

ASSUMPTION AND ASSIGNMENT AND SALE AGREEMENT

THIS ASSUMPTION AND ASSIGNMENT AND SALE AGREEMENT (this “Agreement”) is made as of this 14 day of March, 2006, between Musicland Holding Corp., et. al.,¹ as debtors and debtors in possession (collectively, “Assignor”), and **[See Attached Rider - Insert A]** (“Assignee”)

WHEREAS, on January 12, 2006, Assignor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”), Jointly Administered under Case No. 06-10064.

WHEREAS, Assignor is a tenant under a lease dated as of **[See Attached Rider - Insert B]**, as the same may have been renewed, modified, and extended (the “Lease”) for the premises located at **[See Attached Rider - Insert B]**, more specifically described in the Lease (the “Premises”). The current Landlord under the Lease is **[See Attached Rider - Insert B]** (“Landlord”). A copy of the Lease (along with all available amendments, extensions and modifications) is annexed hereto as Exhibit A.

WHEREAS, Assignor has conducted, or is conducting, a store closing sale (the “GOB Sale”) at the Premises and has solicited bids for the purchase of Assignor’s rights under the Lease.

WHEREAS, Assignee is desirous of having Assignor assign to it, pursuant to Section 365 of the Bankruptcy Code, on the terms and conditions set forth herein, all of Assignor’s right, title, and interest of any kind or nature in and to the Lease, including, without limitation, the right to possession.

¹ The Debtors are: Musicland Holding Corp., Media Play, Inc., MG Financial Services, Inc., MLG Internet, Inc., Musicland Purchasing Corp., Musicland Retail, Inc., Request Media, Inc., Sam Goody Holding Corp., Suncoast Group, Inc., Suncoast Holding Corp., Suncoast Motion Picture Company, Inc., Suncoast Retail, Inc., TMG Caribbean, Inc., TMG-Virgin Islands, Inc., and The Musicland Group, Inc.

WHEREAS, Assignor intends to seek approval by the Bankruptcy Court of this Agreement, subject to higher and better offers.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignment of Lease. As of the Effective Date (as hereinafter defined), Assignor hereby assigns to Assignee, “as is where is”, and without any representation or warranty of any kind, nature, or description, all of its right, title, and interest under the Lease for the remainder of the Lease term, including any options to extend the Lease term. Assignee assumes all of the terms, conditions, and covenants of the Lease as tenant under the Lease. Pursuant to Section 365(k) of the Bankruptcy Code, Assignor and its bankruptcy estate shall be discharged from any liability under the Lease occurring on or after the Effective Date. Assignee agrees to indemnify, defend, and hold Assignor and Assignor’s officers, directors, employees, agents, attorneys, and other representatives harmless from and against any and all liabilities, claims, causes of action, demands, damages, costs, and expenses, including, without limitation, reasonable attorneys’ fees and expenses, arising from or in any way relating to any default in the performance under the Lease occurring on or after the Effective Date. Assignee shall be given possession of the Premises on the Effective Date (as hereinafter defined).

2. Consideration. The total cash consideration to be paid by Assignee to Assignor (the “Purchase Price”) is [See Attached Rider - Insert C]. Upon execution of this Agreement, Assignee shall pay to Assignor a deposit equal to 15% of the Purchase Price (“Deposit”). The balance of the Purchase Price shall be paid to Assignor on the day that an order of the Bankruptcy Court has been entered approving the assumption and assignment and sale of the Lease to the Assignee pursuant to sections 363 and 365 of the Bankruptcy Code (the “Closing Date”), to the extent that the order of the Bankruptcy Court authorizing this Agreement (the “Approval Order”) shall waive the ten day stay otherwise in effect pursuant to Bankruptcy Rules 6004(g) and 6006(d), or on the 11th day following

