

SECOND AMENDMENT TO STORE LEASE

THIS SECOND AMENDMENT TO STORE LEASE (this "Amendment") is made and entered into this 17 day of June, 2009, by and between ZIFKIN REALTY MANAGEMENT, LLC, as successor Agent for the beneficiaries of Chicago Title Land Trust Company, Trust Number 102674-09, dated June 1, 1987, as "Landlord" and JENNIFER CONVERTIBLES INC., a Delaware corporation, as "Tenant" as successor-in-interest to J.C. Schaumburg, Inc. ("Original Tenant").

WITNESSETH:

WHEREAS, Landlord's predecessor-in-interest and Original Tenant entered into that certain Store Lease dated February 18, 1992 (the "Original Lease") for the premises commonly known as 695 East Golf Road, Schaumburg, Illinois (the "Premises") consisting of approximately 3,800 rentable square feet located in the shopping center commonly known as the Golf Road Shopping Center, located at 681-697 East Golf Road, Schaumburg, Illinois (the "Shopping Center") for a Primary Term commencing April 11, 1992, as amended by that certain First Amendment to Lease dated as of November 22, 1995 (the "First Amendment").

WHEREAS, Original Tenant and Tenant entered into that certain Assignment of Lease Agreement effective as of September 1, 2000 (the "Lease Assignment") wherein and whereby Original Tenant assigned all of its interest under the Original Lease and the First Amendment to Tenant. The Original Lease, the First Amendment and the Lease Assignment are hereinafter collectively referred to as the "Lease."

WHEREAS, the Tenant and Landlord desire to, among other things, (i) relocate Tenant to the East end of the Shopping Center, and (ii) reduce the square footage of the leased Premises to approximately 3,186 square feet, as more fully set forth below.

NOW THEREFORE, in consideration of the mutual covenants and conditions herein contained, the parties agree to amend the Lease in the following manner effective as of the date hereof:

1. **Incorporation of Recitals.** The foregoing recitals are incorporated into this Amendment by this reference as fully and with the same force and effect as if repeated herein at length. Capitalized terms not otherwise defined in this Amendment shall have the meanings ascribed to them in the Lease. If and to the extent this Amendment and Lease contain inconsistent or conflicting terms, the terms of this Amendment shall govern and control the interpretation of the Lease and this Amendment. The Lease, as modified and extended by this Amendment, shall constitute the entire agreement between Landlord and Tenant.

2. **Premises.** Tenant and Landlord desire to:

A. Relocate Tenant from its current premises (the "Existing Jennifer Space") to the premises located at the East end of the Shopping Center and which is currently known as 697 East Golf Road (the "New Jennifer Space") as shown on Exhibit A attached hereto and made a part hereof. The definition of "Premises" in the Lease shall be modified to refer only to the New Jennifer Space.

B. Reduce the square footage of leased spaced from approximately 3,800 to approximately 3,186 square feet.

3. **Landlord Work.** Landlord agrees to relocate Tenant to the New Jennifer Space as follows:

A. Landlord shall pay all costs of the improvements in the New Jennifer Space equal to or better than the standard of finish in the Existing Jennifer Space, and consistent with plans and specifications attached hereto as Exhibit B. In addition, Landlord will pay for new exterior signage and installation thereof, and removal of existing exterior signage, and installation of new interior signage consistent with Existing Jennifer Space. Landlord agrees to accept surrender of Existing Jennifer Space in as-is condition.

B. Landlord shall reimburse Tenant for all reasonable costs associated with relocating Tenant from the Existing Jennifer Space to the New Jennifer Space, including but not limited to actual physical relocation, as well as stationery, purchase orders, cards, and the like, and telephone and internet wiring, installation and start-up service.

C. It is intended by this Second Amendment that Tenant will not incur any expense whatsoever in connection with the relocation.

D. Upon the completion of the relocation, Tenant shall sign a statement confirming the Relocation Date (hereinafter defined) and confirming that Landlord has substantially completed the Landlord work described in this Paragraph 3, subject to minor punch list items, which punch list items shall be completed within not less than thirty (30) days thereafter, provided that all necessary parts and materials are available.

4. **Term.** The Term of the Lease shall remain unchanged. The Second Extension Option (as defined in the Original Lease) shall expire on July 31, 2012.

