. All Common Areas shall be for the nonexclusive use of Tenant and all other tenants of the Shopping Center. Landlord shall have the right from time to time to change the location and arrangement of the parking areas and other Common Areas or erect buildings or other improvements thereon, provided, however, that Landlord shall take no action which shall materially affect or alter the Demised Premises without the prior written consent of Tenant, which shall not be unreasonably withheld.

39th. MANAGEMENT AND COMMON AREA MAINTENANCE CHARGES.

A. Tenant shall pay Landlord as additional rent its Pro Rata Share of management and maintenance charge which shall be 16.61% of the total cost of managing, operating, and maintaining the Common Areas of the Shopping Center, together with all other portions of the Shopping Center required to be maintained by the Landlord pursuant to this Lease.

B. Tenant shall pay the common area management and maintenance charge to Landlord in twelve (12) equal monthly installments which shall be paid in advance with basic monthly rent on or before the first day of each month, or at such times as Tenant may be periodically billed by Landlord.

C. The total cost of managing, operating, repairing, replacing and maintaining the Common Areas chargeable to Tenant hereunder shall include, but shall not be limited to, the following costs and expenses: maintenance of the exterior and structure of the buildings in the Shopping Center gardening and landscaping, pest control, fertilizing, mulching, sprinkler system, wells, pumps, fountains, filtration, lighting, cleaning, heating, painting, striping, security, removing garbage and other refuse and trash, removing snow, repairing, maintaining and replacing equipment of the Shopping Center, inspecting the equipment of the Shopping Center, paving and maintaining the parking area and walkways, cleaning ditches and adjacent areas, professional and administrative costs, management fees not to exceed 5% of basic rents, and costs and expenses, including salaries, of furnishing or rendering any of the above services.

D. Tenant shall pay its Pro Rata Share of taxes, insurance, sewer and water fees monthly, along with the other Common Area maintenance charges or at such times as Tenant may be periodically billed by Landlord.

E. The monthly bills may be based on actual monthly bills received, or by monthly estimates based upon past bills. Landlord shall have the right from time to time, at intervals to be

selected by Landlord, to compute and adjust the total cost of operating and maintaining the common areas and facilities of the Shopping Center, and after Tenant is notified in writing of any such computation or adjustment Tenant's Pro Rata Share shall be computed on the basis thereof; and Tenant shall pay any deficiency as additional rent within 10 days after receipt of written notice. Landlord shall give Tenant an annual account with respect to management and maintenance charges payable by Tenant hereunder. Tenant shall have the right to audit Landlord's books and records with respect to the estimated yearly charges for common area maintenance on 14 days prior notice to Landlord. Tenant's right to the said audit for each lease year shall expire 60 days after the receipt of the annual account.

F. Common Area Maintenance charges shall not include (1) expenses for any capital improvements made to Land or Building, (except that capital expenses for improvements which result in savings or labor or other costs shall be included at the cost or such improvements amortized over the useful life of the improvements); (2) expenses for repairs or other work occasioned by fire, windstorm or other insured casualty to the extent that the expenses are covered by insurance. (3) expenses incurred in leasing or procuring new Tenants (i.e. lease commissions, Tenant inducements, advertising expenses and expenses of renovating space for new Tenant); (4) legal expenses in enforcing the terms of any lease; (5) interest or amortization payment on any mortgage or mortgages; (6) reserve funds; (7) removal of hazardous material; and (8) direct settlement payments by Landlord in personal injury or property claims.

40th. AFFIRMATIVE COVENANT OF TENANT. Tenant agrees:

A. To comply with all requirements of any state, federal or local statute, ordinance, or regulation applicable to Tenant or its use of the Demised Premises and to defend, indemnify and hold Landlord harmless from, all penalties, fines, costs, expenses or damages, including, without limitation, Landlord's attorney's fees resulting from Tenant's failure to do so;

B. To give Landlord prompt written, full, complete, and specific notice of any accident, fire, damage, or injury whatsoever occurring in, on or to the Demised Premises or the Shopping Center;

C. That all loading and unloading of goods shall be done only at such times and in the areas and through such entrances as may be reasonably designated for such purposes by landlord and that trailers or trucks shall not be permitted to remain parked in any area of the Shopping Center, whether loaded or unloaded;

D. To keep all garbage and refuse in the kind of container specified by Landlord and to place the same outside of the Demised Premises prepared by collection in the manner and at the times and places specified by Landlord;

E. To keep the exterior areas immediately adjoining the Premises clean and free from dirt and garbage, trash, paper and all other refuse to the satisfaction of Landlord. Tenant shall not burn

any rubbish or place or permit any obstruction of merchandise in exterior areas;

F. To keep the Demised Premises clean, orderly, and free from objectionable odors; and Tenant shall use at Tenant's cost a qualified pest extermination contractor, whose services shall be scheduled so as not to unreasonably interfere with the operation of the Shopping Center, but on a frequency sufficient to keep the Premises free of controllable insects;

G. To require Tenant's employees to park their cars only on those portions of the parking area designated for that purpose by Landlord;

H. To keep Tenant's display windows, including window or shadow boxes, in or on the Demised Premises dressed and illuminated and its signs and exterior lights well lighted at all times during the term of this Lease during Tenant's hours of operation.