the entry of such Approval Order in the event such bankruptcy rule provisions are not waived by the Bankruptcy Court; and provided that on said eleventh day (11th) day, or otherwise applicable Closing Date, there is not a stay in effect enjoining the occurrence of the Effective Date (as hereinafter defined). Any payments to be made by Assignee under this Agreement shall be paid by bank check or wire transfer, payable to Retail Consulting Services, Inc., as escrow agent (“Escrow Agent”). Said funds will be held in escrow by Escrow Agent subject to the provisions set forth in Section 3 of this agreement, or as shall otherwise be ordered by the Bankruptcy Court. Escrow Agent, need not hold the funds in an interest bearing account. If such funds are held in an interest bearing account, interest shall be payable to the party entitled to the principal sum, and if such party is the Assignor, without credit towards the Purchase Price.

3. Additional Escrow Provisions.

(a) The funds deposited with Escrow Agent together with interest earned thereon, if any, shall be distributed as follows, upon the earliest of (but in each instance, subject to any otherwise applicable Order of the Bankruptcy Court, and provided that with respect to any proposed distribution to Assignee set forth below, Assignor is not then in default under this Agreement):

(i) the occurrence of the Effective Date, then funds distributed to Assignor;

(ii) the rejection by Assignor to Assignee, in writing, of the offer by Assignee to purchase the Lease, funds to Assignee;

(iii) entry of an order by the Bankruptcy Court disapproving the assignment to Assignee, funds to Assignee;

(iv) written notification to Assignee by Assignor of Assignor’s inability to close the sale, funds to Assignee;

(v) written notification to Assignor by Assignee of Assignee’s inability to close the sale, funds to Assignor; and

(vi) upon breach of any covenant, representation or warranty made by Assignee hereunder, funds to Assignor.

(b) Escrow Agent shall have no duties or responsibilities except those set forth herein. Escrow Agent shall not be bound by any modification, cancellation or rescission of this Agreement unless the same is in writing and signed by both Assignee and Assignor,

and, if Escrow Agent's duties hereunder are affected, by Escrow Agent. Escrow Agent shall be reimbursed by the Assignor and Assignee for any expenses incurred in connection with this Agreement and liability for such expenses shall be joint and several. Assignor and Assignee shall jointly and severally hold harmless and indemnify Escrow Agent from and against any and all costs, expenses and liabilities (including reasonable attorneys' fees and disbursements) resulting from or incurred in connection with the performance of Escrow Agent's duties hereunder or any dispute arising under this Agreement. Escrow Agent's rights hereunder or against Assignor shall be subject to the provisions of the Bankruptcy Code respecting compensation and reimbursement.

(c) Escrow Agent shall have the right, at any time after a claim of entitlement to the escrowed funds is disputed, to deposit the escrowed funds with the Bankruptcy Court, in which event Escrow Agent shall give notice of such deposit into court to the Assignor and the Assignee, and Escrow Agent shall be relieved and discharged of all further obligations and responsibilities hereunder. Escrow Agent is acting solely as a stakeholder at the request of Assignor and Assignee and for their convenience. Escrow Agent shall not be deemed to be the agent of either of the parties.

(d) Escrow Agent may rely and act upon any instrument or other writing believed by it to be genuine and purporting to be signed and presented by any person purporting to have authority to act on behalf of Assignor or Assignee, as the case may be. Escrow Agent shall not be liable in connection with the performance of any of its duties pursuant to this Agreement, except for its gross negligence or willful misconduct.

(e) Escrow Agent shall not be responsible in any manner for the validity or sufficiency of any securities, cash, instruments, letters of credit, documents, or any other property delivered hereunder, or for the value or collectability of any note, check, letter of credit or other instrument or security so delivered, or for any diminution in value of any investment made by Escrow Agent. Nothing herein contained shall be deemed to obligate the Escrow Agent to deliver any securities, cash instruments, letters of credit, documents or any other property referred to herein, unless the same shall have been received by Escrow Agent pursuant to this Agreement.

