

4/26/04

04-29-2004

Form PTO-1594 (rev. 10/02) RE
OMB No. 0651-0027 (exp. 6/30/2005)
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102734377

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
San Francisco Music Box Company, Inc.

- Individual(s)
- General Partnership
- Corporation-State/Delaware
- Other _____
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other Transfer out of bankruptcy
- Merger
- Change of Name

Execution Date: June 12, 2003

2. Name and address of receiving party(ies)

Name: Calendar Club SA, LLC

Internal

Address: _____

Street Address: 6411 Burluson

City: Austin State: TX Zip: 78744

Individual(s) citizenship _____

Association _____

General Partnership _____

Limited Partnership _____

Corporation-State _____

Other a Delaware Limited Liability Company

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

76460280
76460279

B. Trademark Registration No.(s)

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Mark Bisard

Internal Address: Suite 2400

Street Address: One Woodward Avenue

City: Detroit State: MI Zip: 48226

6. Total number of applications and registrations involved: 7

7. Total fee (37 CFR 3.41).....\$ 190.00

Enclosed

Authorized to be charged to deposit account
By: _____

Mark Bisard, Attorney in Fact for
8. Deposit account number: Receiving Party

501454

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Marc Winkelman

Name of Person Signing

Signature

4-9-04

Date

Total number of pages including cover sheet, attachments, and document: 197

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

04/28/2004 LNUJELLER 00000155 76460280

01 FC:8521
02 FC:8522

40.00 BA
150.00 BA

TRADEMARK
REEL: 002959 FRAME: 0001

**Supplement to Recordation Form Cover Sheet
(Form PTO 1594)**

Section 4:

Additional application numbers and registration number

Ser. No.	Reg. No.	Trademark
74/415829	1881068	VICTORIAN SCRAPBOOK
74/199580	1739725	AMERICAN TREASURES COLLECTION
74/078253	1725457	THE SAN FRANCISCO MUSIC BOX COMPANY
74/06229	1614430	THE SAN FRANCISCO MUSIC BOX COMPANY
73/660709	1486526	THE SAN FRANCISCO MUSIC BOX COMPANY

STATE OF TEXAS)
) ss.
COUNTY OF TRAVIS)

AFFIDAVIT OF MARC WINKELMAN

Marc Winkelman, being duly sworn, says as follows:

1. I am the President of Sanbox, LLC (f/k/a Calendar Club SA, LLC), a corporation organized under the laws of the State of Delaware, ("Sanbox").

2. I am familiar with Sanbox's business, including but not limited to its acquisition of the following trademark registrations and applications (collectively, the "Trademarks") from the now bankrupt company known as The San Francisco Music Box Company ("TSFMBC"):

Ser. No.	Reg. No.	Trademark
76/460280	N/A	THE ANNA ROSA COLLECTION
76/460279	N/A	ANNA ROSA
74638093	1968144	MELODIES IN TIME
74/415829	1881068	VICTORIAN SCRAPBOOK
74/372959	1809085	MOUSE CAPERS THE SAN FRANCISCO MUSIC BOX COMPANY
74/353002	1802035	TEDDY TEMPO THE SAN FRANCISCO MUSIC BOX COMPANY
74/199580	1739725	AMERICAN TREASURES COLLECTION
74/128116	N/A	CRYSTAL VISIONS
74/078253	1725457	THE SAN FRANCISCO MUSIC BOX COMPANY
74/079252	1725456	THE SAN FRANCISCO MUSIC BOX COMPANY
74/044251	1675439	THE SAN FRANCISCO MUSIC BOX COMPANY
74/06229	1614430	THE SAN FRANCISCO MUSIC BOX COMPANY
73/695855	1499049	THE BEST CHRISTMAS EVER!
73/660709	1486526	THE SAN FRANCISCO MUSIC BOX COMPANY
73/378539	1302292	THE SAN FRANCISCO MUSIC BOX COMPANY
73/378510	1302291	THE SAN FRANCISCO MUSIC BOX COMPANY

3. Pursuant to a series of oral and written agreements executed between Calendar Club SA, LLC (now Sanbox) and Great American Group on or around June 9, 2003, the parties

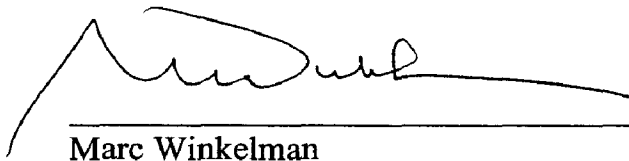
agreed to acquire certain assets of bankrupt company known as The San Francisco Music Box Company.

4. The arrangement between the two parties provided that Sanbox would be entitled to acquire, amongst other things, all right, title and interest to the domain name and all of the intellectual property of TSFMB, including but not limited to the Trademarks.

4. Pursuant to the Bankruptcy Order Approving the Asset Purchase Agreement dated June 12, 2003, Great American Group and Sanbox entered into an Asset Purchase Agreement with TSFMB in which TSFMB sold all of its interest in its intellectual property, including the Trademarks.

5. Based upon my information and belief of Great American Group's and Sandbox's mutual understanding, Sanbox is now the sole owner of the Trademarks.

6. All of the above statements are of my information and belief and are believed to be true.

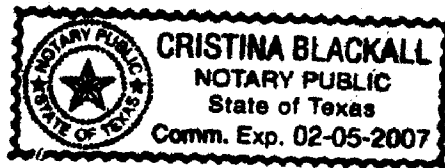


Marc Winkelman

Subscribed and sworn to before me
this 9 day of April, 2004.

Cristina Blackall

Notary Public
County of: TRAVIS
State of: TEXAS
My Commission Expires: 02-05-2007



YOUNG CONAWAY STARGATT & TAYLOR, LLP

BRUCE M. STARGATT
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BEN T. CASTLE
SHELDON N. SANDLER
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RICHARD J.A. POPPER
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1947-1990

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GEORGETOWN, DELAWARE 19947
(302) 856-3571
(800) 255-2234 (DE ONLY)
FAX: (302) 856-9338

June 12, 2003

The Great American Group
One Parkway North, Suite 520
Deerfield, Illinois 60015
Attn: Thomas E. Pabst

Re: *In re SFMB Acquisition Corp.*, Ch. 11 Case No. 03-11524 (PJW)

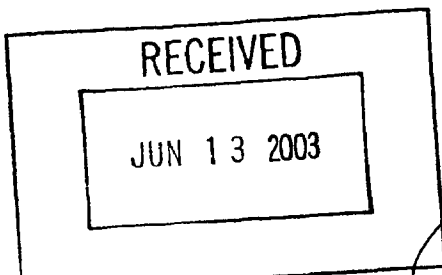
Dear Tom:

In accordance with section 7.2 of that certain Asset Purchase Agreement by and among San Francisco Music Box Company, Inc., Great American Group and Calendar Club SA, LLC (the "APA"), enclosed herewith please find a certified copy of the order approving the APA dated June 12, 2003.

Should you have any questions or comments in this regard, please do not hesitate to contact me.

Regards,


Joseph M. Barry



WP3:898314.1

62199.1001

TRADEMARK
REEL: 002959 FRAME: 0005

YOUNG CONAWAY STARGATT & TAYLOR, LLP

The Great American Group

June 12, 2003

Page 2

cc: James Hull
The Calendar Club SA, LLC
6411 Burleson Road
Austin, Texas 78744

Peter Sugar, Esquire
One Woodward Avenue, Suite 2400
Detroit, Michigan 48226

Holly Felder Etlin
The San Francisco Music Box Company
695 Route 46 West
Fairfield, New Jersey 07004

Michael S. Fox, Esquire
Traub, Bonacquist & Fox, LLP
655 Third Avenue, 21st Floor
New York, NY 10017

(all with enclosures)

Robert S. Brady, Esquire
Craig D. Gear, Esquire
M. Blake Cleary, Esquire

(all without enclosures)

IN WITNESS WHEREOF, Agent and Merchant hereby execute this Agreement by their duly authorized representatives as of the day and year first written above.

SAN FRANCISCO MUSIC BOX COMPANY

By: [Signature]
Name: Craig Barak
Title: CEO

GARCEL, INC. D/B/A GREAT AMERICAN GROUP

By: [Signature]
Name: Thomas E. Platt
Title: CEO

CALENDAR CLUB, LLC.

By: [Signature]
Name: James Hull
Title: CEO


CONSENTED AND AGREED TO AS TO SECTIONS 3, 4 AND BY FLEET RETAIL FINANCE INC.

As Administrative and Collateral Agent for itself and Merchant's Pre-Petition and Post-Petition Secured Lenders


By: [Signature]
Name: Keith Vercauteren
Title: Vice President

IN WITNESS WHEREOF, Agent and Merchant hereby execute this Agreement by their duly authorized representatives as of the day and year first written above.

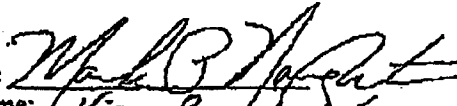
SAN FRANCISCO MUSIC BOX COMPANY

By: 
Name: Craig H. Backus
Title: CEO


THE MUSEUM COMPANY, INC.

By: 
Name: Craig H. Backus
Title: CEO

GARCEL, INC. d/b/a GREAT AMERICAN GROUP

By: 
Name: Mark B. Hought
Title: Vice President / General Counsel

12(1)
CONSENTED AND AGREED TO AS TO SECTIONS 1, 4 AND 16.13
BY FLEET RETAIL FINANCE INC.
As Administrative and Collateral Agent for itself and
Merchant's Pre-Petition and Post-Petition Secured Lenders

By: 
Name: Keith Vercauteren
Title: Vice President

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
SFMB ACQUISITION CORP., <u>et al.</u> ,)	Case No. 03-11524 (PJW)
)	
Debtors.)	Jointly Administered
)	
)	Re Docket No.47 & 104

CERTIFIED:
AS A TRUE COPY:
ATTEST:

DAVID D. BIRD, CLERK
U.S. BANKRUPTCY COURT

BY: Mary Hylard 6/12/03
Deputy Clerk

**ORDER PURSUANT TO BANKRUPTCY CODE SECTIONS 105 AND 363:
(A) APPROVING ASSET PURCHASE AGREEMENT (B) APPROVING AGENCY
AND LICENSE AGREEMENT; (C) APPROVING AGENCY AGREEMENT (BACK-UP
BID); (D) APPROVING THE PAYMENT OF BID PROTECTIONS IN CONNECTIONS
THEREWITH; (E) AUTHORIZING THE
DEBTORS AND/OR THEIR AGENT TO CONDUCT GOING OUT OF BUSINESS SALES
AND TO SELL CERTAIN ASSETS FREE AND CLEAR OF LIENS, INTERESTS, AND
ENCUMBRANCES; AND (F) GRANTING ANCILLARY RELIEF RELATED THERETO**

Upon the Motion of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), for an Order: (1) Establishing Bidding Procedures With Respect To The Disposition of Debtors' Assets; (2) Approving The Form And Manner Of Notice Of Bidding Procedures To Potential Bidders And Other Parties In Interest; (3) Scheduling A Hearing To Consider Approval Of The Highest And Best Offer For Debtors' Merchandise or Assets, (4) Approving either (a) Agency Agreement In Connection With Retaining Exclusive Agent To Conduct Closing Sale or (b) Asset Purchase Agreement for the Sale of Some or All of the Debtors' Assets; (5) Authorizing the Sale of Certain Assets Free and Clear Of Liens, Interests, and Encumbrances; and (6) Granting Relief Related Thereto (the "Motion ")¹ [see Docket No. 47], all as more fully set forth in the Motion; and the Amended Notice of (A) Amendment to Sale Procedures; (B) Revised Agency Agreement; (C) Proposed Asset Purchase Sale of San Francisco Music Box; (D) Revised Auction and Bid Procedures; and (E) Establishing New Auction Date (the "Amended Notice," and together with the Motion, the "Amended Motion")

[see Docket No. 104]; and an auction having been conducted in accordance with the terms set forth in the Amended Motion on June 10, 2003 (the "June 10th Auction"); and the Debtors, in consultation with proposed counsel to the Official Committee of Unsecured Creditors appointed in these cases (the "Committee"), Fleet Retail Finance, Inc. ("Fleet") and GB Retail Funding LLC ("GB Retail," and together with Fleet, the "Lenders"), the Debtors' pre- and post-petition lenders having entered into that certain Asset Purchase Agreement (the "APA") by and among San Francisco Music Box Company, Inc. ("SFMB") and Calendar Club SA, L.L.C. ("Calendar Club") and Great American Group ("Great American," and together with Calendar Club, "Purchaser") dated June 10, 2003 for the sale of certain assets or the right to liquidate certain assets of SFMB, pursuant to the terms of the APA (the "Sale"), that certain Agency and License Agreement dated June 10, 2003 by an among SFMB and the Purchasers in connection with the Agreement (the "Agency Agreement") and that certain Agency Agreement (Back-up Bid) (the "Back-up Bid") dated as of June 10, 2003 by and among Great American and SFMB and The Museum Company ("TMC"); and a hearing to consider the relief requested in the Amended Motion (the "Hearing") having been held on June 11, 2003; and due and sufficient notice of the Amended Motion having been given to all parties-in-interest; and any objections to the Amended Motion relating to SFMB or the relief requested therein having been withdrawn, waived, resolved or settled, and all reservations of rights included therein other than those set forth in the record at the Hearing, having been overruled on the merits; and it appearing that entry into the APA and Agency Agreement, and to the extent that the APA is not consummated, the Back-up Bid, is in the best interests of the Debtors, their estates, creditors and other parties in interest; and sufficient cause appearing therefor,

IT IS HEREBY FOUND AND DETERMINED that:

¹ Capitalized terms not otherwise defined herein, shall have the meaning ascribed to them in the Motion, as modified

A. This Court has jurisdiction over the Amended Motion and the transactions contemplated therein pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(M). Venue of these cases and the Amended Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

B. The statutory predicates for the relief requested in the Amended Motion are sections 363(b), 363(f) and 363(m) of the Bankruptcy Code and Rule 6004 of the Federal Rules of Bankruptcy Procedure.

C. Notice of the Amended Motion, the June 10th Auction, and the Hearing has been provided. Such notice was reasonable and sufficient under the circumstances and no other or further notice of the Amended Motion, the June 10th Auction or the Hearing is required.

D. A reasonable opportunity to object or be heard with respect to the Amended Motion and the relief requested therein has been afforded to all interested persons and entities.

E. Based upon the testimony of the Debtors, and representations of Debtors' counsel, counsel to the Lenders, and counsel to the Committee at the Hearing, the Debtors have demonstrated sound business justifications for the Sale and entry into the APA, the Agency Agreement, and to the extent the APA is not consummated, the Back-up Bid, and the transactions related thereto pursuant to section 363(b) of the Bankruptcy Code.

F. It appears from the record that the Sale, the APA and the Agency Agreement were negotiated, proposed and agreed to by SFMB and the Purchasers as parties thereto without collusion, in good faith, and from arm's-length bargaining positions. Neither SFMB nor the Purchasers have engaged in any conduct that would cause or permit the Sale to be avoided under section 363(n) of the Bankruptcy Code. The Purchasers are good faith purchasers under section

by the Amended Notice.