I. To comply with all reasonable rules and regulations of Landlord established from time to time;

J. To be responsible for and to pay before delinquency all taxes assessed during the term of this Lease against any leasehold interest or personal property of any kind, owned or placed in the Demised Premises by the Tenant;

K. To comply fully with all fire and safety codes, rules and regulations, in effect from time to time during the term of this Lease, of the public authorities having jurisdiction and to install, keep, and maintain at Tenant's cost and expense any and all systems and equipment required by any of the same;

L. To use Tenant's plumbing facilities for no other purpose than that for which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage, or damage resulting from a violation of this provision shall be borne by Tenant;

M. To service, repair and keep clean all ventilation systems serving the Demised Premises;

N. If the Demised Premises are equipped with air conditioning and heating facilities separate from those in the remainder of the Shopping Center, to keep the Demised Premises at a temperature commensurate with similar stores in the Shopping Center or the common enclosed areas and sufficiently high to prevent freezing of pipes and plumbing fixtures;

O. To keep, maintain in accordance with manufacturer's recommended maintenance schedules and replace, at Tenant's sole expense, the interior of the Demised Premises in good working order, condition and repair including reasonable periodic painting, together with all fixtures and all electrical, plumbing, heat, air conditioning and all other mechanical and other installations therein, all doors, and all plate glass and door and window glass, using materials and labor of kind and quality equal to the original work. Except only as specifically provided in this

Lease, Landlord shall have no obligation to repair, maintain, alter or modify in any respect whatsoever the Demised Premises, or any part or portion thereof, or any plumbing, heating, electrical, air conditioning or other mechanical or other installation therein. However, if Tenant fails to do any of the above, Landlord shall have the right to do so at the expense of the Tenant. Tenant shall surrender the Demised Premises at the expiration or earlier termination of this Lease in as good condition as when received, excepting only and solely deterioration caused by mere ordinary wear and tear.

P. Tenant shall keep the store windows clean and neat. The windows shall either be used as display windows or shall be open so that the space inside the store is visible from outside. The store windows shall not be blacked out nor shall more than 50% of the windows be covered with signs. The window glass shall be kept clean and any window display shall be uncluttered.

Q. Tenant shall forthwith pay all liens of contractors, subcontractors, mechanics, laborers, and materialmen and all other items of like character. Tenant shall defend, indemnify and hold Landlord harmless against all costs and charges, bond premiums for release of liens, including all attorney's fees of Landlord incurred in and about the prosecution or defense of any suite in discharging the Demised Premises or Shopping Center from any liens, judgments, or encumbrances caused or suffered to be caused, directly or indirectly, by Tenant.

41st. NEGATIVE CONVENANTS OF TENANT. Tenant agrees that it will not do any of the following without the express, prior written consent of the Landlord:

A. Use or operate any machinery or equipment that, in Landlord's reasonable opinion, is harmful to the Shopping Center or disturbing to other tenants in the Shopping Center; nor shall Tenant use any loudspeakers, televisions, phonographs, radios or other devices in a manner so as to be heard or seen outside of the Demised Premises.

B. Keep, use, sell, or offer for sale in or upon the Demised Premises any article which may be prohibited by law, ordinance or governmental regulation or by the standard form of insurance policy which affords insurance coverage to Landlord with respect to the Shopping Center.

C. Do, or suffer to be done, any action which results in an insurance policy now or hereafter placed on the Demised Premises or the Shopping Center to become void or suspended, or whereby the same shall be rated at a more hazardous risk than at the date when Tenant received possession hereunder.

D. Commit or suffer to be committed any waste upon the Demised Premises or any nuisance or other act or thing which may disturb the quiet enjoyment of any other tenant or any person in the Shopping Center.

E. Attach any antenna or other projections to the roof or the outside walls of the Demised Premises or the Shopping Center.

F. Paint or decorate any part of the exterior of the Demised Premises.

G. Solicit business or distribute any handbills or other advertising matter in the common areas of the Shopping Center.

H. Change the exterior of the store nor attach any banners, pennants or anything else to the exterior.

I. Use any part of the exterior as a storage area, employee or customer lounge or smoking area.

42nd. BROKER. The Landlord and the Tenant hereby represent to each other that there was no real estate broker who acted in bringing about this lease agreement.

43rd. OPTION TO RENEW. Provided that Tenant is current in rent and in compliance with the terms of this lease, the Tenant may extend the term of lease for one five (5) year term by giving written notice no later than six months prior to the end of the current term. The extended term shall end on January 31, 2018. During the extended term, the basic rent shall be as follows:

\$14,352.37 on February 1, 2013 and on the 1st of each and every month thereafter through January 31, 2018.