5. **Rent.** Tenant's current rental obligation shall remain unchanged until the date Tenant has been relocated to the New Jennifer Space (the "Relocation Date") and continuing through the remainder of the Second Extension Option, the Base Rent shall be as follows:

<u>Rental Period</u>	<u>Annual Base Rent</u>	<u>Monthly Base Rent</u>
Relocation Date – 07/31/2010	\$ 87,774.36	\$7,314.53
08/01/2010 – 7/31/2012	\$ 96,535.80	\$8,044.65

6. **Additional Rent.** Tenant's Pro Rata Share of Operating Costs shall be reduced from 20.19% to 16.92%.

7. **Notices.** All notices to Tenant shall be addressed to Jennifer Convertibles, Inc., 417 Crossways Park Drive, Woodbury, New York 11797, Attention: Edward B. Seidner, with a copy to The Law Offices of Wincig & Wincig, 137 Fifth Avenue, New York, New York 10010, Attention: Owen Wincig, Esq. All notices to Landlord shall be addressed to Zifkin Realty Management, 560 W. Washington Street, Suite 330, Chicago, Illinois 60661, Attention: Tyler Quast, with copies to Lakewest, Inc., 833 N. Orleans Street, Suite 400, Chicago, Illinois 60610, Attention: David W. Ruttenberg, and to Ruttenberg & Ruttenberg, 833 N. Orleans Street, Suite 400, Chicago, Illinois 60610, Attention: David W. Ruttenberg.

8. **Effectiveness.** Upon the execution hereof, this Amendment shall become an integral part of this Lease. Except as expressly provided herein, all of the terms and provisions of the Lease shall remain in full force and effect through the Second Extended Term.

9. **Broker.** Tenant and Landlord each represent that the Tenant and Landlord have dealt directly with and only with Jerome H. Meyer & Co. and Zifkin Realty Management, LLC in connection with this Amendment and that insofar as the Tenant and Landlord knows no broker negotiated this Amendment or is entitled to any commission in connection therewith. Tenant and Landlord hereby indemnify and hold each other, each of its respective beneficiaries and their respective agents and employees harmless from any claims of any other broker or brokers who claim to have dealt with Tenant and/or Landlord in connection with this Amendment.

10. **Agent.** This Amendment is executed by the undersigned agent not personally but solely as agent and it is expressly understood and agreed by the parties hereto, anything contained herein to the contrary

notwithstanding, that each and all of the covenants, undertakings, representations and agreements herein made are made and intended not as personal covenants, undertakings, representations of the agent individually, or for the purpose of binding it personally, but this Amendment is executed and delivered by the agent solely in the exercise of the powers conferred upon it as such agent pursuant to the direction of the beneficiary(ies) of said trust agreement and no personal liability or personal responsibility is assumed by, nor shall at any time be asserted or enforceable against the beneficiary(ies) of said trust or its agent on account hereof, or on account of any covenants, undertakings representation, warranty or agreement therein contained, either express or implied, all such personal liability, if any, being expressly waived and released by the parties hereto and the holder hereof, and by all persons claiming by or through or under said parties or holder hereof, it being agreed and understood that the Tenant under the Lease shall look solely to the real estate owned by the trust of which the Premises constitute a part and/or the proceeds and rents derived therefrom, for payment of any lien, claim, judgments or another liability arising out of the Landlord's obligations created by the Lease. Such beneficiary(ies) has designated ZIFKIN REALTY MANAGEMENT, LLC, as Agent for the beneficiary(ies) in connection with the management of the Shopping Center.

11. Transition Plan. The parties will agree on a transition plan so that the New Jennifer Space will be stocked by Tenant while the Existing Jennifer Space continues in business, it being the intent of the parties that Tenant will not close the Existing Jennifer Space until the New Jennifer Space is fully-stocked by Tenant and ready for business. It is further agreed that Rent for the New Jennifer Space will not commence until such time as Tenant commences business in the New Jennifer Space, at which time Rent and possession of the Existing Jennifer Space shall terminate.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

LANDLORD:

ZIFKIN REALTY MANAGEMENT, LLC,
AGENT, as aforesaid,

By: [Signature]
Name: Virginia Jones
Title: VP/Manager

TENANT:

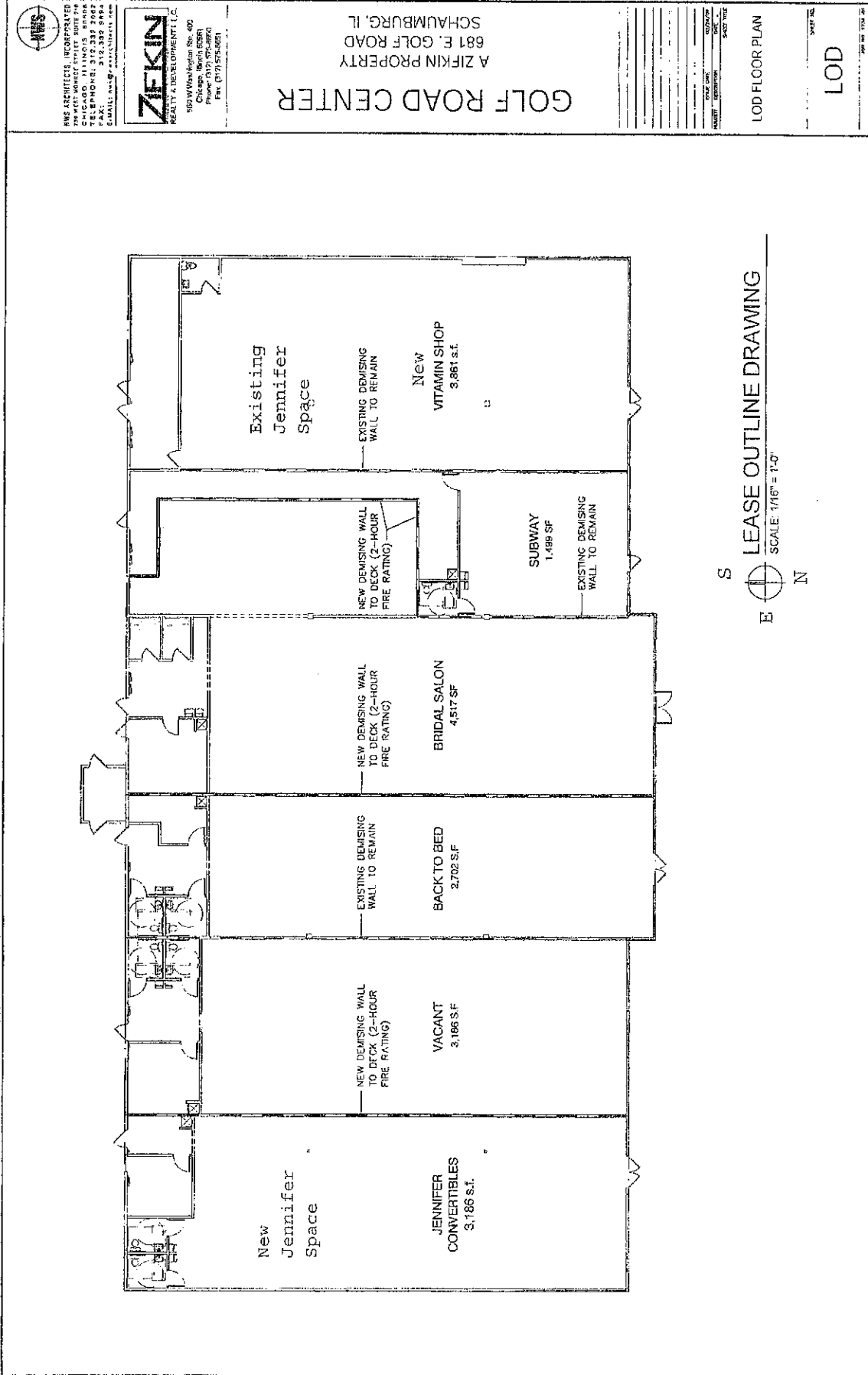
JENNIFER CONVERTIBLES, INC.
a Delaware corporation

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

EXHIBIT A
NEW JENNIFER SPACE

(Attached)

EXHIBIT A



S
E
N
LEASE OUTLINE DRAWING
SCALE: 1/16" = 1'-0"

HWS ARCHITECTS, INCORPORATED
200 WEST MONROE STREET, SUITE 710
CHICAGO, ILLINOIS 60604
TELEPHONE: 312.337.2007
FAX: 312.339.8994
EMAIL: hws@hwsarchitects.com

ZIFKIN
REALTY & DEVELOPMENT I.L.C.
550 W. Washington St., 402
Chicago, Illinois 60661
Phone: (312) 575-6800
Fax: (312) 575-6800

