

EXTENSION AGREEMENT

LANDLORD NAME Paul E. Bagoon
AND ADDRESS: 12 Banyan Road
 Skillman, NJ 08558

TENANT NAME JENNIFER CONVERTIBLES, INC.
AND ADDRESS: (As Successor-in-interest to
 Route 10 Convertibles, Inc.,
 by Assignment dated August 28,
 2000)
 419 Crossways Park Drive
 Woodbury, New York 11797

DATE OF LEASE: September 26, 1991

EXTENSION TERM: Commencement Date: June 1, 2007
 Termination Date: May 31, 2012

OPTION TERM: N/A

PREMISES: Approximately 3,600 square feet in the
 building known as 3121 Route 10, Denville, NJ

EFFECTIVE DATE: January ____, 2007

R E C I T A L

Landlord and Tenant have agreed to extend and modify the Lease in the manner hereinafter set forth.

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

1. The Term of the Lease shall be extended for five (5) years commencing on the 1st day of June 2007 and ending at midnight on the 31st day of May 2012.

2. During the Term, Tenant shall pay basic annual rent to the Landlord in monthly installments as follows:

Period	Annual	Monthly
06/01/2007 - 05/31/2012	\$59,400.00	\$ 4,950.00

3. At any time after May 31, 2010, Tenant may vacate the Premises and terminate the Lease upon one (1) year prior written notice to Landlord ("Early Termination"), conditional upon Tenant

(i) paying all Basic and Additional Rent to Landlord up until the date that Tenant vacates the Premises; and (ii) leaving the Premises in a broom clean condition free and clear of any Tenants, or other occupants.

4. Notwithstanding anything to the contrary hereinabove, Tenant shall have the absolute right to terminate this Lease upon ninety (90) days prior written notice in the event the adjoining Tenant at the same location ceases operating or doing business in such location as or under the name "Sleepy's".

5. Tenant's exercise of its right to terminate pursuant to the terms delineated herein, shall not be deemed an event of default under this Lease.

6. Except as expressly modified in this Agreement, all the terms, covenants and conditions of said Lease shall remain in full force and effect, shall be binding on the parties hereto, and are hereby ratified and affirmed.

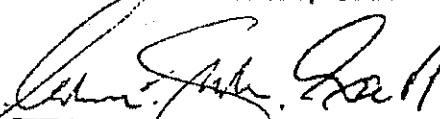
IN WITNESS WHEREOF, the parties hereto have set their hand and seal the day and year first above written and declare this Extension Agreement to be binding on them, their respective successors and permitted assigns.

LANDLORD:


PAUL E. BAGCOON

TENANT:

JENNIFER CONVERTIBLES, INC.

By 
Edward H. Seidner
Executive Vice-President