WP3:896432.6

3

62199.1001

363(m) of the Bankruptcy Code and, as such, are entitled to all of the protections afforded thereby.

G. The consideration provided by the Purchasers (i) is fair and reasonable, (ii) is the highest and best offer for the Acquired Assets (as defined in the APA), (iii) will provide a greater recovery for SFMB's creditors and other interested parties than would be provided by any other practically available alternative, and (iv) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia.

H. The Sale under the terms of the APA will be a legal, valid, and effective transfer, and will vest in the Purchasers all right, title and interest of SFMB to the Acquired Assets free and clear of all Encumbrances (as defined in the APA) except Assumed Liabilities (as defined in the APA) including, but not limited to, those (i) that purport to give to any party a right or option to give any of the foregoing in the future, any sale or contingent sale or title retention agreement or lease, or termination of SFMB's interest in the Acquired Assets, or any similar rights, and (ii) relating to taxes arising under or out of, in connection with, or in any way relating to the operation of SFMB's businesses prior to the date (the "Closing Date") of the consummation of the Sale (the "Closing").

I. The Purchasers may sell the Acquired Assets free and clear of all Encumbrances (as defined in the APA) of any kind or nature whatsoever because, in each case, one or more of the standards set forth in section 363(f) of the Bankruptcy Code has been satisfied. Those (i) holders of interests and (ii) non-debtor parties who did not object, or who withdrew their objections, to the Sale or the Motion are deemed to have consented pursuant to Bankruptcy Code section 363(f)(2). Those holders of interests, who fall within one or more of the other subsections of Bankruptcy Code section 363(f), are adequately protected by having

their interests, if any, attach to the proceeds of the Sale ultimately attributable to the property against or in which they claim or may claim an Interest.

J. Approval and consummation of the Sale at this time is in the best interests of the Debtors, their creditors, estates and other parties in interest.

K. The Purchasers would not consummate the transactions contemplated by the Sale, thus adversely affecting the Debtors, their estates, and their creditors, if the Sale were not free and clear of all Encumbrances of any kind or nature whatsoever, or if the Purchasers would, or in the future could, be liable for any such Encumbrances and if the transfer could not be made under section 363 of the Bankruptcy Code.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion, as amended, is granted as set forth herein;
2. The Debtors shall be, and hereby are, authorized and directed to file within five (5) days of the entry of this Order a motion seeking an order or orders permitting the assumption and assignment of the Assumed and Assigned Leases, Assumed and Assigned Licenses and Assumed and Assigned Contracts in accordance with section 9A of the APA ("Assumption Motions"). The Debtors are further authorized, without further order of this Court, to schedule any such Assumption Motions for the June 24, 2003 omnibus hearing scheduled in these cases, and any objections to any such Assumption Motions shall be June 20, 2003 at 4:00 p.m. (ET).
3. In accordance with the Amended Motion, the Debtors are hereby authorized to conduct an auction (the "June 23rd Auction") on June 23, 2003 at 9:00 a.m. the offices of Crossroads, LLC, 400 Madison Avenue, 3rd Floor, New York, New York to consider bids for the assets of TMC on a going-concern basis and are further authorized to seek approval of the

highest and best bid received at the second auction for the TMC assets at the hearing scheduled for **June 24, 2003** at 4:00 p.m. (ET) (the "June 24th Hearing").

4. Bidding, if any, at the June 23rd Auction shall be conducted in accordance with the bid procedures set forth in the Amended Motion (the "TMC Bidding Procedures"). Any **Going Concern Buyer** (as defined in the "Amended Motion") wishing to submit an offer with respect to the TMC Assets must submit such offer, in writing, no later than 5:00 p.m. on June 18, 2003, to The Museum Company, Inc., 695 Route 46 West, Fairfield, New Jersey 07004 (or by **facsimile** to 212-610-5601), Attn: Holly Felder Etlin and Craig Boucher, with copies to (i) **Debtors'** counsel, Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17 Floor, Wilmington, Delaware 19801 (or by facsimile to 302-571-1253), Attn: M. **Blake Cleary, Esq.**; (ii) counsel for Fleet Retail Finance, Inc., Brown Rudnick Berlack Israels **LLP, One Financial Center, Boston, Massachusetts 02111** (or by facsimile to 617-856-8201), **Attn: Peter Antoszyk, Esq.**; (iii) counsel for GB Retail, Riemer & Braunstein LLP, Three Center **Plaza, Boston, Massachusetts 02108** (or by facsimile to 617-880-3456), Attn: Jonathan D. Yellin, **Esq.**; and (iv) counsel for the Official Committee of Unsecured Creditors (the "Committee"), **Traub Bonacquist & Fox LLP, 655 Third Avenue, 21st Floor, New York, NY 10017, Attn: Michael Fox, Esq.** Any objections to the sale of the TMC Assets shall be filed with the **Bankruptcy Court** on or before June 18, 2003 at 4:00 p.m. (ET) and shall be served upon counsel to the Debtors, counsel to the Committee, counsel to the Lenders, the Office of the United States **Trustee** and any parties having filed requests for notice pursuant to Rule 2002 of the Federal **Rules of Bankruptcy Procedure.**

5. All objections to the Amended Motion relating to SFMB or the relief requested therein that have not been withdrawn, waived, resolved or settled, and all reservations

of rights included therein other than those set forth in the record at the Hearing, are overruled on the merits.

6. The APA in the form attached hereto as Exhibit A, and all of the terms and conditions thereof and attachments thereto, are hereby approved.

7. The Back-up Bid in the form attached hereto as Exhibit B, and all of the terms and conditions thereof and attachments thereto, are hereby approved. To the extent the APA is not consummated in accordance with the terms thereof, the Debtors are authorized to execute and consummate the Back-up Bid and perform all conditions and obligations set forth therein.

8. Pursuant to section 363(b) of the Bankruptcy Code, SFMB is authorized and directed to consummate the Sale, pursuant to and in accordance with the terms and conditions of the APA.

9. SFMB is authorized and directed to execute and deliver, and is empowered to perform under, consummate and implement, the APA, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the APA, including, but not limited to the Agency Agreement, and to take all further actions as may be requested by the Purchasers for the purpose of assigning, transferring, granting, conveying and conferring to the Purchasers or reducing to possession, the Acquired Assets, or as may be necessary or appropriate to the performance of the obligations as contemplated by the APA.

10. The Purchase Price to be paid by the Purchasers for the sale and transfer of the Acquired Assets under the terms of the APA constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession or the District of Columbia. The sale of Acquired Assets and other transactions contemplated by the APA may not be avoided under Sections 363(k) or (m) of the Bankruptcy Code.

11. The transactions contemplated by the APA are undertaken by the Purchasers in good faith, as that term is used in Section 363(m) of the Bankruptcy Code, and, accordingly, the reversal or modification on appeal of this Order shall not affect the validity of the sale of Acquired Assets to the Purchasers, unless such sale and this Order are duly stayed pending appeal. The Purchasers are purchasers in good faith of the Acquired Assets for all purposes.

12. All of SFMB's interests in the Acquired Assets shall be, as of the Closing Date, transferred to and vested in the Purchasers. Upon the Closing Date, this Order shall be considered and constitute for any and all purposes a full and complete general assignment, conveyance and transfer of the Acquired Assets and any assets acquired by the Purchasers under the APA and/or a bill of sale or assignment transferring good and marketable, indefeasible title and interest in the assets acquired by the Purchasers under the APA. As of the Closing Date (and earlier should SFMB so permit), the Purchasers shall be hereby granted immediate and unfettered access to the Acquired Assets.

13. Except as expressly permitted or otherwise specifically provided for in the APA or this Order, as of the Closing Date and pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, the Acquired Assets shall be transferred to the Purchasers pursuant to the APA free and clear of all interests of any kind or nature whatsoever, with all such interests of any kind or nature whatsoever to attach to the net proceeds of the Sale in the order of their priority, with the same validity, force and effect which they now have as against such assets, subject to any claims and defenses that the Debtors and other parties may possess with respect thereto.

14. Except as expressly permitted or otherwise specifically provided for in the APA or this Order, all persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax and other regulatory authorities, lenders, trade

and other creditors holding interests of any kind or nature whatsoever against or in the Acquired Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, liquidated or unliquidated, senior or subordinated), arising under or out of, in connection with, or in any way relating to the Acquired Assets, the operation of SFMB's businesses prior to the Closing Date of the Sale, or the Sale are hereby forever barred, estopped, and permanently enjoined from asserting against the Purchasers, their successors or assigns (to the extent allowed by law) and their property and officers, and any directors and shareholders, such persons' or entities' interest. All holders or beneficiaries of the interests are hereby directed to reasonably cooperate with the Purchasers in delivering such documents reasonably requested by the Purchasers, which may be necessary to evidence and effectuate the extinguishment of any interest from or against the Acquired Assets.

15. If any person or entity that has filed financing statements, mortgages, mechanics' liens, assignments, security agreements, lis pendens, or other documents or agreements evidencing interests in any Acquired Assets shall not have delivered to the Debtors prior to the Closing Date under the APA, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, and releases of all interests which the person or entity has with respect to the Debtors or otherwise, then (a) the Debtors hereby authorized and directed to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Acquired Assets and (b) the Purchasers are hereby authorized to file, register, or otherwise record a certified copy of this Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all interests in the Acquired Assets and its assets of any kind or nature whatsoever.

16. This Order (a) shall be effective as a determination that, on the Closing Date under the APA, all interests of any kind or nature whatsoever existing prior to such Closing as to the Acquired Assets sold pursuant to the APA, have been unconditionally released, discharged and terminated, and that the conveyances described herein have been effected, and (b) shall be binding upon and shall govern the act of all entities, including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Acquired Assets.

17. Each and every federal, state and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the APA, as if submitted by the seller.

18. This Court retains jurisdiction to endorse and implement the terms and provisions of the APA, the Agency Agreement, and to the extent the APA is not consummated, the Back-up Bid, and all amendments thereto, any waivers and consents thereunder.

19. The Purchasers shall have no liability or responsibility for any liability or other obligation of the Debtors arising under or related to the Acquired Assets other than those expressly assumed under or set forth in the APA and/or the Agency Agreement. Without limiting the generality of the foregoing and except as otherwise specifically provided herein or in the APA and/or the Agency Agreement, the Purchasers shall not be liable for any claims against the Debtors or any of their predecessors or affiliates, and the Purchasers shall have no successor or vicarious liabilities of any kind or character whether known or unknown as of the Closing

Date, now existing or hereafter arising, whether fixed or contingent, with respect to SFMB or any obligations of SFMB arising prior to the Closing Date.

20. In accordance with the Agency Agreement, SFMB and Purchasers are authorized to conduct going-out-of-business, store closing or other similarly themed sales (a "GOB Sale") at each of the Designated Locations (as defined in the Agency Agreement) notwithstanding any provisions in contracts or leases that otherwise may restrict or prevent a GOB Sale in accordance with the provisions of the Agency Agreement or require further consents, and notwithstanding provisions of state or federal law or applicable regulations that would otherwise govern the conduct of a GOB Sale.

21. The sale by the Purchaser, as Agent under the Agency Agreement, of the Merchandise, such sale to be free and clear of all liens, claims, interests, or encumbrances thereon and any presently existing liens.

22. The Purchasers, as Agent under the Agency Agreement, are granted the unencumbered right to use and occupy the Designated Locations and all services, furniture, fixtures, equipment and other assets of SFMB related thereto, as designated under the Agency Agreement, for the purpose of conducting a GOB Sale, free of any interference from any entity or person.

23. The Purchasers, as Agent under the Agency Agreement, are authorized to conduct, advertise, post signs and otherwise promote any and all of the Sale as a "store closing," "going out of business" or similar type sale without further consent of any person (other than the Debtors), in accordance with the Sale Guidelines attached to the Agency Agreement as Exhibit 8.1 or as otherwise agreed to by and between the Purchasers and such landlord, without further compliance with state and local laws and regulations imposing licensing requirements, waiting periods and time limits, bulk sales and other restrictions upon the conduct of a GOB Sale;

provided, however, that the Debtors and the Purchasers, as Agent under the Agency Agreement, will continue to be bound by and must comply with state and local health, safety, and tax laws and state consumer protection laws relative to false and deceptive advertising with respect to the conduct of a GOB Sale at the Designated Locations.

24. Each and every federal, state or local agency, department or governmental authority with regulatory authority over a GOB Sale are directed to accept this Order and to allow the Debtors and the Purchasers, as Agent under the Agency Agreement, to consummate the transactions provided for in the Agency Agreement, including, without limitation, conducting and advertising of a GOB Sale in the manner contemplated by the Agency Agreement.

25. All utilities, lessors, creditors, and all persons acting for or on their behalf are directed not to interfere with or otherwise impede the conduct of any GOB Sale, institute in any court (other than in the Court) or before any administrative body any action that in any way directly or indirectly interferes with or obstructs or impedes the conduct of a GOB Sale in the manner contemplated by the Agency Agreement.

26. The Purchasers, as Agent under the Agency Agreement, are relieved from liability for any claims against the Debtors other than as expressly provided for in the Agency Agreement.

27. Implementation of an employee retention program under the terms detailed in Section 4.1(c) of the Agency Agreement in connection with and as a consequence of the Sale is authorized in an aggregate amount up to the Benefits Cap (as defined in the Agency Agreement), which amount shall be the Purchasers' (as Agent under the Agency Agreement) Expense (as defined in the Agency Agreement) of the GOB Sale, without prejudice to the Debtors' right to seek Court authority for additional sums for an employee retention program as the Purchasers'

Expense of the **GOB Sale** and the Committee's right to object to authorization and payment of such additional sums.

28. **This Order** shall be without prejudice to Debtors' right to seek an extension of time to assume or ~~reject its non~~residential real property leases pursuant to 11 U.S.C. § 365(d)(4) and the respective **landlords'** right to object to such extension request.

29. **The Proceeds** from the Sale shall be paid directly to Fleet Retail Finance, Inc., as agent, and treated **in accordance** with the terms and conditions of the Final Order (A) Authorizing Debtors **in Possession** to Obtain Interim Secured Post-Petition Financing with Priority Over all **Other Indebtedness**; (B) Approving Agreements Relating to the Foregoing; and (C) Granting **Related Relief** (the "Final Order"). Nothing contained in this Order is intended to or shall supercede **the Final Order**.

30. **The Debtors** are authorized and directed to pay to the Joint Venture of Hilco Merchant Resources, LLC and The Ozer Group LLC ("Hilco/Ozer") on demand the sum of \$50,000 for each of **SFMB and TMC** to compensate Hilco/Ozer for the benefits which Hilco/Ozer bestowed ~~upon the~~ Debtors' estates in evaluating each of TMC and SFMB, entering into the Revised **Agency Agreement** (as defined in the Amended Notice), providing a base bid, and participating **in the Auction**, plus up to an additional \$25,000 for each of SFMB and TMC in payment of Hilco/Ozer's actual expenses incurred in the conduct of due diligence, analysis, negotiation and **implementation** of the Revised Agency Agreement and participation in the Auction.