GOLF ROAD CENTER
A ZIFKIN PROPERTY
681 E. GOLF ROAD
SCHAMBURG, IL

NO.	DATE	DESCRIPTION	BY	CHKD BY

LOD FLOOR PLAN
SHEET NO.
LOD

EXHIBIT B
PLANS AND SPECIFICATIONS
(Attached)



Jennifer Convertibles, Inc., 417 Crossways Park Drive, Woodbury, NY 11797 516/496-1900

May 21, 2009

Jerome H. Meyer & Co
630 N La Salle Street, Suite 605
Chicago, IL 60654
Attention: Jerome H. Meyer

Re: Jennifer Convertibles - Schaumburg, IL

Dear Jerome:

Attached is a "DRAFT" of a proposed work letter for the new Jennifer Convertibles location. In order to finalize, we will need the following questions answered:

1. What will the suspended ceiling height be for the showroom? Can you make it 11 feet?
2. Need copy of sign criteria.
3. Need digital photos of the interior of new space.
4. Need set of plans.

YES
LL WILL COMPLY
APPROVED

Additionally, if you were to use our contractor to bring the space up to a finished product from a vanilla box, the cost would be \$17,000.00. This would include the following items:

Painting	\$7,000.00	(sponge painting)
Molding	\$4,000.00	
Fortress	\$3,000.00	(includes construction, paneling, flooring, & counter)
Poster Boxes	\$2,000.00	
Miscellaneous	<u>\$1,000.00</u>	(includes signs, phone and stereo wiring)
	\$17,000.00	

NOTE: This does not include permitting or electrical.

Please call me at 516-496-1900, ext 3200 or 516-510-8058 to discuss once you have reviewed the attached.

Sincerely,


Leslie Falchook
Senior Vice President-Administration

Enclosures



DRAFT

Jennifer Convertibles, Inc., 417 Crossways Park Drive, Woodbury, NY 11797 516/496-1900

May 20, 2009

Jennifer Convertibles
Schaumburg, IL (ISH) Work Letter

Landlord shall provide a standard store consisting of the following:

1. **Concrete Floor** - Concrete floor slab smooth and acceptable for tenant floor finish. If demolition is required, store floor slab shall be patched and ground smooth and level.
2. **Demising Partitions** - Studs and gypsum board taped and sanded ready for paint finish. (The interior back wall must be finished.)
3. **Backroom** - Build an 8' x 8' closet area, which shall include one (1) quad outlet on each wall.
4. **Interior Partitions**- Studs and gypsum board taped and sanded ready for paint finish. Interior partitions shall be installed for stock room (when applicable) and toilet(s) per tenant's plans. To be painted using Glidden Lace Corsage Semi-Gloss. **Shelving**: Two 5-tier plastic snap-together shelving units from Home Depot. Color Beige. Each shelf is 18" deep.
5. **Ceiling** - Placement of a 2 1/4" colonial casing molding along the ceiling, 10' high. Molding to be painted using attached formula for Glidden paint.
6. **Suspended 2' x 4' Acoustical T-bar Ceiling** - Ceiling height to be 11' 0"
7. **Walls** - All walls, door and trim to be painted (per tenant's specs).

All walls must be primed. The first coat will be Glidden Lace Corsage Semi-Gloss. Sponging/Ragging effect by applying Benjamin More 1096 Semi-Gloss. (Evenly sponge on Benjamin Moore 1096 then texture if using a rag-rolling roller.)

All doors to be ragged rolled. All trim to be painted using attached formula for Glidden paint.

Bathroom - To be painted using Glidden Lace Corsage Semi-Gloss. Brown rubber cove base to be installed at base of walls.

Storage Room - To be painted using Glidden Lace Corsage Semi-Gloss.

8. Flooring - Entire showroom to have carpet. (Shaw - 26 oz. Capital III 80200 Election). Fortress area, backroom and bathroom floor to have tile (VCT - Armstrong #51830)
9. Floor Base - 3 1/4" clamshell casing, base molding finger jointed around the entire perimeter of store, stockroom and desk area. To be painted using attached formula for Glidden paint.
10. Lighting - Metal Halide track lighting per Jennifer plans.....(Contech, Lazer)
Track - Single circuit, white track.
Fixture - Halo L5130 - 70E = 70W electronic ballast or Contech CTL 1610 70 MHEP Lamp CDM 70 Par 30 LMFL

