

MODIFICATION TO SUBLEASE AGREEMENT  
HARTSDALE CONVERTIBLES  
E. FARMINGDALE, NY (AFD)

THIS Modification to Sublease Agreement ("Modification Agreement") is made this \_\_\_\_ day of January, 2011, by and between TMCC, Inc. ("Sublandlord"), and Hartsdale Convertibles, Inc. ("Tenant").

WITNESSETH:

WHEREAS, Sublandlord and Tenant are parties to an Agreement of Sublease executed as of August 21, 2009, as amended and revised from time to time (the "Sublease") relative to those certain retail premises designated as 1821 Route 110, E. Farmingdale, New York (the "Premises"); and

WHEREAS, Tenant is presently in possession of the Premises and on July 18, 2010, Tenant filed for bankruptcy protection in Chapter 11 proceedings in the United States Bankruptcy Court for the Southern District of New York, Case Number 10-13779 that includes the Premises, and that Tenant is functioning as a Debtor-in-Possession; and

WHEREAS, Sublandlord and Tenant agree that there are arrears outstanding pursuant to the Sublease in the following amounts: (a) pre-petition arrears due from Tenant to Sublandlord, exclusive of interest, costs and fees but inclusive of post-petition stub-rent for July, 2010 in the amount of \$96,000 (the "Sublandlord Arrears"); (b) pre-petition arrears due from Tenant to GMM Consulting, Inc., Sublandlord's affiliate ("GMM") in the amount of \$51,000 (the "GMM Pre-Petition Arrears"); and (c) post-petition arrears due from Tenant to GMM in the amount of \$125,000 (the "GMM Post-Petition Arrears"; together with the GMM Pre-Petition Arrears, the "GMM Arrears"); and

WHEREAS, Sublandlord has agreed to modify the terms of the Sublease as expressly set forth in this Modification Agreement; and

WHEREAS, the parties acknowledge that during the pendency of Tenant's bankruptcy case under Chapter 11, the terms of this Modification Agreement, including without limitation, those terms related to rental adjustments, shall be in effect; and

WHEREAS, Sublandlord and Tenant shall execute this Modification Agreement which shall be effective upon execution and subsequently incorporated into a Bankruptcy Plan.

NOW, THEREFORE, in consideration of the covenants and conditions set forth herein, and for good consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. Subject to the terms and conditions set forth in this Modification Agreement, Sublandlord and Tenant agree that the Sublandlord Arrears shall be paid over a period of twenty four (24) months, commencing on February 1, 2011. Said payments shall be paid to Sublandlord at the same time as the regular monthly payments due to Sublandlord under the Sublease are paid. The monthly payments due to Sublandlord under the Sublease shall not otherwise be modified. Sublandlord represents and warrants that the payment of the

Sublandlord Arrears in the manner set forth herein have been approved by and is acceptable to Sublandlord's landlord under its Master lease of the Premises.

2. Subject to the terms and conditions set forth in this Modification Agreement, Sublandlord agrees, both on its own behalf and on behalf of GMM, to waive and forgive \$56,000.00 of the GMM Arrears. Tenant shall pay to GMM the balance of the GMM Arrears in the amount of \$120,000.00 by the payment of an initial payment of \$20,000.00 to be made to GMM on February 1, 2011, with the balance of \$100,000.00 to be paid over thirty (30) months beginning March 1, 2011. Said payments shall be made to GMM at the same time as the regular monthly payments due to GMM under the Sublease as modified herein are paid.
3. The monthly payments to be made to GMM under the Sublease shall be modified so that the amount of \$8,000 per month shall be due and payable to GMM by Tenant beginning on February 1, 2011 and continuing for the term of the Sublease.
4. Sublandlord and Tenant specifically agree and acknowledge that all amounts being paid to Sublandlord and GMM under the Sublease, as modified by this Modification Agreement, constitute rent. Sublandlord and GMM agree and acknowledge that no other payments or amounts shall be due to GMM except as set forth in this Modification Agreement.
5. By no later than on June 6, 2011, Tenant shall pay to Sublandlord one month's security deposit for the Premises, in the amount of \$40,000.00.
6. Tenant represents or warrants that is has taken all corporate, partnership or other action necessary to execute and deliver this Modification Agreement, and that this Modification Agreement constitutes the legally binding obligation of Tenant enforceable in accordance with its terms, subject only to the approval of this Modification Agreement by the Bankruptcy Court. Tenant shall indemnify, defend and hold Sublandlord harmless from any and all claims, demands, damages, causes of action, costs and expenses, including, without limitation, attorneys' fees, arising from Tenant's misrepresentation of its authority to enter into and execute this Modification Agreement.
7. All other terms and conditions of the Sublease shall remain in full force and effect, except those terms which are expressly modified by this Modification Agreement. Unless otherwise defined herein, all capitalized terms shall have the same meaning as defined in the Sublease.
8. The effectiveness of this Modification Agreement is conditioned upon the approval of the Bankruptcy Court of this Modification Agreement and confirmation of Tenant's plan of reorganization being promulgated (the "Plan"). If this Modification Agreement and the Plan are not approved by the Bankruptcy Court within sixty days (60) days following execution, this Modification Agreement shall be considered null and void and of no consequence to either party.

9. This Modification Agreement may be executed by facsimile and in counterparts, each such facsimile and counterpart being deemed an original and constituting one original document.
10. Neither this Modification Agreement nor the Sublease may be further modified or amended without the written consent of the parties thereto.
11. The terms of this Modification Agreement shall be binding on and inure to the benefit of the successors and assigns of each party hereto, including any trustee, litigation trustee or the Tenant as a confirmed chapter 11 debtor.
12. This Modification Agreement constitutes the entire agreement between the parties hereto.

IN WITNESS WHEREOF, Sublandlord and Tenant have hereunto executed this Modification Agreement as of the day and year first above written.

SUBLANDLORD:

TMCC, INC.

By: /s/ Gerald McCrystal

Name: Gerald McCrystal

Title: President

TENANT:

HARTSDALE CONVERTIBLES, INC.,  
DEBTOR AND DEBTOR-IN-POSSESSION

By: /s/ Rami Abada

Name: Rami Abada

Title: President

SUBLANDLORD'S AFFILIATE:

GMM CONSULTING, INC.  
IN AGREEMENT WITH AND  
ACKNOWLEDGMENT OF PARAGRAPHS 2, 3  
AND 4 OF THIS MODIFICATION  
AGREEMENT

By: /s/ Gerald McCrystal

Name: Gerald McCrystal

Title: President