31. **To the extent** not otherwise prohibited by applicable law, the transfer of the Acquired Assets **pursuant to the APA** shall not be taxed under any stamp tax or similar tax pursuant to 11 U.S.C. § 1146(c).

32. The terms and provisions of the Purchase Agreement and this Order shall be binding in all respects upon, and shall inure to the benefit of, the Debtors, their estates, creditors, the Purchasers, and their respective affiliates, successors and assigns and any affected third parties (including, but not limited to, all persons asserting interests in Acquired Assets), notwithstanding any subsequent appointment of any trustees under any chapter, upon which trustee such terms and provisions likewise shall be binding.

33. The failure specifically to include any particular provisions of the APA or the Agency Agreement in this Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the APA and the Agency Agreement be authorized and approved in its entirety.

34. The APA, the Agency Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties, and in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment or supplement does not have a material adverse effect on the Debtors' estates.

35. This Order shall be effective immediately upon its entry. The stays provided under Bankruptcy Rules 6004(g) and 6006(d) are both hereby waived and no stay shall apply to the Sale or any transaction contemplated under the APA.

Dated: Wilmington, Delaware
June 12, 2003


Peter J. Walsh
Chief United States Bankruptcy Judge

Exhibit A

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of June ___, 2003, by and between **SAN FRANCISCO MUSIC BOX COMPANY, INC.**, a Delaware corporation ("Seller"), and Calendar Club SA, LLC, a Delaware limited liability company, and Great American Group, a California corporation ("Purchaser").

WHEREAS, Seller is a debtor and debtor-in-possession in that certain chapter 11 case pending before the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") and jointly administered as Case No. 03-11524 (PJW) (the "Bankruptcy Case");

WHEREAS, Seller is engaged in the distribution and sale of gift items (the "Business");

WHEREAS, Seller and Purchaser are parties to that certain Agency Agreement attached hereto as Exhibit A pursuant to which Purchaser or its designee shall have the right to conduct a "going out of business", "store closing" or similar theme sale (the "Sale") conducted in accordance therewith of certain inventory and other assets of Seller;

WHEREAS, Seller desires to sell to Purchaser, and Purchaser desires to purchase, certain assets or the right to liquidate certain assets of the Business, pursuant to the terms and conditions hereinafter set forth,

NOW, THEREFORE, in consideration of the foregoing, the mutual agreements, covenants, representations and warranties contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions hereinafter set forth the parties hereto, intending to be legally bound hereby, agree as follows:

1. Sale and Purchase of Certain Assets

1.1 The Acquired Assets. Subject to the terms and conditions contained in this Agreement, at the Closing (as defined in Section 3) Purchaser shall purchase from Seller, and Seller shall sell, convey, transfer, assign and deliver to Purchaser for the Purchase Price set forth in Section 2 below, all Seller's right, title and interest in and to:

(a) all Merchandise, signage, supplies, parts, machinery, equipment and goods of the Business;

(b) those leases for such stores identified in Schedule 1.1(b) hereto (the "Assumed and Assigned Leases");

(c) ~~all FF&E~~ in the Stores, any warehouse or any distribution center (subject to Purchaser's right to ~~abandon~~ such as provided in the Agency Agreement);

(d) ~~all personal property~~, tangible and intangible, wherever located of the Seller other than ~~Excluded Assets~~ (as hereinafter defined), and all assets or properties that are used or useful in the operation of the Business, including all of Seller's internet websites, customer lists, software, ~~including source codes~~, trademarks, tradenames (including the name "The San Francisco Music ~~Box~~ Company"), trade secrets, patents, patent applications, third-party licenses identified in ~~Schedule 1.1(d)~~(the "Assumed and Assigned Licenses"), molds, and all other forms of ~~intellectual property~~;

(e) To the extent permitted and assignable under applicable law or regulation, all licenses, ~~franchises~~, ~~permits~~, certificates, consents, and other governmental or quasi-governmental ~~authorizations~~ of Seller that permit, authorize or allow Seller to conduct the Business;

(f) All contracts that are to be assumed and assigned at the direction of the Purchaser pursuant to ~~Section 365~~ of the Bankruptcy Code and identified in Schedule 1.1(f)("Assumed and Assigned Contracts"), and all prepaid expenses, deposits, credits, notes, utility deposits and insurance ~~refunds~~ relating to the Assumed and Assigned Contracts, Licenses and Leases; and

(g) ~~The right~~ to liquidate the Merchandise pursuant to the Sale at the Rejected Stores upon the ~~terms set forth~~ in the Agency Agreement.

All of the items described in ~~this~~ Section 1.1 to be purchased by Purchaser that are not Excluded Assets as described in ~~Section 1.2~~ are hereinafter, collectively referred to as the "Acquired Assets." For purposes of ~~this~~ Agreement, the terms "Merchandise", "FF&E", "Retail Price", and "Stores" shall have the meaning ascribed to them in the Agency Agreement. Merchandise shall include all inventory purchased ~~hereunder~~ whether or not such inventory is liquidated pursuant to the Agency Agreement.

1.2 The Excluded Assets. Seller shall not sell, Purchaser shall not purchase or acquire and the Acquired Assets shall not include:

(a) Seller's corporate franchise, stock record books, corporate seal, corporate record books ~~containing minutes~~ of meetings of directors and stockholders, tax returns and records, books of account and ledgers, and such other records having to do with Seller's organization or stock capitalization;

(b) Any rights that accrue or will accrue to Seller under this Agreement and any claims or causes of action, including, without limitation, those arising under Chapter 5 of the Bankruptcy Code;

(c) The assets and properties used in the Business that have been disposed of since the date of this Agreement, if any, provided such disposition has been made in accordance with the terms hereof or in the ordinary course of business;

(d) Any and all cash and cash equivalents of Seller;

(e) Any and all real property of Seller other than the Assumed Leases and the FF&E set forth in Section 1.1 (c) above; and

(f) Any and all accounts receivable of Seller.

The assets described in this Section 1.2 are hereinafter collectively referred to as the "Excluded Assets."

1.3 Assumption and Assignment of Assumed Obligations. Subject to the terms and conditions set forth in this Agreement, Purchaser shall assume from Seller and thereafter be responsible as to the Assumed and Assigned Leases, the Assumed and Assigned Licenses and the Assumed and Assigned Contracts for the (a) payment of any amounts necessary to cure pre-petition defaults as contemplated in Section 365 of the Bankruptcy Code (the "Cure Costs") and (b) the payment, performance and/or discharge of any obligations arising after the Closing Date (collectively, the "Assumed Liabilities").

1.4 Leases, Contracts and Licenses to be Assumed and Assigned. Purchaser shall provide Seller with Schedules 1.1 (b), 1.1 (d), and 1.1 (f) on or prior to June 10, 2003. Purchaser shall be entitled at any time prior to court approval of the assumption and assignment of any lease, license or contract to remove any such lease, license or contract from the Schedules. Seller will promptly file a motion requesting to assume and assign to Purchaser each lease, license and contract identified on Schedules 1.1 (b), 1.1 (d) and 1.1 (f), and will file a motion seeking, and will exert its best efforts in support of, an order authorizing the assumption and assignment of such leases, licenses and contracts to Purchaser no later than five (5) business days after the date of the Closing.

1.5 Conditions of Sale. Except as set forth in any specific representations and warranties set forth in this Agreement, Seller is selling and Purchaser is buying the Acquired Assets "as is" as of the Closing Date.

2. Purchase Price.

2.1 Purchase Price for Various Assets to be Acquired. The purchase price ("Purchase Price") for the Acquired Assets shall be (i) an amount equal to \$4,480,000 (the "Cash Portion"), and (ii) the assumption of the Assumed Liabilities; provided, however, that the amount of the Cash Portion of the Purchase Price shall be adjusted as provided below based upon the aggregate Retail Price of the Merchandise. Purchaser and Seller shall cause a physical inventory to be taken of the Merchandise in accordance with Section 5 of the Agency Agreement. The

Cash Portion shall be increased by an amount equal to twenty-two percent (22%) of the amount by which the aggregate Retail Price of the Merchandise exceeds \$16,600,000 (the "Target Amount"). Conversely, in the event that the aggregate Retail Price of the Merchandise exceeds \$15,000,000 but is less than the Target Amount, the Cash Portion shall be reduced by an amount equal to twenty-two percent (22%) of the amount by which the aggregate Retail Price of the Merchandise is less than the Target Amount. In the event that the aggregate Retail Price of the Merchandise is less than \$15,000,000, then the Cash Portion shall be calculated as the amount equal to the aggregate Retail Price of the Merchandise multiplied by the appropriate factor in accordance with Schedule 2.1 hereto plus \$828,000.

2.2 Payment of Purchase Price. At Closing, \$3,680,000 of the Cash Portion of the Purchase Price will be paid to Seller by wire transfer of immediately available funds. The balance of the Cash Portion (\$800,000) will be payable at Closing to a mutually acceptable escrow agent to be held subject to the terms of the Escrow Agreement attached hereto as Exhibit B to provide for adjustment of the Purchase Price as provided above based upon the aggregate Retail Price of the Merchandise.

3. Closing.

3.1 Closing Date. The closing of the transaction contemplated by this Agreement (the "Closing") will take place at 10:00 A.M. (prevailing Eastern Time) on the first business day after the date on which the Bankruptcy Court enters the Sale Order (as defined in Section 7.2 hereof) (the "Closing Date").

3.2 Transfer Expenses. The Seller shall seek to exempt the transaction (as defined above) contemplated herein from any Transfer Tax pursuant to Section 1146 (c) of the Bankruptcy Code. In the event that Seller uses reasonable efforts to exempt the sale of the Acquired Assets from Transfer Taxes, but is not successful, then all sales, use, transfer and all other non-income taxes, and any fees incurred in connection with the purchase and sale of the Acquired Assets (the "Transfer Taxes") shall be borne by Purchaser. Purchaser shall file all necessary tax returns and other documents required to be filed with respect to all such Transfer Taxes. The parties will cooperate to the extent reasonably necessary to make such filings or returns as may be required.

3.3 Allocation of Purchase Price. The parties agree that the Purchase Price shall be allocated among the Assets as the parties may mutually agree. The parties agree that they will report the federal, state, local and other tax consequences of the purchase and sale hereunder in a manner consistent with their respective obligations under applicable law and rules.

4. Liquidation of Certain Assets

4.1 Assets to be Liquidated. The "Rejected Stores" shall be those Stores at which the Sale will occur and shall consist of the Stores for which leases are not assigned to

~~Purchaser~~ pursuant to Sections 1.1 and 1.4 above. Subject to the approval of the Bankruptcy Court and pursuant to the terms of the Agency Agreement, Purchaser shall act as exclusive agent of ~~Seller~~ for the purpose of liquidating the Merchandise and the FF&E at the Rejected Stores.

4.2 Proceeds of Liquidation. The proceeds of the sale of the Merchandise and the FF&E to be liquidated pursuant to the Agency Agreement shall be paid and distributed ~~subject to~~ and in accordance with the terms of the Agency Agreement.

4.3 Interplay of Asset Purchase Agreement and Agency Agreement. If any ~~term or provision~~ hereof conflicts with any term or provision of the Agency Agreement, the ~~applicable~~ term or provision of the Agency Agreement shall govern.

5. Seller's Representations. Seller hereby represents, warrants and covenants to ~~Purchaser~~ the following, which representations, warranties and covenants shall be true and ~~correct~~ on the date of this Agreement and on the Closing Date:

5.1 Organization. Seller is duly incorporated, validly existing and in good ~~standing~~ under the laws of the State of Delaware. Seller is licensed, registered, qualified or ~~admitted~~ to do business in each jurisdiction in which the ownership, use or leasing of any of ~~Seller's~~ assets or properties (including the Acquired Assets), or the conduct or nature of the ~~Business~~, makes such licensing, qualification or admission necessary, except where such failure ~~would not~~ have a material adverse effect.

5.2 Powers; Consents; Absence of Conflicts. Subject to approval of the ~~Bankruptcy~~ Court, Seller has the requisite power and authority to conduct its businesses as now ~~being~~ conducted, to enter into this Agreement and to perform its obligations hereunder, and the ~~execution~~, delivery and performance by Seller of this Agreement and the consummation of the ~~transactions~~ contemplated by this Agreement:

(a) are within Seller's powers, are not in contravention of the terms of its ~~certificate~~ of incorporation or bylaws, each as amended to date, and have been duly ~~authorized~~ by all necessary board of director and stockholder actions;

(b) except as otherwise expressly provided in this Agreement, do not ~~require~~ any approval or consent of, or filing with, any Governmental Authority;

(c) do not conflict with or result in any breach or contravention of, any ~~Assumed~~ Contract to which Seller is a party or by which it is bound; and

(d) do not violate any legal requirement to which Seller or the ~~Acquired~~ Assets may be subject.

5.3 Binding Agreement. Subject to approval of the Bankruptcy Court, this ~~Agreement~~ and all instruments and agreements hereunder to which Seller is or becomes a party

are (or upon execution will be) valid and legally binding obligations of Seller, enforceable against Seller in accordance with the respective terms hereof or thereof.

5.4 [Intentionally Omitted]

5.5 Title to Personal Property. At Closing, Seller will convey to Purchaser good and valid title to all the Acquired Assets free and clear of any and all Encumbrances. As used herein, "Encumbrances" shall mean any claim, judgment, license, lease, sublease, lien, pledge, option, charge, easement, security interest, deed of trust, mortgage, right-of-way, encroachment, building or use restriction, conditional sales agreement, title retention arrangement which is intended as security, capitalized lease under generally accepted accounting principles, encumbrance or other right of third parties, whether voluntarily incurred or arising by operation of law, and includes, without limitation, any agreement to give any of the foregoing in the future, and any contingent sale or other title retention agreement or lease in the nature thereof, and any "claim", "lien", or "security interest" as those terms are defined in the Bankruptcy Code.

5.6 The Assumed Liabilities. Except as provided in the applicable Assumed and Assigned Contracts, Assumed and Assigned Leases and Assumed and Assigned Licenses, and subject to (i) an order of the Bankruptcy Court permitting the assumption and assignment of such contracts, leases and licenses and (ii) the payment of any pre-petition Cure Costs due thereunder:

(a) the Assumed Liabilities constitute lawful, valid and legally binding obligations of Seller and are enforceable against Seller in accordance with their terms;

(b) each of the Assumed Liabilities is in full force and effect and constitutes the entire agreement by and between the parties thereto;

(c) none of the Assumed Liabilities prohibits or requires the consent of any person to the assignment to and assumption by Purchaser of the Assumed Liabilities;

(d) none of the Assumed Liabilities will prohibit competition or restrict the ability of Purchaser to engage in any lawful business after Closing; and

(e) the assignment of the Assumed Liabilities to and assumption of such Assumed Liabilities by Seller will not result in any penalty, premium or variation of the rights, remedies, benefits or obligations of any party thereunder.