(f) Escrow Agent may at any time resign upon five business days' notice to Assignor and Assignee. Assignor and Assignee shall jointly select a successor escrow agent and shall notify Escrow Agent of the name and address of such successor within five business days after receipt of notice of Escrow Agent's intent to resign. If Escrow Agent has not received notice of the name and address of its successor within such period, Escrow Agent may select on behalf of Assignor and Assignee a bank or trust company to act as its successor, for such compensation as such bank or trust company shall reasonably require of Assignor and Assignee, or alternatively may make application to the Bankruptcy Court to be able to place such escrowed funds on deposit with the Bankruptcy Court. At any time after such five business day period, Escrow Agent shall have the right to deliver the Deposit to its successor as selected hereunder, and upon such delivery the successor escrow agent shall become the Escrow Agent for all purposes of this Agreement and it shall have all the rights and obligations of the Escrow Agent pursuant to this Agreement, and the resigning Escrow Agent shall have no further responsibilities or obligations hereunder.

4. Payment of Cure Amounts. Assignor shall be responsible for paying all Lease-related obligations arising in the period prior to the Adjustment Date (as defined below). Assignee

shall be responsible for all Lease-related obligations from and after the later of (a) the day next following the Auction (at which time Assignee's offer was accepted by the Assignor as the highest and best offer for the Assignor's interest in the Lease), or (b) on the date that possession of the Premises was surrendered to the Assignee by the liquidation agent retained by the Assignor to conduct the GOB Sales, and all adjustments to be made in connection with the Lease pursuant this Agreement shall be made as of such date (the "Adjustment Date") including, without limitation, adjustments, if any, for rent, taxes, common area maintenance, and other Lease or Lease-related obligations under the Lease, shall be made as of the Adjustment Date. Any adjustments attributable to escalation or pass-through charges which would be billed after the Adjustment Date shall be made based upon the most recent billing received by the Assignor for such charges. Assignee shall (a) be liable for all obligations with respect to the Lease from the Adjustment Date forward and shall indemnify Assignor with respect thereto, and (b) be liable for, or receive the benefit of, any year-end adjustments that fall short of, or exceed, the adjustments made pursuant to this Agreement.

5. Tenant Security Deposit. Unless otherwise agreed by Assignor, the amount of any security deposit on account with Landlord as of the Closing Date will be paid by Assignee to Assignor by bank check or wire transfer on the Closing Date in addition to the Purchase Price (the "Tenant Security Deposit Payment").

6. Bankruptcy Court Approval. It is a condition precedent to the effectiveness of this Agreement that (i) an order of the Bankruptcy Court be entered authorizing Assignor to enter into this Agreement and approving the assumption and assignment of the Lease to Assignee; (ii) Assignor receives the Purchase Price on the Closing Date as provided for herein, and (iii) Assignor receives the Tenant Security Deposit Payment, if any, as provided for herein.

7. Higher or Otherwise Better Offer. Assignee acknowledges and agrees that if this Agreement has been entered into prior to the conduct of an auction to consider highest or best bids for the assignment of Assignor's leasehold interests and related assets (the "Auction"), including the

Lease, that the offer of Assignee contained herein shall be subject to higher or otherwise better offers that may be received through a competitive bidding process. If the Assignor accepts, and the Bankruptcy Court approves the sale of the Lease to a third party, or the Assignor otherwise terminates this Agreement for any reason, Assignor shall have no liability to Assignee, except to return the Deposit pursuant to the provisions of this Agreement.

