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*Attorneys for Inland American Retail Management, LLC and
 Inland Commercial Property Management, Inc.*

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

-----X
In re : Chapter 11
 :
 JENNIFER CONVERTIBLES, INC., : Case No. 10-13779 (ALG)
 :
 : Joint Administration Pending
 Debtors. :
 -----X

**OBJECTION OF INLAND AMERICAN RETAIL MANAGEMENT, LLC AND
 INLAND COMMERCIAL PROPERTY MANAGEMENT, INC. TO MOTION OF
 THE DEBTORS TO APPROVE SALE PROCESS INCLUDING SALE TO SALE
 TO THE HIGHEST BIDDERS AND TO (A) APPROVE BID PROCEDURES
 AND PROTECTIONS; (B) SCHEDULE A SALE HEARING; (C) APPROVE THE
 FORM AND MANNER OF NOTICE RELATED THERETO; (D) AUTHORIZE
 SALE FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES
AND INTERESTS; AND (E) GRANT RELATED RELIEF**

Inland American Retail Management, LLC (“Inland American”) and Inland
 Commercial Property Management, Inc. (“Inland Commercial” and, together with Inland
 American, “Inland”), by and through their undersigned counsel, hereby object
 (“Objection”) to the *Motion of the Debtors to Approve Sale Process Including Sale to
 Sale to the Highest Bidders and to (A) Approve Bid Procedures and Protections; (B)
 Schedule a Sale Hearing; (C) Approve the Form and Manner of Notice Related Thereto;*

(D) *Authorize Sale Free and Clear of All Liens, Claims, Encumbrances and Interests;* and (E) *Grant Related Relief* (“Motion”). In support of the Objection, Inland respectfully states as follows:

BACKGROUND

1. Inland American, as managing agent for owner and landlord, is party to (i) a lease of non-residential real property with one of the above-captioned Debtors for premises located in Duluth, Georgia (“Georgia Lease”). Inland Commercial, as managing agent for owner and landlord, is party to (i) a lease of non-residential real property with the Debtors for premises located in the Vernon Hills, Illinois (“Illinois Lease” and collectively with the Georgia Lease, the “Leases”). The Leases are leases “of real property in a shopping center” for purposes of section 365(b)(3) of the Bankruptcy Code.

2. The Debtors have decided to terminate the Debtors’ business operations and to liquidate the Debtors’ assets at certain locations including, but not limited to, the locations that are subject to the Leases (“Closing Stores”). To that end, the Debtors have entered into the Agency Agreement with Great American Furniture Services, LLC (“Great American”). Pursuant to the Agency Agreement, Great American (or a higher and better bidder) will, *inter alia*, act as the Debtors’ exclusive agent to sell the Debtors’ assets that are located in the Closing Stores through store closing sales (“Sales”) as more specifically set forth in the Agency Agreement.

OBJECTION

3. Inland hereby objects to the Motion and, more particularly, the Sale Guidelines that accompany the Agency Agreement. Although the Sale Guidelines

address many of Inland's concerns regarding the manner in which the Sales will be conducted as the Closing Stores, many aspects of the Sales are not addressed by the Store Closing Guidelines. As a result, the Sale Guidelines are not sufficient to protect Inland's interest in the Leases and the Closing Stores.

4. Specifically, Inland objects to the Sale Guidelines on the following bases:¹
 - a. The Sale Guidelines do not specify the size or quantity of interior signage to be placed at the Closing Stores. To maintain the appearance and dignity of the Closing Stores, window signage must be limited to one sign per window, and should not cover any more than 50% of that window. There must also be appropriate limitations placed on the size, number and location of interior signage such as interior banners, hanging signs and/or toppers.
 - b. The Sale Guidelines permit the liquidator to utilize exterior banners at the closing stores without placing any limitations on the number of exterior banners that may be used and/or where they may be placed. Further, the Sale Guidelines do not prevent the placement of any exterior banners on monuments and/or pylons.
 - c. The Sale Guidelines do not require the liquidator to repair (or indemnify landlord for the costs to repair) any damage caused to the stores by the liquidator's advertising and signage;
 - d. The Sale Guidelines do not require the immediate removal of advertising from the closing stores upon conclusion of the GOB Sales;
 - e. The Sale Guidelines permit the liquidator to solicit customers and/or advertise the GOB Sales outside of the subject premises including, but not limited to, distribution of handbills, leaflets and other written materials, the use of sign walkers and street signage on landlord property even if such actions are prohibited by the terms of a lease;
 - f. The provision in the Sale Guidelines authorizing the abandonment of personal property at the Closing Stores cannot excuse the

¹ The objections set forth in paragraphs 4(a) through 8(o) are applicable to the current form of Sale Guidelines. Inland hereby reserves its right to object to any and all additional guidelines governing the conduct of the GOB Sales that may be adopted by the liquidator deemed the higher and better bidder at the Sale Hearing.

liquidator from its obligation to vacate the Closing Stores in “broom clean” condition at the conclusion of the Sales;

- g. The Sale Guidelines do not permit a landlord to seek expedited redress from the Court in the event of a dispute between a landlord and the liquidator;
- h. The Sale Guidelines do not require the Debtors and the liquidator to indemnify landlords in the event a landlord receives any citations from local authorities resulting from the GOB Sales.

5. Inland respectfully submits that allowing the Sales to go forward as proposed, without adequate limitations such as those set forth above, will disturb the quiet enjoyment and economic prosperity of the applicable shopping centers.

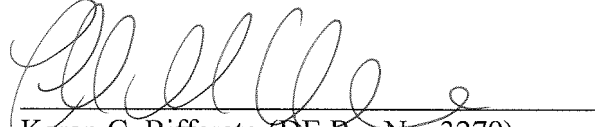
6. Inland also objects to the Agency Agreement because it permits Great American to augment the Debtors’ inventory with inventory that is not owned by the Debtors. Augmentation creates a serious risk that one or more use restrictions to which the Closing Stores may be subject to will be violated. Accordingly, the Court should not permit any augmentation at the Closing Stores, or must expressly require the Debtors and their agent to fully comply with all terms of the Leases as they apply to what can and cannot be sold by the Debtors at the Closing Premises.

7. Counsel for Inland has reached out to counsel for Great American to discuss the foregoing concerns, and Inland remains the Objection will be consensually resolved. To the extent that a consensual resolution is reached between Inland and Great American with respect to the Sale Guidelines, any order of this Court or agreement between the Debtors’ liquidator and Inland relating to the Sales should control over Sale Guidelines that may be otherwise approved by this Court.

WHEREFORE, Inland respectfully requests that this Court enter an order that is consistent with the modifications requested herein and grant Inland such other and further relief as the Court deems just and prop

Dated: July 27, 2010

CONNOLLY BOVE LODGE & HUTZ LLP



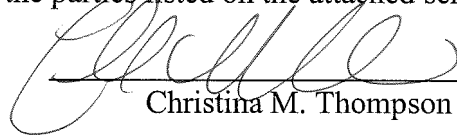
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#795456

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on the 27th day of July, 2010, a copy of the ***Objection to Motion of the Debtors to Approve Sale Process Including Sale to Sale to the Highest Bidders and to (A) Approve Bid Procedures and Protections; (B) Schedule a Sale Hearing; (C) Approve the Form and Manner of Notice Related Thereto; (D) Authorize Sale Free and Clear of All Liens, Claims, Encumbrances and Interests; and (E) Grant Related Relief*** was served as indicated on the parties listed on the attached service list.


Christina M. Thompson

Via Overnight Federal Express

United States Bankruptcy Court
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**Via ECF Notification and
First Class U.S. Mail**

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