5.7 Taxes.

(a) Seller has duly paid or made provision for the payment of all taxes; and, as of Closing, there will be no encumbrances on any Acquired Assets that arose in connection with any failure (or alleged failure) to pay any tax.

(b) Seller has withheld proper and accurate amounts from its employees' compensation in full and complete compliance with all withholding and similar provisions of the Code and any and all other applicable legal requirements, and has withheld and paid, or caused to be withheld and paid, all taxes on monies paid by Seller to independent contractors, creditors and other persons for which withholding or payment is required by applicable law.

5.8 Brokers and Finders. Neither Seller nor any stockholder, officer, director, employee or agent thereof, has engaged any finder or broker in connection with the transactions contemplated by this Agreement.

5.9 Operation of the Business. The Acquired Assets constitute all assets, properties, goodwill and businesses necessary to operate the Business in all material respects in the manner in which it has been operated by Seller.

5.10 Accuracy of Due Diligence Materials. To the best of Seller's knowledge, all information provided by Seller to Purchaser in the course of its due diligence and preparation and negotiation of this Agreement is as of the date hereof, and shall remain as of the Closing Date, true and accurate in all material respects.

6. Purchaser's Representations. Purchaser hereby represents, warrants and covenants to Seller the following, which representations, warranties and covenants shall be true and correct on the date of this Agreement and, except as otherwise noted, on the Closing Date:

6.1 Organization. Purchaser is comprised of Calendar Club SA, I.L.C, a limited liability company duly organized and validly existing under the laws of the State of Delaware and Great American Group, a corporation validly existing under the laws of the State of California. Purchaser is duly qualified or licensed to transact business as a foreign corporation in good standing in each State of the United States and foreign jurisdictions where the character of its assets or the nature or conduct of its business requires it to be so qualified or licensed, except where such failure would not impact Purchaser's ability to consummate the transactions contemplated by this Agreement.

6.2 Authorization. Purchaser has the corporate power and authority necessary to enter into and perform its obligations under this Agreement and the Other Agreements to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the other agreements with Seller to which it is a party have been approved by all necessary action of the board of directors and stockholders of Purchaser. This Agreement has been, and the Other Agreements to which it is a party will be, executed and delivered by duly authorized officers of Purchaser.

6.3 Binding Obligation. This Agreement and the other agreements to which Purchaser is a party, when executed and delivered by Purchaser, will constitute legal, valid and binding obligations of Purchaser in accordance with their respective terms, except to the extent

that the ~~enforcement~~ thereof may be limited by bankruptcy, reorganization, insolvency or similar laws of ~~general~~ applicability governing the enforcement of the rights of creditors or by the general ~~principles~~ of equity (regardless of whether considered in a proceeding at law or in equity).

6.4 Validity of Contemplated Transactions. Restrictions. The execution, delivery ~~and performance~~ of this Agreement and the Other Agreements by Purchaser and the consummation of the transactions contemplated hereby and thereby, will not (i) violate any provision of the certificate of incorporation or bylaws of Purchaser, or (ii) result in a violation by Purchaser of any law or order of any court or governmental unit to which Purchaser is subject, or by which ~~its~~ assets are bound.

6.5 Consents and Approvals. No consent, approval or authorization or declaration, ~~filing~~ or registration with any governmental authority, or any other person, is required ~~to be made~~ or obtained by Purchaser in connection with the execution, delivery and performance of this Agreement, the Other Agreements and the consummation of the transactions contemplated hereby and thereby.

6.6 Brokers and Finders. Purchaser has not incurred any liability to any party for any ~~brokerage~~ fees, agent's commissions or finder's fees in connection with the purchase of the Business or the Acquired Assets.

6.7 Funding. Purchaser will, on the Closing Date, have available cash to consummate the transactions contemplated hereby.

7. Closing Deliveries. At the Closing, the parties shall exchange all documents, duly executed, required to consummate the transactions contemplated by this Agreement, and such other ~~items~~ necessary to consummate the Closing, including, but not limited to:

7.1 Seller shall deliver to Purchaser, bills of sale, deeds, transfers and other instruments of conveyance, as appropriate, all in form reasonably satisfactory to Purchaser and its counsel, with respect to all the Acquired Assets, provided, however, that Seller shall not be required to deliver to Purchaser the Assumed and Assigned Leases, Assumed and Assigned Licenses and the Assumed and Assigned Contracts until such time, if ever, as an order is entered by the Bankruptcy Court in the Bankruptcy Case permitting Seller's assumption and assignment of the Assumed and Assigned Leases, Assumed and Assigned Licenses and Assumed and Assigned Contracts;

7.2 Seller shall deliver to Purchaser, a certified copy of an order of the Bankruptcy Court approving this Agreement and authorizing Seller to consummate the transactions contemplated by this Agreement (the "Sale Order"). The Sale Order shall (i) include a finding that Purchaser is a good faith purchaser entitled to the protections of Section 363(m) of the Bankruptcy Code and (ii) provide that Purchaser is obtaining the Acquired Assets free and clear of any Encumbrance;

7.3 Purchaser shall deliver to Seller the Cash Portion of the Purchase Price;
and

7.4 Purchaser shall deliver to Seller a certified copy of the resolutions of the Board of Directors of Purchaser, in a form reasonably satisfactory to Seller, authorizing the execution and delivery of this Agreement and the consummation of the purchase and sale contemplated hereby.

8. Covenants. Seller covenants and agrees with Purchaser, and Purchaser covenants and agrees with Seller, as follows:

8.1 Conduct of Business Prior to Closing. From the date hereof to the Closing Date, and except to the extent that Purchaser shall otherwise consent in writing, Seller shall, subject to any limitations imposed as a result of the Bankruptcy Case:

(a) operate the Business in all material respects in compliance with past practices;

(b) not sell or otherwise dispose of any real or personal property or asset that would be an Acquired Asset hereunder, except for sales or transfers of products and services made in the ordinary course of business and consistent with past practices;

(c) maintain the Acquired Assets in their present order and condition, reasonable wear and use excepted, and maintain all material policies of insurance covering the Acquired Assets in amounts and on terms substantially equivalent to those in effect on the date hereof; and

(d) comply in all material respects with all laws applicable to the conduct of the Business and the ownership of the Acquired Assets.

8.2 Notification of Changes. Between the date hereof and the Closing Date, Seller shall promptly notify Purchaser in writing of any material damage to or material loss of any of the Acquired Assets.

8.3 Conditions Precedent. Seller shall use commercially reasonable efforts to satisfy the conditions enumerated in Section 9 hereof, and Purchaser shall use commercially reasonable efforts to satisfy the conditions enumerated in Section 10 hereof.

9. Conditions Precedent to Purchaser's Obligations. All of the obligations of Purchaser under this Agreement are subject to the satisfaction of each of the following conditions on or before the Closing any of which may be waived by Purchaser in its sole discretion:

9.1 Certificate Regarding Schedules and Representations and Warranties. All information required to be furnished or delivered by Seller pursuant to this Agreement shall have

been furnished or delivered as of the date hereof and as of the Closing Date, as required hereunder; the representations and warranties made by Seller in Section 5 shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date (except that such representations and warranties may be untrue or incorrect as a result of actions or transactions expressly permitted by this Agreement or actions or transactions of Seller made with the prior written consent of Purchaser); and Purchaser shall have received a certificate, dated as of the Closing Date and executed by Seller, to such effect.

9.2 Compliance by Seller. Seller shall have duly performed in all material respects all of the covenants, agreements and conditions contained in this Agreement to be performed by Seller on or prior to the Closing Date, and Purchaser shall have received a certificate, dated as of the Closing Date and executed by Seller, to such effect.

9.3 No Injunction. No injunction or stay pending appeal shall have been entered precluding the consummation of the transactions contemplated by this Agreement.

9.4 Execution of Agency Agreement. Seller and Purchaser shall have entered into the agreement relating to the sale of certain Merchandise of Seller attached hereto as Exhibit "A" (the "Agency Agreement"), the terms of which are hereby incorporated by reference.

9.5 Entry of Orders. The Sale Order shall have been entered on the docket in the Bankruptcy Case by the Clerk of the Bankruptcy Court and shall not be subject to a stay.

9A. Condition Subsequent. Within five (5) business days of the Closing Date, Seller shall have submitted a motion to the Bankruptcy Court seeking an order or orders permitting the assumption and assignment of the Assumed Leases, Licenses, and Contracts, in form and substance reasonably satisfactory to Purchaser.

10. Conditions Precedent to Seller's Obligations. All of the obligations of Seller under this Agreement are subject to the satisfaction of each of the following conditions on or before the Closing any of which may be waived by Seller in its sole discretion:

10.1 Certificate Regarding Representations and Warranties. All information required to be furnished or delivered by Purchaser pursuant to this Agreement shall have been furnished or delivered as of the date hereof and the Closing Date as required hereunder; the representations and warranties made by Purchaser in Section 6 hereof shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date; and Seller shall have received a certificate, dated as of the Closing Date and executed by Purchaser, to such effect.

10.2 Compliance by Purchaser. Purchaser shall have duly performed in all material respects all of the covenants, agreements and conditions contained in this Agreement to

be performed by Purchaser on or before the Closing Date, and Seller shall have received a certificate, dated as of the Closing Date and executed by Purchaser, to such effect.

10.3 No Injunction. No injunction or stay pending appeal shall have been entered precluding the consummation of the transactions contemplated by this Agreement.

10.4 Execution of Agency Agreement. Seller and Purchaser shall have entered into the Agency Agreement.

10.5 Entry of Sale Order. The Sale Order shall have been entered on the docket in the Bankruptcy Case by the Clerk of the Bankruptcy Court and shall not be subject to a stay.

10.6 Delivery of Schedules. Purchaser shall have delivered Schedules 1.1(b), 1.1(d) and 1.1(f) to Seller on or prior to June 10, 2003.

11. Employee Matters

11.1 Employment by Buyer. Purchaser may in its sole discretion offer to employ Seller's employees. All obligations or liabilities including, without limitation, with respect to accrued vacation, sick day, personal day, wages, or other similar pay owing to (i) Seller's employees not hired by Purchaser (including, without limitation, severance payments for any such employees not retained by Seller) and (ii) Seller's employees hired by Purchaser in respect of their employment by Seller on or prior to the Closing Date are the sole responsibility, liability and obligation of Seller. Purchaser shall not have any liability or obligation to the Seller for any employees of the Seller from and after the Closing Date or in respect of any severance or other costs relating to the termination of employment of any of Seller's employees or in respect of any liability or obligation of Seller under any Employee Plan. Any employment arrangement between Purchaser and any of Seller's employees to be hired by Purchaser as of the Closing Date (each a "Transferred Employee") shall be employment at the will of Purchaser and each Transferred Employee. Either the Buyer or Transferred Employee shall be entitled to terminate the employment arrangement at any time for any reason, with or without cause, and with or without notice to the other. Nothing herein or elsewhere will be construed as a commitment to employ any Transferred Employee (or any employee) for any period of time or to pay any Transferred Employee (or any employee) any severance pay.

11.2 Payroll Matters. For up to three (3) weeks after Closing, Seller shall process and pay the base payroll and all related payroll taxes, worker's compensation, employment and unemployment insurance, and benefits for all Transferred Employees in accordance with its usual and customary procedures.

12. Expenses. Purchaser and Seller shall each pay their own expenses incurred in connection with this Agreement and the transactions contemplated herein, whether or not the transactions contemplated herein are consummated.

13. Termination

13.1 Method of Termination. This Agreement may be terminated prior to the Closing as follows:

- (a) by mutual written agreement of Purchaser and Seller;
- (b) by either Purchaser or Seller if there shall be in effect a final order restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby;
- (c) by either Purchaser or Seller (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained herein), if there shall have been a material breach or material misrepresentation of any of the representations or warranties or a material breach of any of the covenants set forth in this Agreement on the part of the other party, which breach is not cured within ten days following written notice to the party committing such breach or which breach, by its nature, cannot be cured prior to the Closing;
- (d) by Purchaser or Seller if the Bankruptcy Court enters an order approving a sale by Seller of all the Acquired Assets other than to Purchaser; provided, however, that the Bankruptcy Court's entry of an order approving the sale of certain assets of Seller in the event Purchaser fails to close under this Agreement shall be permissible; or
- (e) by Seller if the Closing shall not have been consummated by the Closing Date (or by such later date as shall be mutually agreed to by Purchaser and Seller in writing), unless the Closing has not occurred due to a material failure of Seller to perform or observe its agreements or covenants as set forth in this Agreement required to be performed or observed by it on or before the Closing Date.

13.2 Effect of Termination or Breach. If the transactions contemplated hereby are not consummated, this Agreement shall become null and void and of no further force and effect. In the event of a termination pursuant to this Section for any reason other than a material breach by Purchaser, Seller shall pay to Purchaser a break-up fee of \$50,000 plus up to an additional \$25,000 in payment of Purchaser's actual expenses incurred in the conduct of due diligence, negotiation of this Agreement and participation in an auction related to the Acquired Assets.

13.3 Notice of Termination. Notice of termination of this Agreement, as provided for in this Section 13, shall be given by the parties so terminating to the other parties hereto in accordance with Section 19 of this Agreement.

14. Submission to Jurisdiction THE PARTIES HEREBY AGREE THAT ANY AND ALL CLAIMS, ACTIONS, CAUSES OF ACTION, SUITS, AND PROCEEDINGS

RELATING TO THIS AGREEMENT OR THE OTHER AGREEMENTS CONTEMPLATED HEREIN SHALL BE FILED AND MAINTAINED ONLY IN THE BANKRUPTCY COURT, AND THE PARTIES HEREBY CONSENT TO THE JURISDICTION OF SUCH COURT.

15. **Binding**. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective representatives, successors and assigns.

16. **Entire Agreement**. This Agreement, and accompanying schedules and exhibits, contain the full and complete understanding of the parties hereto with respect to the acquisition of the Acquired Assets and all other transactions contemplated herein, and supersedes all prior agreements or understandings among the parties hereto relating to the subject matter hereof.

17. **Assignment**. Neither party to this Agreement shall be permitted to assign its rights hereunder without the written consent of the other party.

18. **Amendment**. This Agreement may be amended, modified or supplemented only by a written instrument signed by both Purchaser and Seller.