8. Assignee shall use the Premises for **[See Attached Rider - Insert D]**.

9. Break-up Fee. If agreed to by Assignor and authorized by the Bankruptcy Court, in the event that the Bankruptcy Court should determine that any third party's competitive bid is a higher and better offer for the Assignors' interest subject to a Stalking Horse Bid, and the Assignors thereafter fully consummate an assignment of such interest, or lease termination, with such higher or better bidders based upon such higher or better bids, they will pay to the Stalking Horse Bidder a break-up fee that does not exceed (i) \$10,000.00 (for individual lease bids) or (ii) 3% of the cash amount of the Stalking Horse Bid (for "package" bids covering multiple leases or for bids for lease designation rights), provided however, such break-up fee (the "Break-up Fee") shall be inclusive of any expense reimbursement amount, and shall only be payable if (a) the Stalking Horse Bidder remains ready willing and able to close on its Stalking Horse Bid as of the date of the Auction and of any hearing on Court approval of its Stalking Horse Bid or of an accepted higher or better competing bid; and (b) the Assignors fail to consummate the transaction with the proposed Stalking Horse Bidder (regardless of whether such Stalking Horse Bidder submitted further higher or better bids, and only based upon its Stalking Horse Bid), but only if such failure to consummate the transaction is because the Assignors accept a higher or better offer from a competing bidder not affiliated with such Stalking Horse Bidder, and the Assignors thereafter close the sale with such competing bidder and receive the purchase price from such competing bidder. In the event the Assignors are unable to consummate a transaction with a Stalking Horse Bidder due to its inability to provide adequate assurance of future performance, no Break-up Fee will be payable to such Stalking Horse Bidder in

the event the Assignors thereafter enter into a transaction for the disposition of the Lease or Leases with a third party or Landlord. Notwithstanding the foregoing, the Assignors shall not agree to pay a Break-up Fee unless they determine, in the exercise of their business judgment that, (1) the Break-up Fee was negotiated in good faith and was not tainted by self-dealing or manipulation; (2) the Break-up Fee will encourage rather than hinder bidding; and (3) the proposed Break-Up Fee is reasonable relative to the proposed purchase price (the “Three Factors”). Unless hereafter authorized by a further order of this Court, no Break-Up Fee shall be payable to an Insider (as defined in 11 U.S.C. Section 101(31)) of the Assignors, or an affiliate of an Insider.

10. Effective Date. Subject to satisfaction of the conditions set forth in section 6 of this Agreement, the “Effective Date” of this Agreement shall be the later of (i) the Closing Date and (ii) as soon as practicable in Assignor’s sole discretion after the conclusion of the GOB Sale at the Premises, at which time Assignor will surrender possession of the Premises to Assignee, provided however that the failure of Assignee to accept possession of the Premises shall not affect the occurrence of the Effective Date, and time shall be of the essence as against Assignee.

11. Default. It shall be a default under this Agreement if (i) Assignee fails to comply with any of the terms or conditions of this Agreement or (ii) Assignee fails to pay to Assignor on the Closing Date any amounts due under this Agreement including without limitation, the Purchase Price and the Tenant Security Deposit Payment. Upon a default under this Agreement, Assignor shall retain as partial liquidated damages any amounts theretofore paid by Assignee, without waiving, any further claims to which Assignee may be entitled and, Assignor reserves all rights to seek additional damages on account of such default.

12. Adequate Assurance Data. Assignee agrees to provide to Assignor written evidence of its ability to demonstrate adequate assurance of future performance in accordance with Section 365(f) of the Bankruptcy Code on or before the time that this Agreement is executed by Assignee and tendered to Assignor, if not theretofore provided. In addition, Assignee agrees to cooperate with

reasonable requests for additional evidence thereof that are made by Landlord and other parties in interest, and to cooperate in connection with any expedited discovery requirements as may be ordered by the Bankruptcy Court. Assignee agrees that it will appear at any Court hearings in connection with seeking approval of this Agreement, and will provide such evidence and testimony as may be necessary to support its ability to provide adequate assurance of future performance. In the event the Bankruptcy Court refuses to approve this Agreement for any reason other than a breach of this Agreement by Assignee, then all escrowed funds shall be released to Assignee and Assignee and Assignor shall have no further claims against one another arising out of or relating to this Agreement. After the conditions to Assignor's obligations hereunder have been satisfied and Assignee fails to close for any reason other than a material breach of this Agreement by Assignor, the escrowed funds shall become nonrefundable and shall be forfeited to Assignor, without limiting any other claims for damages by Assignor to which it may be entitled. The evidence to support Assignee's ability to provide adequate assurance of future performance to be initially provided to Assignor shall include, at a minimum, (i) the full name and identity of Assignee, including a corporate brochure, if available, and information regarding Assignee's principal(s), (ii) a current financial statement and financial statements for the three previous years or other proof of financial condition of Assignee and any proposed guarantor, (iii) a written statement of Assignee's expected use of the Premises and Assignee's experience with respect to such type of use, (iv) a list of Assignee's existing stores and Landlords, (v) if the Lease contains a percentage rent provision, a projection of gross sales anticipated at the Premises, and (vi) a two (2) year business plan or projected profit and loss Statement.

