

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
)  
Whitehall Jewelers Holdings, Inc., et al., ) Case No. 08-11261 (KG)  
) Jointly Administered  
Debtors. )

**NOTICE OF REJECTION OF UNEXPIRED LEASE**

To: CBL & Associates Management, Inc.- Mall of South Carolina LP  
One Park Place, 6148 Lee Parkway  
Chattanooga, TN

Re: Lease Date: 04/11/08  
Store Number: 706  
Store Location: Coastal Grand Mall  
Minimum Rent: \$7,916.67

**PLEASE TAKE NOTICE** that on August 8, 2008 the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") entered the order on the *Motion of Debtors for an Order Pursuant to Sections 105, 363 And 365 of the Bankruptcy Code (A) Authorizing Debtors to Enter into a Stalking Horse Agency Agreement in Connection with Store Closing Sales; (B) Approving Payment of a Break-Up Fee in Connection Therewith; (C) Approving Auction Procedures for a Disposition of Substantially All of the Debtors' Assets, and Subsequent to Such Action (1) Approving a Sale Transaction Pursuant to Which Certain of the Debtors' Stores Would Continue as Going Concerns and/or (2) Authorizing the Debtors to (a) Implement an Agency Agreement with a Liquidation Agent, (b) Conduct Store Closing Sales at the Debtors' Locations and (c) Sell Assets at Such Locations Free and Clear of All Liens, Claims and Encumbrances; (D) Establishing Procedures in Connection with the Rejection of Leases for*

*Nonresidential Real Property; and (E) Granting Ancillary and Other Related Relief (the "Motion")* [Docket No. 543] (the "Order").

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the terms of the Order, Whitehall Jewelers Holdings, Inc. and Whitehall Jewelers, Inc., the above-captioned debtors and debtors-in-possession (the "Debtors"), hereby provide notice of their intent to reject the above-referenced Lease. Pursuant to the terms of the Order, the Lease shall be deemed rejected effective the later of (i) the date that is five (5) days from the date this notice is served or (ii) the date that the Debtors unequivocally relinquish control of the premises by turning over keys or "key codes" to the affected landlord, without further notice, hearing or order of the Court (the "Effective Date of Rejection").

**PLEASE TAKE FURTHER NOTICE** that, should you object to the Debtors' rejection of the Lease, you must file and serve a written objection so that such objection is filed with the Court and actually received by the following parties (the "Rejection Notice Parties") no later than five (5) days after the date that the Debtors served this "Notice of Rejection of Unexpired Lease" (the "Notice"): (a) counsel to the Debtors, (i) Proskauer Rose LLP, One International Place, Boston, Massachusetts 02110, Attn: Peter J. Antoszyk, Esq., Fax: 617-526-9899, E-mail [pantoszyk@proskauer.com](mailto:pantoszyk@proskauer.com), and (ii) Proskauer Rose LLP, 1585 Broadway, New York, NY 10036, Attn: Scott K. Rutsky, Esq. and Adam T. Berkowitz, Fax: 212.969.2900, E-mail [srutsky@proskauer.com](mailto:srutsky@proskauer.com) and [aberkowitz@proskauer.com](mailto:aberkowitz@proskauer.com); and (iii) Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17<sup>th</sup> Floor, Wilmington, DE 19899-8705, Attn: Laura Davis Jones, Esq.; Fax: 302-652-4400, E-mail: [ljones@pszjlaw.com](mailto:ljones@pszjlaw.com); (b) counsel to the Agent, (i) Riemer & Braunstein, LLP, Thee Center Plaza, Boston, Massachusetts 02108, Attn: Donald E. Rothman, Esq., Fax: (617) 880-3456, E-mail: [drothman@riemerlaw.com](mailto:drothman@riemerlaw.com), and (ii) Womble

Carlyle Sandridge & Rice, PLLC, 222 Delaware Avenue, Suite 1501, Wilmington, DE 19801, Attn: Steven K. Kortanek, Esq.; Fax: 302-661-7728, E-mail: skortanek@wcsr.com; (c) counsel to the Term Lender, (i) Dreier LLP, 499 Park Avenue, New York, New York 10022, Attn: Paul Traub, Esq. and Steven E. Fox, Esq.; Fax: (212) 652-3863, Email: ptraub@dreierllp.com and sfox@dreierllp.com, and (ii) Saul Ewing LLP, 222 Delaware Avenue, Suite 1200, P.O. Box 1266, Wilmington, DE 19899-1266, Attn: Mark Minuti, Esq.; Fax: (302) 421-5873; Email mminuti@saul.com, (d) counsel to the Creditors' Committee, (i) Moses & Singer LLP, 405 Lexington Avenue, New York, New York 10174, Attn: Lawrence L. Ginsburg, Esq. ; Fax: 212-554-7700, Email: lginsburg@mosessinger.com and (ii) Bayard, P.A., 222 Delaware Avenue, 9th Floor, Wilmington, Delaware 19801, attn: Charlene D. Davis, Esq., Fax: (302) 658-6395 and (e) the Office of the United States Trustee, J. Caleb Boggs Federal Building, 844 N. King Street, Suite 2207, Lock Box 35, Wilmington, Delaware 19801, Att: David Buchbinder, Esquire. Absent such an objection being filed and served in compliance with the foregoing, the rejection of the Lease shall become effective on the Effective Date of Rejection, without further notice, hearing or order of the Court.

**PLEASE TAKE FURTHER NOTICE** that, if an objection is properly filed and served on the Rejection Notice Parties as specified above, the Court will schedule a hearing to consider that objection. If that objection is overruled by the Court or withdrawn, the rejection of the Lease shall be deemed effective on the Effective Date of Rejection.

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the terms of the Order, if the Debtors have deposited monies with a landlord pursuant to a security deposit or otherwise, the landlord holding such monies may not set-off or otherwise use such monies without prior authorization from the Court.

**PLEASE TAKE FURTHER NOTICE** that personal property, if any, remaining on the Leased premises following the Effective Date of the Rejection is deemed abandoned, and the landlord may dispose of such property without liability to any party. Remaining property may be described as miscellaneous telephone equipment, light fixtures, signs, artwork, displays, elements, showcases, countertops, furniture (i.e. chairs and stools), safes, carpeting and miscellaneous jewelry equipment (i.e. repair tools, diamond testers).

Dated: December 16, 2008

**Whitehall Jewelers Holdings, Inc.**  
**Whitehall Jewelers, Inc.**

By: /s/Peter Michielutti  
Name: Peter Michielutti  
Title: Chief Financial Officer & Executive Vice President