19. **Notices**. All notices, requests, demands and other communications under this Agreement to the parties shall be in writing and shall be personally delivered or sent by commercial courier, facsimile (with the original by mail) or certified or registered mail, postage prepaid, to the following addresses:

If to Seller: The San Francisco Music Box Company, Inc.
 c/o The Museum Company, Inc.
 695 Route 46 West
 Fairfield, NJ 07004
 Attn: Holly Felder Etlin
 Tel: (212)610-5600
 Fax: (212)610-5601

with a copy to: Young Conaway Stargatt & Taylor, LLP
 The Brandywine Building
 1000 West Street, 17th Floor
 Wilmington, DE 19801
 Attn: Craig D. Gear, Esq.
 Tel: (302)571-6612
 Fax: (302)576-3296

 Traub, Bonacquist & Fox, LLP
 655 Third Avenue – 21st Floor
 New York, NY 10017
 Attn: Michel S. Fox, Esq.
 Tel: (212)476-4770

Fax: (212)476-4787

If to Purchaser: Great American Group
One Parkway North, Suite 520
Deerfield, IL 60015
Attn: Thomas E. Pabst
Tel: (847) 444-1400
Fax: (847) 444-1401

Calendar Club SA, LLC
6411 Burleson Road
Austin Texas 78744
Attn: James Hull
Tel: (512) 369-6117
Fax: (512) 369-6198

with a copy to: Jaffe Raitt
One Woodward Avenue, Suite 2400
Detroit, MI 48226
Attn: Peter Sugar
Tel: (313) 964-8244
Fax: (313) 961-8358

Any party may change its address for purposes of this Section 19 by giving notice to the other party of the new address in the manner set forth herein. Any notice given as set forth herein shall be deemed to be received on the earlier of actual receipt or three (3) business days after being sent.

20. **Time of Essence.** It is agreed that time is of the essence and the performance and satisfaction of this Agreement and each of the conditions specified in Section 9 and Section 10 of this Agreement are material for purposes of this Agreement.

21. **Severable.** In the event any one or more of the provisions herein shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement and any application thereof shall not in any way be affected or impaired thereby.

22. **Counterparts and Facsimile Signatures.** This Agreement may be executed in one or more counterparts and by facsimile signatures, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement.

23. **Seller's Access to Books and Records.** Following the Closing Date, Purchaser shall provide Seller with reasonable access, during normal business hours and at Seller's

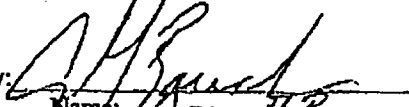
expense, to the books and records of the business being acquired by Purchaser pursuant to this Agreement.

24. Bidding Procedures. Seller shall conduct an auction of the Acquired Assets beginning at 9:00 a.m. on June 10, 2003, at which auction only Qualified Bidders shall be entitled to participate. The initial overbid for the purchase of the Acquired Assets shall be the Purchase Price plus an additional \$100,000 and subsequent bids shall be for an increase of not less than \$25,000.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their respective duly authorized officers as of the date first above written.


SELLER:

SAN FRANCISCO MUSIC BOX COMPANY, INC.

By: 
Name: Craig H. Brouse
Title: CFO

PURCHASER:

GARCEL, INC. d/b/a GREAT AMERICAN GROUP

By: 
Name: Mark P. Doughton
Title: Vice President / General Counsel

CALENDAR CLUB SA, LLC

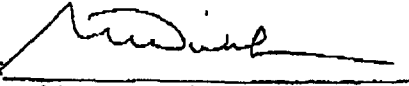
By: 
Name: M. WINKELMAN
Title: Pres.

Exhibit "A"

AGENCY AND LICENSE AGREEMENT

This Agency and License Agreement (the "Agreement") is made as of this day of June, 2003, by and between a joint Venture of Garcel, Inc. d/b/a Great American Group and Calendar Club, I.L.C (collectively, the "Agent") and San Francisco Music Box (the "Merchant").

RECITALS

WHEREAS, each entity comprising Merchant is a debtor and debtor in possession under Chapter 11 of the United States Bankruptcy Code, in Chapter 11 Case No. 03-11524 (PJW) (the "Case") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court");

WHEREAS, Merchant and Agent are parties to that certain Asset Purchase Agreement, dated, June __, 2003 (the "Asset Purchase Agreement"), pursuant to which Agent, inter alia, acquired or is to acquire all of Merchant's Merchandise (as defined herein) in Merchant's retail stores locations (collectively, the "Stores"), and pursuant to which Agent and Merchant are to enter into this agreement in order for Agent to conduct certain liquidation or store closing sales (the "Sale") at the Stores identified on Exhibit 1A hereto (collectively, the "Rejected Stores") and Merchant's distribution center (the "Distribution Center", and together with the Stores, the "Rejected Locations");

WHEREAS, Agent has selected the Stores identified on Exhibit 1B hereto as the locations at which Agent has requested Merchant assume and assign the subject non-residential real property leases, at which Agent shall continue to operate and therefore the Sale shall not be conducted (collectively, the "Go Forward Stores");

WHEREAS, Merchant desires that Agent act as Merchant's exclusive agent for the limited purpose of (a) selling all of the Merchandise (as hereinafter defined) located or to be located in the Rejected Locations ("Designated Location"), by conducting a "going-out-of-business", "store closing", or similar theme sales (the "Sale") at the Rejected Stores; and (b) disposing of Merchant's owned FF&E located at the Rejected Locations, subject to the terms and conditions set forth herein;

WHEREAS, pursuant to the Asset Purchase Agreement, Agent, or its designee shall acquire, inter alia, the trademarks, trade names, and intellectual property as identified in the Asset Purchase Agreement, that are owned and/or licensed by Merchant (the "Trademarks")

WHEREAS, Merchant has agreed to, subject to the approval of the Court, to grant Agent a license to use the Rejected Stores for the purpose of conducting the Sale, with such Sale to be completed by Agent no later than September 30, 2003 (the "Store Closing License");

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Agent and Merchant hereby agree as follows:

Section 1.

1.1 Defined Terms. The terms set forth below are defined in the Sections referenced of this Agreement:

<u>Defined Term</u>	<u>Section Reference</u>
Agency Accounts	Section 3.3(c)
Agency Documents	Section 11.1(b)
Agent	Preamble
Agent Claim	Section 12.5
Agent Indemnified Parties	Section 13.1
Agent's Fee	Section 3.1(b)
Agreement	Preamble
Approval Order	Section 10(b)
Auction	Section 6.4
Benefits Cap	Section 4.1(c)
Central Services Expenses	Section 4.1
Defective Merchandise	Section 5.2(b)
Designated Merchant Accounts	Section 3.3(d)
Event of Default	Section 14
Excluded Benefits	Section 4.1
Expenses	Section 4.1
Expense L/C	Section 4.2(a)
Final Reconciliation	Section 3.4
FF&E	Section 15
FF&E Election	Section 15
Going Concern Buyer	Section 6.4
Gross Rings	Section 6.3
Inventory Completion Date	Section 5.1
Inventory Date	Section 5.1
Inventory Taking	Section 5.1
Inventory Taking Instructions	Section 5.1

Inventory Taking Service	Section 5.1
License	Section 8.6
Merchandise	Section 5.2(a)
Merchant	Preamble
Occupancy Expenses	Section 4.1
Proceeds	Section 7.1
Retail Price	Section 5.3
Retained Employee	Section 9.1
Retention Bonuses	Section 9.4
Sale	Recitals
SFMB Sale Commencement Date	Section 6.1
Sale Guidelines	Section 8.1
Sale Term	Section 6.1
Sale Termination Date	Section 6.1
Sales Taxes	Section 8.3
Store(s)	Recitals
Third Party	Section 4.1

1.2 Exhibits. The Exhibits and Schedules annexed to this Agreement, as listed below, are an integral part of this Agreement:

<u>Exhibit</u>	<u>Section Reference</u>	<u>Description</u>
Exhibit 1A	Recitals	List of Rejected Locations
Exhibit 4.1(a)	Section 4.1(a)	Occupancy Expense Schedule
Exhibit 4.2(a)	Section 4.2(a)	Form of Expense L/C
Exhibit 4.2(a)(1)	Section 4.1(a)	Amended Exhibit A to Expense L/C
Exhibit 5.1	Section 5.1	Inventory Taking Instructions
Exhibit 8.1	Section 8.1	Sale Guidelines
Exhibit 10	Section 10(b)	Form of Approval Order
Exhibit 12.4	Section 12.4	Agent Insurance Policies

1.3 Currency. Unless otherwise specified, all references to monetary amounts refer to United States dollars.

Section 2. [Intentionally Omitted]

Section 3.1. Reconciliation of Purchase Price/Overpayments/Adjustment Amounts

(a) Agent shall be permitted to satisfy a portion of its payment obligations under this Agreement by offsetting undisputed Proceeds or Go Forward Store Proceeds held by

Merchant or Lenders against such payment obligations; provided however, nothing contained in this Section 3.1(a) shall be deemed to amend, modify or otherwise affect the timing of Agent's obligations to pay the Purchase Price under the Asset Purchase Agreement.

(b) To the extent that it appears after the Final Reconciliation provided for in Section 3.1(c) below that Agent has made payments hereunder or under the Asset Purchase Agreement to or for the benefit of Merchant which, in the aggregate, exceed the amounts otherwise due Merchant in respect of the Purchase Price, Expenses, or any other amount due Merchant hereunder such that the Merchant was overpaid, to the extent that Merchant does not have sufficient amounts to refund the overpayment, the Lenders shall cause any overpayment to be immediately refunded to Agent to the extent that the Lenders have received payment of such funds and the Merchant has no funds with which to do so; provided however, Agent must assert a demand for such repayment from the Lenders within fourteen (14) days after the Final Inventory Report is issued; and provided further however, any repayment of an over payment shall first be made from assets of Merchant, and any deficiency by the Lenders. For this purpose, any undisputed overpayment shall constitute an administrative expense of the bankruptcy estates of Merchant

(c) Final Reconciliation. (a) Within thirty (30) days after the Sale Termination Date, Agent and Merchant, in consultation with Fleet and the Committee, shall jointly prepare a final reconciliation of the Sale including, without limitation, a summary of Proceeds, taxes, Expenses, and any other accountings required hereunder (the "Final Reconciliation"). Within five (5) days of completion of the Final Reconciliation, any undisputed and unpaid Expenses shall be paid by Agent. In the absence of an order of the Bankruptcy Court, no such disputed amount(s) shall be paid until the dispute has been resolved by agreement of the parties or as determined in the manner prescribed in Section 3.4(b) hereof. During the Sale Term, and until all of Agent's obligations under this Agreement have been satisfied, Merchant and Agent shall have reasonable access to Merchant's and Agent's records with respect to Proceeds, taxes and Expenses to review and audit such records. Merchant and Agent hereby agree to submit to the jurisdiction of the Bankruptcy Court for such determination.

Section 4. Expenses of the Sale.

4.1 Expenses. Agent shall be unconditionally responsible for payment of all Expenses incurred and when due in conducting the Sale during the Sale Term, which expenses may be funded and paid from the Proceeds of the Sale whether or not Proceeds are available, to the extent available and in accordance with Section 4.2 below. As used herein, "Expenses" shall mean all Store operating expenses of the Sale which arise during the Sale Term at the Stores, limited to the following (unless otherwise specified herein):

- (a) Occupancy Expenses, on a per Store (including the Go Forward Stores until the effective date of the assumption and assignment of the respective non-residential real property leases) and Distribution Center, per diem

basis in an aggregate amount equal to the per diem amounts set forth on Exhibit 4.1(a) annexed hereto;

- (b) Payroll for all Rejected Locations -level Retained Employees used in conducting the Sale for the actual days worked (or in the case of hourly employees, the hours worked) in connection with the Sale;
- (c) Any amounts payable or accrued by Merchant for benefits for Retained Employees (including, but not limited to, FICA, unemployment taxes, workers' compensation and health care insurance benefits, pension and 401-K benefits, but excluding Excluded Benefits), used in the Sale, in an amount equal to actual expenses incurred up to a maximum of twenty-four (24%) of base payroll for each Retained Employee ("Benefits Cap");
- (d) Actual costs of Agent's on-site supervision, supervisor travel and supervisor bonuses;
- (e) In-Store signs and banners which are produced for the Sale;
- (f) Promotional costs including, without limitation, advertising, and direct mail, and any advertising medium produced for the Sale;
- (g) The costs and expenses of obtaining additional supplies as may be required by Agent to conduct the Sale;
- (h) All telephone, postage/overnight or delivery/courier charges, water, heating electricity and other utility charges;
- (i) Credit card and bank card fees (including processing fees), chargebacks and discounts;
- (j) Costs of moving, transferring or consolidating merchandise between the Stores;
- (k) A pro rata share of Merchant's casualty, property, general liability and workers' compensation insurance premiums attributable to the Rejected Locations;
- (l) Trash removal and ordinary course third party cleanings;
- (m) Designated Location security and building alarm services, to the extent not included as an Occupancy Expense;

- (n) Fifty percent (50%) of cost of the physical inventory taking (Agent's portion) by the Inventory Taking Service and 50% of the actual payroll and related costs for the Retained Employees who work during the Inventory Taking at the Stores (including the Go Forward Stores) and the Distribution Center;
- (o) Agent's actual cost of capital and letter of credit fees and reasonable legal fees and expenses;
- (p) Armored car fees;
- (q) Central Services Expenses at the rate of \$250 per Store (including the Go Forward Stores) for each week during the Sale Term during which such Store is open for business, prorated for the portion of any week during which such Store is closed; provided however the Agent can terminate its obligation to pay \$250 per week for each of the Go Forward Stores by delivering a notice to Merchant that Agent no longer requires that Merchant provide Central Service assistance (including the used of the Designated Merchant Accounts) with respect to the Go Forward Stores;
- (r) Retention Bonuses for Retained Employees as provided for in Section 9.4 hereof;
- (s) Actual costs and expenses associated with the operation of the Distribution Centers during the first three (3) weeks of the Sale in an amount not to exceed \$153,000 (the "DC Operation Cap"), which expenses shall include, but shall not be limited to, occupancy expenses for the Distribution Center and payroll for Distribution Center employees as set forth in Sections 4.1(a), 4.1(b), 4.1(c), and 4.1(m) hereof; provided however, Merchant, in consultation with Agent shall be responsible to coordinating the operation of such Distribution Center.
- (t) Actual costs of transferring Distribution Center and On-Order Merchandise to the Stores, up to an amount not to exceed \$66,000 (the "DC Merchandise Transfer Cap", provided however, Merchant, in consultation with Agent shall be responsible to coordinating the transfer of the Distribution Center and On-Order Merchandise to the Stores;
- (u) Third-Party payroll processing fees;

(v) The costs of transferring Merchandise between the Stores the Distribution Center; and

(w) Such other and further costs and expenses as Agent deems necessary or appropriate.

"Expenses" shall not include: (i) any Central Services Expenses, except as provided for in Section 4.1(q) hereof; (ii) Excluded Benefits; (iii) any rent or other occupancy expenses other than Occupancy Expenses in accordance with Section 4.1(a) hereof; and (i) any costs, expenses or liabilities (except as otherwise provided herein and in sections 6.2, 9.2, 12.5 and 13.2) arising during the Sale Term, other than the Expenses listed above, all of which shall be paid by Merchant promptly when due during the Sale Term. Notwithstanding anything herein to the contrary, to the extent that an Expense listed in Section 4.1 is also included on Exhibit 4.1(a), then Exhibit 4.1(a) shall control and such Expense shall not be double counted.