44th. SUBORDINATION AND ATTORNMENT. (a) This Lease is subject and subordinate to any mortgage which may now or hereafter encumber the Shopping Center, and any renewals, modifications, consolidations, replacements or extensions thereof.

(b) If Landlord's interest in the Shopping Center is acquired by any Landlord's mortgagee, or purchaser at a foreclosure sale, Tenant shall attorn to the transferee of or successor to Landlord's interest in the Shopping Center and recognize such transferee or successor as landlord under this Lease. Such transferee or successor shall not be liable for any act or omission of any prior landlord, or be subject to any offsets or defenses which Tenant might have against any prior landlord, or be subject to any offsets or defenses which Tenant might have against any prior landlord, or be bound by any Base Rent which Tenant might have paid for more than the current month to any prior landlord, or be liable for any security deposit under this Lease unless actually transferred to such transferee or successor.

(c) Tenant agrees that this Lease shall be modified in accordance with the reasonable request of any institutional Landlord's mortgagee, provided no such modification adversely affects the business terms of this Lease.

(d) The foregoing provisions shall be self-operative and no further instrument or act on the part of Tenant shall be necessary to effect the same. Tenant shall nevertheless sign and deliver any

document necessary or appropriate to evidence the subordination, attornment or agreement above provided.

45TH. HOLDOVER. In the event Tenant remains in possession of the Premises after the expiration of the Term of this Lease (the "Holdover Period"), in addition to any damages to which Landlord may be entitled or other remedies Landlord may have by law, Tenant shall pay to Landlord a rental for the Holdover Period at the rate of 110% of the sum of (a) the Base Rent payable during the last lease year of the term, plus (b) all items of additional rent and other charges with respect to the Premises payable by Tenant during the last year of the term. Nothing herein contained shall be deemed to give Tenant any right to remain in possession of the Premises, after the expiration of the Term of this Lease. The sum due to Landlord hereunder shall be payable by Tenant upon demand.

46TH. PRIOR LEASE. A. Landlord and Tenant agree that upon the commencement date of this lease, all prior leases, subleases and agreements regarding the premises will be null and void. If any of the terms of this lease contradict the terms of the prior lease or sublease, the terms of the within lease agreement shall prevail.

B. Tenant shall defend, indemnify and hold Landlord harmless from and against any and all claims, actions, loss, cost (including attorney's fees), damages, expenses, and liability arising from any occurrence in or upon the demised premises which took place prior to the commencement of this lease agreement while Tenant occupied the premises, or arising from any dispute with tenant's sublessor, including the return of any security deposit.

47TH. GOVERNING LAW. This Agreement shall be deemed to be a contract negotiated and executed under the laws of the State of New Jersey and shall be construed and enforced in accordance with the laws in the courts of the State of New Jersey.

48TH. ACCESS TO BUILDING. Landlord agrees that throughout the lease term:

A. Tenant shall have 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, except as may be temporarily partially obstructed by repairs and improvements made by Landlord or other Tenants, or by governmental employees; and

B. No additional buildings, structures, obstructions, barriers and the like shall be constructed upon, attached or placed adjacent to the Building and/or the premises, which in any event shall adversely affect the access to or visibility of the Building and/or the premises and/or Tenant's signs.

49TH. RULES AND REGULATIONS. The rules and regulations that Landlord has made and may make in the future shall be reasonable, and Landlord shall make its best effort to apply same uniformly and equally on a non-discriminatory basis to all of the tenants.

50th. REMEDIES CUMULATIVE. Any and all rights and remedies that Landlord or Tenant may have under this Lease, and at law or in equity, shall be cumulative and shall not be deemed inconsistent with each other, and any two or more of all such rights and remedies may be exercised at the same time insofar as permitted by law.

51st. TENANT'S RIGHT TO CURE LANDLORD'S DEFAULT. In the event of a default by Landlord, which has not been cured after 20 days notice to Landlord, Tenant shall have the right to make the necessary repairs and shall be reimbursed by Landlord; provided, however, that Tenant shall not deduct any amounts from rental payments whether currently owing or which later fall due.

52nd. ACTIONS OF LANDLORD. Whenever Landlord shall enter or perform any work in or about the demised premises, Landlord shall make its best effort to limit any interference with the conduct of Tenant's business.

53rd. MITIGATION OF DAMAGES. In determining any damages hereunder, Landlord shall use a reasonable effort to mitigate its damages.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, or caused these presents to be signed by their proper corporate officers and their proper corporate seal to be hereto affixed, the day and year first above written.

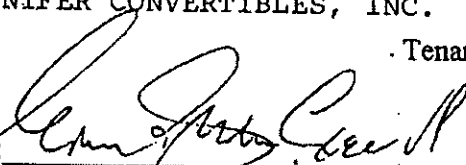
SIGNED, SEALED AND
DELIVERED IN THE
PRESENCE OF OR
ATTESTED BY:

DENTON WOODBRIDGE, L.L.C., Landlord

by: 
ANTHONY ANNESE

JENNIFER CONVERTIBLES, INC.

Tenant

by: 
Edward Seidner Tenant
Executive Vice President