13. Commissions. With the exception of fees that may be due to Assignor's real estate advisors Retail Consulting Service, Inc. ("RCS") pursuant to orders of the Bankruptcy Court, any commission due and payable as a result of this Agreement or the transactions contemplated herein shall be paid by Assignee. Assignee hereby agrees to indemnify, defend, and hold harmless Assignor

and its bankruptcy estate from any claims for brokers' commissions or other similar claims, except for claims made by RCS.

14. No right to use Assignor's Tradename. This Agreement constitutes an Agreement for the assumption and assignment and sale of Assignor's interest in and into the Lease, and shall not in any way constitute a transfer or assignment of, or authorization to use, any trade name, trademark, brand rights or intellectual property or intellectual property rights of Assignor.

15. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with, the laws of the State of New York.

(b) This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant, or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change, or restrict, the express terms and provisions of this Agreement.

(c) The terms and provisions of this Agreement may be amended, waived, or consent for the departure therefrom granted only by a written document executed by all of the parties hereto. No such waiver or consent shall be deemed to be, or shall constitute, a waiver or consent with respect to any of the other terms or provisions in this Agreement. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given and shall not constitute a continuing waiver or consent.

(d) The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify or affect the meaning or construction of any of the terms or provisions hereof.

(e) No failure or delay by a party hereto in exercising any right, power, or remedy under this Agreement and no course of dealing between the parties hereto shall operate as a waiver of any such right, power, or remedy of the party. No single or partial exercise of any right, power, or remedy under this Agreement by a party hereto nor any abandonment or discontinuance of actions to enforce any such right, power, or remedy shall preclude such party from any other or further exercise thereof or the exercise of any other right, power, or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies.

(f) Assignee acknowledges that no representations promises or inducements of any kind, except as specifically set forth herein have been made to Assignee by Assignor or any one else to induce Assignee to enter into the Agreement, and Assignee is relying upon its own due diligence, and may not rely upon any statements or information provided by Assignor or its representatives.

(g) In the event that Assignor does not consummate a sale of the Lease for any reason (other than Assignee's failure to consummate), Assignor's sole obligation and liability shall be to refund the Deposit to the Assignee. In the event the Assignee breaches or repudiates this Agreement in any manner, including by failing to timely consummate the transaction described herein or execute and deliver the closing documents and monies pursuant to this Agreement for any reason, then Assignor shall be unconditionally entitled to the Deposit or other funds held by Escrow Agent, and to pursue any and all damages and remedies at law or in equity, including specific performance of this Agreement by Assignee. This Section shall survive the termination of this Agreement.

(h) All sales, transfer and recording taxes, stamp taxes or similar taxes, if any, relating to the assignment and sale of the Lease shall be the sole responsibility of Assignee and shall be paid to Assignor on or before the Effective Date, but the fact that several payments shall not have been paid as set forth herein, shall not release Assignee of its obligations under this section.

(i) NOTWITHSTANDING ANYTHING ELSE CONTAINED IN THIS AGREEMENT TO THE CONTRARY, ASSIGNOR RETAINS, IN ITS SOLE AND ABSOLUTE DISCRETION, THE RIGHT TO TERMINATE THIS AGREEMENT WITHOUT PRIOR NOTICE, WITHOUT INCURRING ANY LIABILITY TO ASSIGNEE WITH RESPECT TO SUCH TERMINATION, AT OR PRIOR TO THE AUCTION FOR ANY AND ALL REASONS. ASSIGNEE SHALL NOT OBJECT TO SUCH TERMINATION, BUT PROVIDED ASSIGNEE IS NOT IN DEFAULT HEREUNDER, SHALL BE ENTITLED TO THE RETURN OF ITS DEPOSIT IF OTHERWISE ENTITLED TO SAME UNDER THIS AGREEMENT.