Lighting to be set up on a contactor. One switch to be placed in front of showroom with locking cover.
11. Electrical - Electrical duplex outlets placed every 15 feet. Proper AMP/Voltage panel distribution. Dedicated lines with circuit breaker locks as follows:
 - a. Exterior sign circuits on a two-pole single throw time clock.
 - b. Window track lighting on a two-pole single throw time clock.
 - c. Designated alarm system circuit located in closet.
 - d. Four quad outlets in desk (fortress) area on separate circuit. Centered on each inside wall of fortress. Two duplex outlets centered on front and side walls.
 - e. Duplex outlets every 15 feet on perimeter walls.
 - f. Outlet for door announcer to be supplied and installed at front door.
 - g. Cable runs for phone and DSL service. Three jacks in desk area for voice. One jack bridged for fax, credit card and modem. One jack in sales area for wall mount. Dual RJ 45 ports to be used.
 - h. Landlord to reimburse tenant for all costs associated with telephone and DSL (computer) needs.
12. HVAC- System and distribution to adequately heat and cool a store which has track lighting generating excessive heat. Must meet all building codes. New system to be installed, guaranteed and maintained by Landlord. A Lightstat thermostat to be added for each unit. Landlord to provide equipment use permit.
13. Roof - Structure to be guaranteed.
14. Fire Sprinklers and Extinguishers - Systems and distribution to meet all local building and fire codes.
15. Toilet - One handicapped toilet complete with lavatory, toilet, mirror, light and toilet paper dispenser, soap dispenser, paper towel dispenser and all handicapped grab bars in accordance with all local building codes. Wall mounted medicine cabinet (36" x 48") in matching color. All items to be guaranteed by landlord. If a second bathroom required, Landlord to provide.

16. **Plumbing** - Sewer service and hot and cold running water. Must meet all local building and health codes. Hot water heater to be maintained and guaranteed by landlord. Landlord to be responsible for all start up fees.
17. **Store Front** - Build out stucco wall on top of storefront. Glass storefront in an anodized color aluminum frame with double front entry doors complete with hardware per local building codes.
18. **Rear Service or Exit Door** - 3' x 7' x 1 1/4" fire rated (if required) hollow metal door and frame, complete with lockset and all hardware per all local building codes. Door and frame work to be guaranteed for length of lease.
19. **Interior Column**- Finish all exposed columns visible in tenant's sales area.
20. **Illuminated Exit Signs** - Provide all illuminated exit signs and lighting as required by local building codes. Emergency light combo exit signs to have LED bulbs.
21. **Signage** - Landlord to install channel letters per tenant's specs. Landlord to install new pylon face per tenant's specs.
22. **Half Wall (Fortress) Specs**
 - a. Area to be 10' x 9'.
 - b. Wall to be framed out with 2' x 4' metal studs
 - c. Wall height to be 42" finished.
 - d. Sheetrock both sides with 5/8" sheetrock
 - e. 4 3/4" pine to be placed on the top of half wall
 - f. 2 1/4" finger joint clamshell molding to be placed on both side of half wall to finish off 3/4" pine edge.
 - g. Exterior to be wainscoted and painted using attached formula for Glidden paint. Primed particleboard wainscoting available at Home Depot.
 - h. Counter - purchased from Home Depot and installed per specs.
23. All architectural fees, permits and licenses necessary for completion of project and final Certificate of Occupancy. All existing building violations removed prior to construction. All handicap requirements satisfied.
24. **Jennifer Leather Hide Racks** - Minimum of three 1' x 4" x 4' long, clear pine with three #10 cut nails. Hide racks to be painted using attached formula for Glidden paint.
25. Install Jennifer supplied stereo speakers. Wire to be run to designated area. Jennifer to supply speakers and wall mounts. Number of speakers to vary depending on the size of the showroom (4 to 5). Install tenant supplied door announcer.
26. **Poster Boxes (Quantity 12)** - (48.5" x 72.5") - Framed out using 2" x 4" lumber. Frame to measure 3.5" deep. Top and bottom on inside to have a metal sheetrock 90 bracket in order to be wall mounted. 7/8" lattice molding to be used to finish off all edges on the poster boxes. Boxes to be painted using attached formula for Glidden paint. Installation day after set up.

27. Two interior signs to be framed using 2 1/4" colonial casing molding. Finish to be painted using attached formula for Glidden paint. Landlord to reimburse tenant for window decals and interior signage.
28. Landlord to reimburse tenant for all costs associated with alarm move.
29. Complete set of architectural drawings needed.