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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

JENNIFER CONVERTIBLES, INC.

Reorganized Debtor.

Chapter 11

Case No. 10-13779 (ALG)

**STIPULATION AND AGREED ORDER  
MODIFYING AND ALLOWING CLAIMS NUMBER 388 AND 389**

Jennifer Convertibles, Inc. (“Jennifer Convertibles”) (the “Debtor”, now known as the “Reorganized Debtor”) respectfully submits this Stipulation and Agreed Order Modifying Allowing Claims Number 388 and 389 (the “Stipulation”) and agree and state:

**WHEREAS**, on July 18, 2010 (the “Petition Date”), the Debtor and eleven of its subsidiaries filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”); and

**WHEREAS**, in November 2010, the Debtor’s lease for property located at 285-291 Route 18 South, East Brunswick, New Jersey (the “Premises”) expired, and the Debtor surrendered the property to the landlord, Cross Point Plaza, LLC (the “Claimant”); and

**WHEREAS**, on February 8, 2011, the Court confirmed the Second Amended Joint Chapter 11 Plan of Reorganization for Jennifer Convertibles, Inc. and its Affiliated Debtors (the "Plan"); and

**WHEREAS**, the Claimant filed claims number 388 and 389 on March 8, 2011, each of which asserted an administrative claim in the amount of \$107,482.32 (the "Claims"), described as holdover rent and related expenses for the period of the Petition Date through the date of rejection of the lease for the Premises; and

**WHEREAS**, the Debtor believes it was a month-to-month tenant, and not a holdover tenant during this period, and thus the Claimant is not entitled to such holdover rent; and

**WHEREAS**, after an exchange of information, the Claimant and the Reorganized Debtor have agreed to settle and modify the Claims as set forth herein.

**NOW, THEREFORE**, in consideration of the foregoing, the Reorganized Debtor and the Claimant stipulate and agree:

1. This Stipulation shall become effective upon the date it is "So Ordered" by the Court (the "Effective Date"). This Stipulation shall be null and void if it is not approved by the Bankruptcy Court.

2. On the Effective Date, the Claims shall be modified to assert a single administrative claim in the amount of \$40,000.00 and allowed in such amount.

3. The Claims shall be the sole administrative claim the Claimant has against the Reorganized Debtor in this chapter 11 case. Unless otherwise agreed to by the Claimant and the Reorganized Debtor, the Claimant shall have no other or further administrative claims against the Debtor or the Reorganized Debtor with respect to the subject property other than the Claims.

4. The Reorganized Debtors shall make payment on the Claims in the amount as agreed upon herein no later than ten (10) days following the Effective Date.

5. On and after the Effective Date, BMC Group Inc., the claims agent appointed in these chapter 11 cases (the "Claims Agent"), is authorized to reflect the treatment of the Claims, as described herein, on the official claims register maintained in these cases.

6. The Claimant will not object to the classification or treatment of the Claims as described herein.

7. This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original, including any facsimile or "PDF" counterparts, and which together shall constitute one and the same agreement.

8. This Stipulation constitutes the entire agreement between the parties regarding the Claims, and it may not be amended or modified in any manner except by a writing signed by each of the parties or their counsel and approved by the Court.

9. Each party and signatory to this Stipulation represents and warrants to each other party hereto that such party or signatory has full power, authority and legal right and has obtained all approvals and consents necessary to execute, deliver and perform all actions required under this Stipulation.

10. The Court shall retain jurisdiction to hear any matters or disputes arising from or relating to this Stipulation.

Dated: New York, New York  
December 23, 2011

Dated: Millburn, New Jersey  
December 23, 2011

OLSHAN GRUNDMAN FROME  
ROSENZWEIG & WOLOSKY LLP

WASSERMAN, JURISTA & STOLZ

By:

By:

/s/ Michael S. Fox

/s/ Steven Z. Jurista

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MICHAEL S. FOX

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*Counsel for Cross Pointe Plaza, LLC*

*Counsel for the Reorganized Debtor  
(Successor to the Debtors and Debtors in  
Possession)*

**SO ORDERED:**

Date: \_\_\_\_\_, 2011

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UNITED STATES BANKRUPTCY JUDGE