(j) All risk of casualty loss, including, but not limited to, water or fire loss with respect to the premises under the Lease shall remain with Assignor until the Effective Date. On and after the Effective Date, risk of casualty loss shall pass to Assignee and Assignee shall be solely responsible for providing insurance to cover any risk of such loss or damage to the premises under the Lease.

(k) The Bankruptcy Court shall retain jurisdiction over any matter arising from or relating to this Agreement and the parties consent to such jurisdiction.

Any notice, demand, request or other communication required to be given pursuant to the terms hereunder shall be in writing and either (i) sent by certified mail, return receipt requested, (ii) hand-delivered, with receipt acknowledged or (iii) sent by overnight courier, with receipt acknowledged, and addressed to the party to receive the notice at the following addresses:

If to Assignor:

Musicland Holding Corp.
Attn: Kristin LeBre
General Counsel
10400 Yellow Circle Dr.
Minnetonka, MN 55343-9023

with copies to:

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601
Attention: Bradley V. Ritter

If to Assignee: **[See Attached Rider - Insert E]**

With a copy to **[See Attached Rider - Insert E]**

and, if to
Escrow Agent
Retail Consulting Services, Inc.
460 West 34th Street, 4th Floor
New York, NY 10007
Attention: Ivan L. Friedman

(l) Either party (or Escrow Agent) may change its address for notices by giving written notice to the other party and Escrow Agent, or, in the case of Escrow Agent, to both parties, as aforesaid. Any notice shall be deemed received on the day received or receipt is refused. Inability to deliver because of changed address of which no notice was given shall be deemed a receipt of such notice.

(m) The terms, conditions and covenants of this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective nominees, successors, beneficiaries and permitted assignees. Assignee may not transfer, assign or encumber this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of Assignor.

(n) Assignor and Assignee shall pay their own respective expenses, costs and fees (including attorneys' fees and disbursements) incurred in connection with the negotiation, preparation, execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement.

(o) Assignor and Assignee each acknowledge and agree that the relationship between them is that of Assignor and Assignee and this Agreement does not constitute a partnership, joint venture or any other association between them.

(p) This Agreement may be executed in one or more counterparts and by different parties hereto on separate counterparts, and by original or facsimile signatures each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

Debtor-in-Possession and Assignor:

By: _____

Its: _____

Assignee:

By: _____

Its: _____

STATE OF _____

_____, ss.

Before me, the undersigned Notary Public, on this ___ day of _____, ___ personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, as his/her free act and deed, before me.

Given under my hand and seal of office this ___ day of _____, _____.

Notary Public My Commission expires:

STATE OF _____

_____, ss.

Before me, the undersigned Notary Public, on this ___ day of _____, ___ personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, as his/her free act and deed, before me.

Given under my hand and seal of office this ___ day of _____, _____.

Notary Public My Commission expires:

RIDER TO ASSIGNMENT AND ASSUMPTION AND SALE AGREEMENT

Insert A - Proposed Assignee

Proposed Assignee: _____

Insert B - Lease Information

Store No.	Lease Document Name	Lease Date	Address of Premises	Current Landlord/Sublandlord

Insert C - Purchase Price

Purchase Price: _____

Insert D - Use

Use of Premises: _____

Insert E - Assignee Notice Addresses

Attention: _____

with a copy to:

Attention: _____

Insert F - Other

[SIGNATURES ON THE FOLLOWING PAGE]

Debtor-in-Possession and Assignor:

By: _____

Its: _____

Assignee:

By: _____

Its: _____