As used herein, the following terms have the following respective meanings:

"Central Services Expenses" means costs and expenses for Merchant's central administrative services necessary for the Sale, including, but not limited to, MIS services, inventory processing and handling and data processing and reporting to the extent such services are normally provided by Merchant.

"Excluded Benefits" means vacation days or vacation pay, sick days or sick leave, maternity leave or other leaves of absence, termination or severance pay (including any obligation under the WARN Act), ERISA coverage and similar contributions (other than pension and 401(k) contributions), that accrued prior to or after the Sale Commencement Date, and benefits in excess of the Benefits Cap percentage limitation provided in Section 4.1(c) above.

"Occupancy Expenses" means rent (including, base rent and any portion of percentage rent specifically allocable to the period of the Sale Term on an annualized basis), CAM (including, but not limited to, snow removal, sprinkler expense and landscaping), real estate and use taxes, HVAC, utilities, telephone charges (including base telephone, leased line charges and data circuit charges), personal property leases (including, point of sale equipment), personal property taxes, equipment repair and maintenance (including cash register maintenance), systems repair and maintenance (including POS systems, store servers, signature pads, routers), building maintenance, building insurance relating to the Stores (exclusive of any deductible, which shall be paid by Merchant) and Merchant's liability and casualty insurance (exclusive of any deductible, which shall be paid by the Merchant) and security and housekeeping costs.

"Third party" means, with reference to any Expenses to be paid to a "third party", a party that is not affiliated with or related to Merchant.

4.2 Payment of Expenses; Security. (a) All Expenses incurred during each week of the Sale (~~ie.~~ Sunday through Saturday) shall be paid when due by Agent to or on behalf of Merchant, ~~or offset from Proceeds held by Merchant, immediately following the weekly Sale reconciliation by Merchant and Agent pursuant to Section 8.7 below, based upon invoices and other documentation reasonably satisfactory to Agent; except with respect to Occupancy Expenses, which shall be funded weekly, by Agent during the Sale Term.~~ To secure payment of the Expenses, Agent shall deliver to Lenders an irrevocable and unconditional standby letter of credit, naming Fleet, as agent for the Lenders, as beneficiary, in the original face amount equal to three (3) weeks ~~estimated~~ Expenses which are the responsibility of Merchant, substantially in the form of ~~Exhibit 4.2(a)~~ attached hereto (the "Expense L/C"). The Expense L/C shall be delivered to Fleet no later than one (1) business day following the Sale Commencement Date, shall be issued by a bank selected by Agent and reasonably acceptable to Merchant and Fleet, and shall contain terms, provisions and conditions mutually acceptable to Merchant, Fleet, and Agent. Within five (5) business days after its receipt of written notice from Fleet that Fleet and the Lenders have been paid in full, Agent shall cause the Expense L/C to be amended to name Merchant as the beneficiary and to replace Exhibit "A" thereto with the Amended Exhibit "A" annexed hereto ~~as Exhibit 4.2(a)(2).~~ The Expense L/C shall expire no earlier than sixty (60) days after the Sale Termination Date. Unless the parties shall have mutually agreed that they have completed the final reconciliation under this Agreement, then, at least thirty (30) days prior to the initial or any subsequent expiry date, Fleet or Merchant, as the case may be, shall receive an amendment to the Expense L/C solely extending (or further extending, as the case may be) the expiry date by at least sixty (60) days. If Fleet or Merchant, as the case may be, does not receive such amendment to the Expense L/C no later than thirty (30) days before the expiry date, then all amounts hereunder shall become immediately due and payable and FLEET or Merchant, as the case may be, shall be permitted to draw under the Expense L/C in payment of amounts owed and Merchant shall hold the balance of the amount drawn under the Expense L/C as security for amounts that may become due and payable to Merchant hereunder.

(b) Except for Expenses contested in good faith, in the event that Agent fails to pay any Expense(s) when due, or within three (3) business days after Fleet or Merchant, as the case may be, notifies Agent that any Expense(s) is/are unpaid and past due, or in the event the Expense L/C will expire within 5 business days and certain Expenses are unpaid, Fleet or Merchant, as the case may be, shall be entitled to draw on the Expense L/C to fund such unpaid amount.

Section 5. Inventory Valuation; Merchandise.

5.1 Inventory Taking. Commencing on the first business day of the Sale Commencement Date Agent shall cause to be taken a SKU and retail physical inventory of the Merchandise located in the Stores (the "Inventory Taking"), which Inventory Taking shall be completed in all of the Stores no later than fourteen (14) days after the Sale Commencement

Date (the "Inventory Completion Date", and the date of the Inventory Taking at each Store being the "Inventory Date" for each such Store). Merchant and Agent shall jointly employ RGIS or another mutually acceptable independent inventory taking service (the "Inventory Taking Service") to conduct the Inventory Taking. The Inventory Taking shall be conducted in accordance with the procedures and instructions attached hereto as Exhibit 5.1 (the "Inventory Taking Instructions"). As an Expense, Agent shall be responsible for 50% of the fees and expenses of the Inventory Taking Service and Merchant shall pay the balance of such fees and expenses. Except as provided in Section 4.1(n) and the immediately preceding sentence, Merchant and Agent shall each bear their respective costs and expenses relative to the Inventory Taking. Merchant and Agent shall each have representatives present during the Inventory Taking, and shall each have the right to review and verify the listing and tabulation of the Inventory Taking Service. The Lenders shall also have the right to have its representatives observe the Inventory Taking, provided however, the costs of such observation shall be at the Lenders' expense as a cost of collection. Merchant agrees that during the conduct of the Inventory Taking in each of the Stores, the applicable Stores shall be closed to the public and no sales or other transactions shall be conducted. Agent shall provide Merchant and FJ.EET with a budget concerning the cost of the Inventory Taking prior to the Sale Commencement Date. Distribution Center Merchandise and On-Order Merchandise shall be counted and included as Merchandise, upon its receipt at the Stores, which receipt shall be counted and verified jointly by a representative of Merchant and Agent.

5.2. Merchandise Subject to this Agreement. (a) For purposes of this Agreement, "Merchandise" shall mean (i) all finished goods inventory that is owned by Merchant located in the Stores on the Sale Commencement Date and included in the Sale (including, but not limited to, (A) Defective Merchandise, (B) Merchandise subject to Gross Rings, (C) goods which are of a type customarily provided to a customer in the Stores free or at a nominal charge with a purchase ("Free With Purchase Goods"), for which Merchant and Agent mutually agree upon a Base Retail Price, and (D) Returned Summer Merchandise and SFMB Components for which Merchant and Agent mutually agree upon a Base Retail Price; (ii) Distribution Center Merchandise that is received in the Stores on or before the date that is fourteen (14) days after the Sale Commencement Date (the "Store Receipt Deadline"); and (iii) On-Order Merchandise that is received in the Stores, on or before the Store Receipt Deadline; provided however Merchant shall have the obligation and bear the expense of transferring the On-Order Merchandise and the Distribution Center Merchandise to the Stores to the extent such costs and expenses exceed the DC Operation Cap and/or the DC Merchandise Transfer Cap provided for in Sections 4.1(s) and 4.1(t), as and where applicable. Merchant shall allocate such On-Order Merchandise and Distribution Center Merchandise between and amongst the Stores consistent with its past practices and in consultation with Agent, provided, however, that if Agent elects to reallocate such On-Order Merchandise and/or Distribution Center Merchandise and to the extent such reallocation causes such goods to arrive in the Stores after the Store Receipt Deadline, Agent shall not be entitled to apply the prevailing discount adjustment in determining the Retail Price for such goods. Notwithstanding the foregoing, "Merchandise"

shall not include: (1) goods which belong to sublessees, licensees or concessionaires of Merchant, unless Merchant, Agent and the respective sublessees, licensees or concessionaires otherwise agree; (2) goods held by Merchant on memo, on consignment, or as bailee; (3) customer owned goods that have been placed in Merchant's care for purposes of repair or storage, (4) goods that are the subject of wholesale purchase orders placed on or before the Sale Commencement Date, as identified in Merchant's books and records, (5) Free With Purchase Goods, Returned Bummer Merchandise and SFMB Components for which Merchant and Agent are unable to agree upon a Base Retail Price, (6) supplies, furnishings, trade fixtures furniture and equipment and improvements to real property which are located in the Closing Locations; and (7) goods, supplies, fixtures and other miscellaneous items identified by Merchant as SFMB Location 298 goods, other than SFMB Components for which Merchant and Agent mutually agree upon a Base Retail Price). Nothing set forth herein shall be construed to require the Parties to count goods in the Inventory Taking that are so broken as to not be saleable at any price, which goods shall be further addressed in the Inventory Taking Instructions.

(b) As used herein, the following terms shall have the respective meanings set forth below:

"Defective Merchandise" means any item of Merchandise identified and agreed upon by Merchant and Agent during the Inventory Taking as defective or otherwise not saleable in the ordinary course because it is worn, scratched, broken, faded, torn, mismatched, tailored or affected by other similar defenses rendering it not first quality. Sample Merchandise and Merchandise on display shall not per se be deemed to be Defective Merchandise.

"Distribution Center Merchandise" means any item of merchandise that is located in the Distribution Center on the Sale Commencement Date.

"On-Order Merchandise" means any item of merchandise for which Merchant has issued a purchase order prior to the Sale Commencement Date, which orders are not previously cancelled by Merchant or the respective vendors, but which have not been received by the Stores or the Distribution Center on or before the Sale Commencement Date.

"Returned Bummer Merchandise" means those items of Merchandise located in the SFMB Distribution Center on the Sale Commencement that has been returned by the SFMB Stores for various reasons and identified by Merchant as "bummer merchandise" and identified in Merchant's stock ledger as Department 97 goods.

"SFMB Components" means those goods maintained in Location 298 in SFMB's stock ledger that constitute replacement or substitute music box components.

5.3 Valuation. (a) For purposes of this Agreement, "Retail Price" shall mean with respect to each item of Merchandise, other than On-Order Merchandise, and Distribution

Center Merchandise received in the Stores after the Store Receipt Deadline, Free With Purchase Goods, and Returned Bummer Merchandise, the lowest price offered to the general public since May 16, 2003 as determined by the lowest ticketed price, SKU price, or Merchant's PLU file for such period, including red tagged items (the "Base Retail Price"); provided however, Excluded Pricing Adjustments shall not be taken into account in determining the Base Retail Price. With respect to On-Order Merchandise and Distribution Center Merchandise received after the Store Receipt Deadline, "Retail Price" shall mean the Base Retail Price multiplied by the inverse of the prevailing discount attributable to such item of On-Order Merchandise and/or Distribution Center Merchandise on the date such item is received in the Stores. In lieu of any other adjustments to the Retail Price of Merchandise under this Agreement (e.g., adjustments for Defective Merchandise, sample merchandise and seasonal goods), the aggregate Retail Price of the Merchandise shall be multiplied by ninety-nine percent (99%) (the "Global Inventory Adjustment"). With respect to Free With Purchase Goods, SFMB Components and Returned Bummer Merchandise, "Base Retail Price" shall be subject to further agreement of the parties.

(b) The Retail Price of any item of Merchandise shall be determined as provided for by this Agreement and in accordance with the Inventory Taking Instructions set forth in Exhibit 5.1. For the purposes of this Agreement, "Excluded Pricing Adjustments" shall mean the following discounts or price adjustments offered by Merchant during the applicable period: (i) temporary point-of-sale discounts or similar temporary adjustments, provided that red tags shall not be deemed to be Excluded Pricing Adjustments; (ii) employee discounts; (iii) member or customer appreciation points or coupons; (iv) multi-unit purchase discounts; (v) adjustments for damaged or defective items; (vi) coupons or circular prices; and (vi) similar customer specific, temporary, or employee non-product specific discounts or pricing accommodations.

(c) In the event of a conflict between this Agreement and the Inventory Taking Instructions, the terms of this Agreement shall control. The Retail Price of any item of Merchandise shall exclude all Sales Taxes, and Merchant represents that the ticketed prices of items of Merchandise at the Stores do not and shall not include any Sales Taxes, except for excluded pricing adjustments. If an item of Merchandise has more than one ticketed price, or if multiple items of the same SKU are ticketed, at different prices, or have a different SKU or PLU price, the lowest ticketed, marked, SKU or PLU price on any such item shall prevail for such item or for all such items within the same SKU (as the case may be, the "Lowest Store Price"), as the case may be, that are located within the same Store, unless it is reasonably determined by Merchant and Agent that the applicable Lowest Store Price was mismarked or such item was priced because it was damaged or marked as "as is", in which case the higher price shall control; provided however, in determining the Lowest Store Price with respect to any item of Merchandise at the Stores, the Lowest Store Price shall be determined based upon the lowest ticketed, marked, SKU, or PLU price for such item on a per Store basis. No adjustment to Retail Price shall be made with respect to different ticketed price, marked price, SKU or PLU prices for items located in different Stores.

(d) On the first business day following the issuance of the final audited report of the aggregate Retail Price of the Merchandise by the Inventory Taking Service, Merchant and Agent shall jointly verify such report, plus the verification of the aggregate Retail Price of the On-Order Merchandise and Distribution Center Merchandise (the "Final Inventory Report").

5.4 Intentionally Left Blank

Section 6. Sale Term.

6.1 Term. Subject to the prior issuance of the Approval Order, the Sale shall commence at the Stores on the first day after entry of the Approval Order (the "Sale Commencement Date"). The Agent shall complete the Sale at each Store, and shall vacate each Store's premises in favor of Merchant or its representative or assignee on or before September 30, 2003 (the "Sale Termination Date"). The period from the relevant Sale Commencement Date to the Sale Termination Date shall be referred to herein as the "Sale Term". The Sale Termination Date may be (a) extended by mutual written agreement of Agent and Merchant; or (b) accelerated by Agent, in which case Agent shall provide Merchant with not less than seven (7) days advance written notice of any such planned accelerated Sale Termination Date.

6.2 Vacating the Stores. Subject to the terms of Section 6.1 hereof, Agent shall provide Merchant and ~~FF&E~~ with not less than seven (7) days' advance written notice of its intention to vacate any Store (as to each Store, the "Vacate Date"). On the Vacate Date, Agent shall vacate in favor of Merchant or its representatives or assignee, remove all Remaining Merchandise and leave the Stores in "broom clean" condition (ordinary wear and tear excepted). Agent's obligation to pay all Expenses, including Occupancy Expenses, for each Store shall continue until the Vacate Date. All assets of Merchant used by Agent in the conduct of the Sale (e.g. FF&E, supplies, etc.) shall be returned by Agent to Merchant or left at the Stores' premises at the end of the Sale Term to the extent the same have not been used in the conduct of the Sale or have not been otherwise disposed of through no fault of Agent. Agent shall be responsible to repair or reimburse Merchant for any damage caused to the building or the FF&E at the Stores during the Sale Term, ordinary wear and tear excepted. Where reference is made in this Section 6 to vacating the Stores, such shall mean vacating the Stores in favor of Merchant, its representatives or assignee and shall not mean vacating possession or disclaimer of lease in favor of the landlord or owner of the Store premises.

6.3 Gross Rings. In the event that the Sale commences prior to the completion of the Inventory Taking at any Store, then for the period from the Sale Commencement Date until the Inventory Date for such Store, Agent and Merchant shall jointly keep (i) a strict count of gross register receipts less applicable Sales Taxes ("Gross Rings"), and (ii) cash reports of sales within such Stores. Register receipts shall show for each item sold the Retail Price for such item and the markdown or discount, if any, specifically granted by Agent in connection with such

Sale. All such records and reports shall be made available to Agent and Merchant and Lenders during regular business hours upon reasonable notice. For purposes of calculating the aggregate Retail Price of the Merchandise sold during the Gross Rings period, to account for shrinkage, the aggregate Retail Price of Merchandise actually sold during the Gross Rings period (without taking into account any point of sale discounts or point of sale markdowns) shall be multiplied by 101.5%.

Section 7. Sale Proceeds.

7.1 Proceeds. For purposes of this Agreement, "Proceeds" shall mean the aggregate of (a) the total amount (in dollars) of all sales of Merchandise made under this Agreement, exclusive of Sales Taxes, and specifically excluding (i) proceeds from Merchant's sale of merchandise prior to the Sale Commencement Dates, such as special order goods; (ii) collections of accounts receivable at the Store level, if any; and (iii) proceeds from the sale of Merchandise at the Go Forward Stores; and (b) all proceeds of Merchant's insurance for loss or damage to Merchandise or loss of cash arising from events occurring during the Sale Term;

7.2 Deposit of Proceeds

(a) Within fourteen (14) business days after the Sale Commencement Date, ~~Agent shall establish its own accounts, dedicated solely for the deposit of the Proceeds and the~~ disbursement of amounts payable to Agent hereunder (the "Agency Accounts") and Merchant shall promptly upon Agent's request execute and deliver all necessary documents to open and maintain the Agency Accounts. Agent shall exercise sole signatory authority and control with respect to the Agency Accounts; provided however, upon request, Agent shall deliver to Merchant copies of all bank statements and other information relating to such accounts. Merchant shall not be responsible for and Agent shall pay as an Expense hereunder, all bank fee and charges, including wire transfer charges, related to the Agency Accounts, whether received during or after the Sale Term. Upon Agent's designation of the Agency Accounts, all Proceeds of the Sale (including credit card proceeds) shall be deposited into the Agency Accounts.

(b) During the period between the Sale Commencement Date and the date Agent establishes the Agency Accounts, all Proceeds of the Sale (including credit card proceeds) and the proceeds from the sales of goods at the Go Forward Stores (the "Go Forward Store Proceeds"), shall be collected by Agent and deposited on a daily basis into Merchant's existing accounts designated for the Stores, and are designated solely for the deposit of Proceeds of the Sale (including credit card proceeds), and the disbursement of amounts payable by Agent hereunder (the "Designated Merchant Accounts"). All Proceeds of the Sale and Go Forward Store Proceeds received by Merchant shall be held by Merchant in trust for the Agent, shall not be commingled with Merchant's other funds or bank balances, and shall not become property of Merchant's estate. Commencing on the first business day following the payment of the Purchase

Price under the Asset Purchase Agreement, and on each business day thereafter (or as soon thereafter as is practicable), Merchant shall promptly pay to Agent by wire funds transfer all collected funds constituting Proceeds and Go Forward Store Proceeds deposited in such accounts (but not any other funds, including, without limitation, any proceeds of Merchant's inventory sold prior to the Sale Commencement Date, such as special order goods or collections of accounts receivable at the Store level, if any). During this interim period, Agent shall control the Proceeds of the Sale and the Go Forward Proceeds, FLEET, on behalf of itself and as agent for the Lenders, shall not take any action with respect to such Proceeds and/or Go Forward Sale Proceeds deposited into the Designated Merchant Accounts, which shall inure solely for the benefit of Agent, subject only to Agent's payment obligations hereunder. Upon Merchant's delivery of Proceeds and Go Forward Store Proceeds deposited into the Designated Merchant Accounts, the allocations of amounts between Proceeds and Go Forward Store Proceeds as between the members of Agent shall be the obligation of Agent and Merchant shall have no further obligations with respect thereto.

7.3 Credit Card Proceeds. Agent may use Merchant's credit card facilities (including Merchant's credit card terminals and processor(s), credit card processor coding,) for credit card sales; Agent shall also have the right to use Merchant's identification number(s) and existing bank accounts, to process credit card sales in the Stores (including the Go Forward Stores). Merchant shall process credit card transactions, applying customary practices and procedures. Merchant shall cooperate with Agent to down-load data from all credit card terminals each day during the Sale Term and to effect settlement with Merchant's credit card transactions under Merchant's merchant identification number(s). Merchant shall deposit the net settlement received from any credit card sales receipts into the Designated Merchant Accounts. Merchant shall prepare a weekly reconciliation of the amounts deposited into the Designated Merchant Accounts in respect of the sales of Merchandise by credit plus Sales Taxes less credit card and bank card fees, chargebacks and service charge adjustments, returns allowances and customer credits. Merchant shall not be responsible for paying and Agent shall pay as an Expense hereunder, all credit card fees charges, and chargebacks related to the Sale, whether received during or after the Sale Term.

7.4 Pctty Cash. In addition to the Purchase Price, Agent shall reimburse Merchant on and as of the start of business on the Sale Commencement Date for all cash in the Stores.

Section 8. Conduct of the Sale.

8.1 Rights of Agent. Except as may otherwise be provided in the Approval Order, Agent shall be permitted to conduct the Sale as a "going-out-of-business", "store closing," or similar theme sale in the Stores throughout the Sale Term in a manner consistent with the Sale guidelines annexed hereto as Exhibit 8.1 (the "Sale Guidelines"). In addition to any other rights

granted to Agent hereunder, in conducting the Sale, Agent, in the exercise of its sole discretion, shall have the right:

(a) - to establish Sale prices and Stores hours which are consistent with the terms of applicable leases, mortgages or other occupancy agreements, and local laws or regulations, including, without limitation, Sunday closing laws;

(b) to use without charge (other than Agent's obligation to pay bank fees pursuant to Section 4.1 hereof), during the Sale Term all FF&E, bank accounts (subject to Section 3.3(d)), Store-level customer lists and mailing lists, computer hardware and software, existing supplies located at the Stores, intangible assets (including Merchant's name, logo and tax identification numbers), Stores keys, case keys, security codes, and safe and lock combinations required to gain access to and operate the Stores, and any other assets of Merchant located at the Stores (whether owned, leased, or licensed) consistent with applicable terms of leases or licenses. Agent shall exercise due care and return to the Merchant immediately at the end of the Sale all materials and supplies except materials or supplies expended;

(c) to use Merchant's central office facilities, central administrative services and personnel to process payroll, perform MIS and provide other central office services necessary for the Sale to the extent that such services are normally provided by Merchant in house, at no cost to Agent, subject to Agent's payment of Central Service Expenses in accordance with Section 4.1(r) hereof, ~~provided however, Agent shall designate one or two~~ representatives from the joint venture who will be responsible for interacting with Merchant's employees for the purposes of providing such; provided, further however, that in the event Agent expressly requests Merchant to provide services other than those normally provided to the Stores and relating to the sale of merchandise by Merchant in the ordinary course of business and as expressly contemplated by this Agreement, Agent shall be responsible to reimburse Merchant for the actual incremental cost of such services incurred by Merchant as an Expense of the Sale hereunder;

(d) to establish and implement advertising, signage (including interior and exterior banners), and promotion programs consistent with a "going-out-of-business", "store closing," or similar theme sale, and as otherwise provided in the Approval Order and the Sale Guidelines (including, without limitation, by means of media advertising, A-frame, and similar signage and interior and exterior signs and banners);

(e) to transfer Merchandise between and among the Rejected Locations; provided however, Merchandise shall not be transferred between the Stores until after the Inventory Taking is completed at all of the Stores.

8.2 Terms of Sales to Customers, Law Compliance.

(a) All sales of Merchandise will be "final sales" and "as is" and all advertisements and sales receipts will reflect the same. Agent shall not warrant the Merchandise in any manner, but will, to the extent legally permissible, pass on all manufacturers' warranties to customers. All sales will be made only for cash, nationally recognized bank credit cards and, in Agent's discretion, personal checks, provided, however, if Agent determines to accept personal checks, Agent shall bear the risk of loss therefor; provided further however, during the first thirty (30) days of the Sale Term, Agent shall accept gift certificates, gift cards, etc, as provided for in Section 8.2(b) hereof. Agent shall not accept any coupons issued by Merchant prior to the Sale Commencement Date.

(b) For the first thirty (30) days of the Sale Term, Agent shall accept Merchant's gift certificates, gift cards, Merchandise credits, and Merchandise certificates issued by Merchant prior to the Sale Commencement Date. Merchant shall reimburse Agent in cash for such amounts during the weekly sale reconciliation provided for in Section 8.7 hereof.

8.3 Sales Taxes. During the Sale Term, all sales, excise, gross receipts and other taxes attributable to sales of Merchandise as indicated on Merchant's point of sale equipment (other than taxes on income) payable to any taxing authority having jurisdiction (collectively, "Sales Taxes") shall be added to the sales price of Merchandise and collected by Agent, on Merchant's behalf, and deposited into Merchant's existing accounts, trust accounts or other accounts, as designated by Merchant. ~~Provided that Agent has collected all Sales Taxes during the Sale and remitted the proceeds thereof to Merchant, Merchant shall promptly pay all~~ Sales Taxes and file all applicable reports and documents required by the applicable taxing authorities. Merchant will be given access to the computation of gross receipts for verification of all such Sales Tax collections. ~~Provided Agent performs its responsibilities in accordance with this Section 8.3, Merchant shall indemnify and hold harmless Agent from and against any and all costs, including, but not limited to, reasonable attorneys' fees, assessments, fines or penalties which Agent sustains or incurs as a result or consequence of the failure by Merchant to promptly pay such taxes to the proper taxing authorities and/or the failure by Merchant to promptly file with such taxing authorities all reports and other documents required, by applicable law, to be filed with or delivered to such taxing authorities. If Agent fails to perform its responsibilities in accordance with this Section 8.3, and provided Merchant complies with its obligations in accordance with this Section 8.3, Agent shall indemnify and hold harmless Merchant from and against any and all costs including, but not limited to, reasonable attorneys' fees, assessments, fines or penalties which Merchant sustains or incurs as a result or consequence of the failure by Agent to collect Sales Taxes and/or, to the extent Agent is required hereunder to prepare reports and other documents, the failure by Agent to promptly deliver any and all reports and other documents required to enable Merchant to file any requisite returns with such taxing authorities.~~

8.4 Supplies. Agent shall have the right to use all existing supplies necessary to conduct the Sale (e.g., bags, twine,) but not gift certificates, rain checks, merchandise credits or the like, located at the Rejected Locations at no charge to Agent. In the event that additional

supplies are required in any of the Stores during the Sale, the acquisition of such additional supplies shall be the responsibility of Agent as an Expense; provided, however, that Merchant shall assist Agent in obtaining supplies from Merchant's vendors at Merchant's cost.

8.5 Returns of Merchandise. (a) During the first twenty-one (21) days of the Sale Term, Agent shall accept returns of Merchandise sold by Merchant prior to the Sale Commencement Date; provided that (i) such item was purchased within thirty (30) days prior to the date of such return; (ii) the customer has the original register receipt; and (iii) such return is not being made in contemplation of such customer repurchasing the item at the sale price being offered by Agent ("Returned Merchandise") provided that Returned Merchandise may be exchanged only for Merchandise and may not be returned in exchange for a refund of the purchase price. Returned Merchandise shall be included in Merchandise and valued at the Retail Price applicable to such item less the prevailing Sale discount at the time of the return. The aggregate Retail Price of the Merchandise shall be increased by the Retail Price of any Returned Merchandise included in Merchandise (determined in accordance with this Section 8.5) and reduced by the Retail Price of any Merchandise exchanged in respect of Returned Merchandise, and the Purchase Price shall be adjusted accordingly. Merchant shall provide Agent with the name and contact information for a Merchant representative to coordinate with any customers regarding any Returned Merchandise not accepted by Agent.

(b) Agent shall dispose of Returned Merchandise not included in Merchandise ~~in accordance with instructions received from Merchant or, in the absence of such instructions,~~ returned to Merchant at the end of the Sale Term, in each case at Merchant's expense. Any increases or decreases in the Purchase Price shall be accounted for on a weekly basis, in connection with the weekly reconciliation process.

8.6 License. Merchant hereby grants the Agent a non-exclusive license to use all trademarks and tradenames, customer or mailing lists owned or used by Merchant in the conduct of any of its business, and whether maintained at the Stores, on the internet or otherwise, in connection with the sale of the Merchandise, including with respect to any Merchandise that may be sold after the Sale Termination Date. Merchant will cause any purchaser or licensee of any of Merchant's trademarks or tradenames to agree to be bound by this license in favor of the Agent.

8.7 Sale Reconciliation. On each Wednesday during the Sale Term, commencing on the second Wednesday after the Sale Commencement Date, Agent and Merchant shall cooperate to reconcile Expenses, Gross Rings, and such other Sale-related items as either party shall reasonably request, in each case for the prior week or partial week (*i.e.* Sunday through Saturday), all pursuant to procedures agreed upon by Merchant and Agent. Within thirty (30) days after the end of the Sale Term, Agent and Merchant shall complete a final reconciliation of the Sale, the written results of which shall be certified by representations of each of Merchant and Agent as a final settlement of accounts between Merchant and Agent.

8.8 Force Majeure. If any casualty, act of terrorism, or act of God prevents or substantially inhibits the conduct of business in the ordinary course at any Store, such Store and the Merchandise located at such Store shall, in Agent's discretion, be eliminated from the Sale and considered to be deleted from this Agreement as of the date of such event, and Agent and Merchant shall have no further rights or obligations hereunder with respect thereto; provided, however, that (i) subject to the terms of Section 7.1 above, the proceeds of any insurance attributable to such Merchandise shall constitute Proceeds hereunder, and (ii) the Guaranteed Amount shall be reduced to account for any Merchandise eliminated from the Sale which is not the subject of insurance proceeds.

Section 9. Employee Matters.

9.1 Merchant's Employees. Subject to the terms of any collective bargaining agreement or employment contract, and with due regard to Merchant's past practices, policies and procedures relating to the employment of its employees, Agent may use Merchant's Store-level employees in the conduct of the Sale to the extent Agent, in consultation with Merchant, deems expedient. Agent may select and schedule the number and type of Merchant's employees required for the Sale. Agent shall identify any such employees to be used in connection with the Sale (each such employee, a "Retained Employee") prior to the Sale Commencement Date. In consultation with Merchant, Agent shall identify any employees who will not be used in ~~connection with the Sale prior to the Sale Commencement Date. Employees will be selected by~~ seniority and status where possible or where required by the terms of any collective bargaining agreement. Agent acknowledges that the selection and scheduling of Retained Employees and the decision to cease using Retained Employees in connection with the Sale shall be made with due regard to, but Agent shall not be obligated to comply with, Merchant's desire to minimize severance and termination costs to Merchant and to the extent reasonably possible shall be made so as not to interrupt any statutory working notice, provided that Agent's ability to terminate the Sale at any Sale Store under the terms of this Agreement shall not be impaired thereby. Retained Employees shall at all times remain employees of Merchant, and shall not be considered or deemed to be employees of Agent. Merchant and Agent agree that, except to the extent that wages, vacation pay and benefits of Retained Employees constitute Expenses hereunder, nothing contained in this Agreement and none of Agent's actions taken in respect of the Sale shall be deemed to constitute an assumption by Agent of any of Merchant's obligations relating to any of Merchant's employees including, without limitation, Excluded Benefits, termination type claims and obligations, or any other amounts required to be paid by statute or law; nor shall Agent become liable under any collective bargaining or employment agreement or be deemed a joint or successor employer with respect to such employees. Merchant shall not, without Agent's prior written consent, raise the salary or wages or increase the benefits for, or pay any bonuses or make any other extraordinary payments to, any of its employees in anticipation of the Sale or prior to the Sale Termination Date. Merchant has not terminated and shall not during the Sale Term terminate any employee benefits or benefit programs, without prior written notice to

Agent. It is understood and agreed that Agent's on-site supervisors shall not be employees of Merchant under any circumstances.

9.2 Termination of Employees. Agent may in its discretion stop using any Retained Employee at any time during the Sale. In the event of Agent's termination of the services of any Retained Employee, Agent will provide written notice to Merchant at least seven (7) days prior thereto, except for a termination of services "for cause" (such as dishonesty, fraud or breach of employee duties), in which event no prior notice to Merchant shall be required, provided Agent shall notify Merchant as soon as practicable after such termination. Upon delivery to Merchant of a notice of termination of services of a Retained Employee, then Agent's obligations with respect to such Retained Employee terminate on the effective date of such termination, as provided for herein; provided however, although such Retained Employee will no longer be used in connection with the Sale, Merchant shall have the responsibility for terminating the employment of such Retained Employee from and after the date of this Agreement and until the Sale Termination Date, Merchant shall not transfer or dismiss employees of the Stores except "for cause" without Agent's prior consent (which consent shall not be unreasonably withheld). Notwithstanding any other provision hereof, Agent will indemnify Merchant with respect to any claims by Retained Employees arising from Agent's treatment of such Retained Employees.

9.3 Payroll Matters. During the Sale Term, Merchant shall process and pay ~~the base payroll and all related payroll taxes, worker's compensation, employment and~~ unemployment insurance, and benefits for all Retained Employees in accordance with its usual and customary procedures. Any additional personnel hired by Agent for the Sale shall not be deemed to be employees of Merchant, an Expense, nor shall Merchant be obligated to process the payroll therefor or offer benefits to said additional personnel.

9.4 Employee Retention Bonuses. Agent shall pay, as an Expense, retention bonuses ("Retention Bonuses") (which bonuses shall be inclusive of payroll taxes but as to which no benefits shall be payable), up to a maximum of ten percent (10%) of base payroll, to certain Retained Employees who do not voluntarily leave employment and are not terminated "for cause". The amount of such Retention Bonuses, shall be in an amount to be determined by Agent, in its discretion, and shall be payable within thirty (30) days after the Sale Termination Date, and shall be processed through Merchant's payroll system. Agent shall provide Merchant with a copy of Agent's Retention Bonus plan within two (2) business days after the Sale Commencement Date. Agent shall not utilize the Retention Bonus as a mechanism to incentivize Retained Employees to act contrary to Merchant's best interests.

Section 10. Conditions Precedent. The willingness of Agent and Merchant to enter into the transactions contemplated under this Agreement are directly conditioned upon the satisfaction of the following conditions by the applicable party at the time or during the time

periods indicated, unless specifically waived in writing by the other party, or as otherwise set forth herein:

(a) All representations and warranties of Merchant and Agent hereunder shall be true and correct in all material respects and no Event of Default shall have occurred at and as of the date hereof and as of the Sale Commencement Date.

(b) No later than June 12, 2003, the Court shall have entered the "Approval Order", containing the provisions set forth in this Agreement, which Approval Order shall not have been vacated or stayed and shall include the following: (i) approving this Agreement in its entirety, (ii) authorizing the conduct of the Sale pursuant to the terms of this Agreement, (A) notwithstanding any state or local law or regulation otherwise governing or purporting to govern the licensing and conduct of the Sale, (B) notwithstanding the provision in any lease, mortgage, or other occupancy agreement that purport to limit, govern or restrict the conduct of the Sale, and (C) without the necessity of obtaining any third party consents, (iii) requiring that, upon Agent's payment of the Guaranteed Amount and funding of the amounts to be placed in escrow pursuant to Section 2.2 of the Asset Purchase Agreement, any liens granted by Merchant to the Lenders its lender or any other party shall not encumber the Merchandise or Proceeds, but shall instead attach only to the Guaranteed Amount and Merchant's entitlement to be reimbursed for Expenses paid directly by Merchant, or other amounts due to Merchant hereunder, (iv) granting Agent, subject to Agent's obligations to pay the Guaranteed Amount and the Expenses, a valid, duly perfected first priority lien and security interest in the Merchandise and any Proceeds to which Agent is entitled in accordance with the terms of this Agreement.

Section 11. Representations, Warranties and Covenants.

11.1 Merchant's Representations, Warranties, and Covenants. Merchant hereby represents, warrants and covenants in favor of Agent as follows:

(a) Merchant (i) is a corporation duly organized, validly existing under the laws of the jurisdiction of its incorporation; (ii) has all requisite corporate power and authority to own, lease and operate its assets and properties and to carry on its business as presently conducted; and (iii) is and during the Sale Term will continue to be, duly authorized and qualified to do business and in good standing in each jurisdiction where the nature of its business or properties requires such qualification, including all jurisdictions in which the Stores are located, except, in each case, to the extent that the failure to be in good standing or so qualified could not reasonably be expected to have a material adverse effect on the ability of Merchant to execute and deliver this Agreement and perform fully its obligations hereunder.

(b) Subject to the issuance and entry of the Approval Order (i) Merchant has the right, power and authority to execute and deliver this Agreement and each other document and agreement contemplated hereby (collectively, together with this Agreement, the "Agency

Documents”) and to perform fully its obligations thereunder; (ii) no further consent or approval on the part of Merchant is required for Merchant to enter into and deliver the Agency Documents, to perform its obligations thereunder, and to consummate the Sale; (iii) each of the Agency Documents has been duly executed and delivered by Merchant and constitutes the legal, valid and binding obligation of Merchant enforceable in accordance with its terms; (iv) no court order or decree of any federal, state, local, or provincial governmental authority or regulatory body is in effect that would prevent or materially impair, or is required for the Merchant’s consummation of, the transactions contemplated by this Agreement, and no consent of any third party which has not been obtained is required therefor, other than as shall be obtained prior to the Sale Commencement Date, except for any such consent the failure of which to be obtained could not reasonably be expected to have a material adverse effect on the ability of Merchant to execute and deliver this Agreement and perform fully its obligations hereunder; and (v) other than for any consent as shall be obtained prior to the Sale Commencement Date, and those contracts or agreements identified by Merchant to Agent on or prior to the Sale Commencement Date, if any, no contract or other agreement to which the Merchant is a party or by which the Merchant is otherwise bound will prevent or materially impair the consummation of the Sale and the other transactions contemplated by this Agreement.

(c) Except has been otherwise disclosed to Agent, since April 5, 2003 Merchant has not conducted any promotions or advertised sales at the Stores except promotions and sales in the ordinary course of business consistent with historic promotions and sales for comparable periods last year.

(d) Merchant owns and will own at all times during the Sale Term, good and marketable title to all of the Merchandise. Merchant shall not create, incur, assume or suffer to exist any security interest, lien or other charge or encumbrance upon or with respect to any of the Merchandise or the Proceeds, except for such pre-existing pre-petition and post-petition liens and the security interests and liens of the Lenders.

(e) Merchant has maintained its pricing files in the ordinary course of business consistent with historic practices, and prices charged to the public for goods (whether in-Store, by advertisement or otherwise) are the same in all material respects as set forth in such pricing files for the periods indicated therein.

(f) Merchant has not since April 5, 2003, and shall not up to the Sale Commencement Date, marked up or raised the price of any items of Merchandise, or removed or altered any tickets or any indicia of clearance merchandise, except in the ordinary course of business consistent with historic practices and except for the effects of the termination of promotional events.

(g) Merchant shall ticket or mark all items of inventory received at the Stores prior to and following the Sale Commencement Date in a manner consistent with similar

Merchandise located at the Stores and in accordance with Merchant's past practices and policies relative to pricing and marking inventory.

(h) Merchant has not and shall not purchase, or transfer to or from the Stores, any merchandise, or goods outside the ordinary course in anticipation of the Sale or of the Inventory Taking, except that all saleable inventory has been or will be moved from Merchant's Distribution Centers to the Stores.

(i) Merchant makes no representation as to what portion, if any, of the On-Order Merchandise scheduled to be delivered will in fact be delivered and Merchant reserves the right to cancel any orders for On-Order Merchandise.

(j) To the best of Merchant's knowledge, all Merchandise is in material compliance with all applicable federal, state, or local product safety laws, rules, and standards. Merchant shall provide Agent with its historic policies and practices, if any, regarding product recalls prior to the Sale Commencement Date.

(k) Merchant had paid and, subject to Agent's compliance with its obligations under Section 4.1(c) hereof, will continue to pay throughout the Sale Term, to the extent authorized by the Bankruptcy Court, all self-insured or Merchant funded employee benefit programs for Store employees, including health and medical benefits and insurance and all proper claims made or to be made in accordance with such programs.

(l) Merchant is not a party to any collective bargaining agreements covering any Retained Employees.

(m) Agent shall have the right to occupy the Stores during the Sale Term, and there will be no material labor disruptions or work stoppages during the Sale Term.

(n) Section 16.12 of this Agreement shall be effective and binding on the Merchant on the execution of this Agreement, and without regard to whether the Approval Order is entered.

11.2 Agent's Representations, Warranties, and Covenants. Agent hereby represents, warrants and covenants in favor of Merchant as follows:

(a) Agent: (i) is a corporation or limited liability company, as the case may be, duly and validly existing and in good standing under the laws of the State of its organization; (ii) has all requisite power and authority to carry on its business as presently conducted and to consummate the transactions contemplated hereby; and (iii) is and during the Sale Term will continue to be duly authorized and qualified as a foreign company to do business and in good

standing in each jurisdiction where the nature of its business or properties requires such qualification.

(b) Agent has the right, power, and authority to execute and deliver each of the Agency Documents to which it is a party and to perform fully its obligations thereunder. Agent has taken all necessary actions required to authorize the execution, delivery, and performance of the Agency Documents, and no further consent or approval is required on the part of Agent for Agent to enter into and deliver the Agency Documents, to perform its obligations thereunder, and to consummate the Sale. Each of the Agency Documents has been duly executed and delivered by the Agent and, constitutes the legal, valid and binding obligation of Agent enforceable in accordance with its terms. No court order or decree of any federal, provincial, state or local governmental authority or regulatory body is in effect that would prevent or impair or is required for Agent's consummation of the transactions contemplated by this Agreement, and no consent of any third party which has not been obtained is required therefor other than as provided herein. No contract or other agreement to which Agent is a party or by which Agent is otherwise bound will prevent or impair the consummation of the transactions contemplated by this Agreement.

(c) No action, arbitration, suit, notice, or legal administrative or other proceeding before any court or governmental body has been instituted by or against Agent, or has been settled or resolved, or to Agent's knowledge, has been threatened against or affects Agent, which questions the validity of this Agreement or any action taken or to be taken by Agent in connection with this Agreement, or which if adversely determined, would have a material adverse effect upon Agent's ability to perform its obligations under this Agreement.

(d) Except as may be otherwise provided in the Approval Order, the Sale shall be conducted in compliance with all applicable federal, state, and local laws, rules and regulations.

Section 12. Insurance.

12.1 Merchant's Liability Insurance. Merchant shall continue until the Sale Termination Date, in such amounts as it currently has in effect, all of its liability insurance policies including, but not limited to, products liability, comprehensive public liability, auto liability and umbrella liability insurance, covering injuries to persons and property in, or in connection with Merchant's operation of the Stores, and shall cause Agent to be named an additional named insured with respect to all such policies. Prior to the Sale Commencement Date, Merchant shall deliver to Agent certificates evidencing such insurance setting forth the duration thereof and naming Agent as an additional named insured, in form reasonably satisfactory to Agent. All such policies shall require at least thirty (30) days prior notice to Agent of cancellation, non-renewal, or material change. In the event of a claim under any such policies Merchant shall be responsible for the payment of all deductibles, retentions or self-

insured amounts to the extent said claim arises from or relates to the alleged acts or omissions of Merchant or its employees, agents (other than Agent's employees), or independent contractors (other than Agent and independent contractors hired by Agent in conjunction with the Sale).

12.2 Merchant's Casualty Insurance. Merchant shall continue until the Sale Termination Date, in such amounts as it currently has in effect, fire, flood, theft and extended coverage casualty insurance covering the Merchandise in a total amount equal to no less than the cost value thereof. In the event of a loss to the Merchandise on or after the date of this Agreement, the proceeds of such insurance attributable to the Merchandise (net of any deductible) shall constitute Proceeds. Prior to the Sale Commencement Date, Merchant shall deliver to Agent certificates evidencing such insurance setting forth the duration thereof, in form and substance reasonably satisfactory to Agent. All such policies shall require at least thirty (30) days prior notice to Agent of cancellation, non-renewal, or material change. Merchant shall not make any change in the amount of any deductibles or self-insurance amounts prior to the Sale Termination Date or the Extended Sale Termination Date, as the case may be, without Agent's prior written consent.

12.3 Worker's Compensation Insurance. Merchant shall continue until the Sale Termination Date, in such amounts as it currently has in effect, worker's compensation insurance (including employer liability insurance) covering all Retained Employees in compliance with all statutory requirements. Prior to the Sale Commencement Date, Merchant shall deliver to Agent a certificate of its insurance broker or carrier evidencing such insurance.

12.4 Agent's Insurance. Agent shall maintain at Agent's cost and expense throughout the Sale Term, in such amounts as it currently has in effect, comprehensive public liability and automobile liability insurance policies covering injuries to persons and property in or in connection with Agent's agency at the Stores, and shall cause Merchant and Lenders to be named an additional insured with respect to such policies. Exhibit 12.4 attached hereto contains a description of all such policies. Prior to the Sale Commencement Date, Agent shall deliver to Merchant certificates evidencing such insurance policies, setting forth the duration thereof and naming Merchant as an additional insured, in form and substance reasonable satisfactory to Merchant. In the event of a claim under such policies Agent shall be responsible for the payment of all deductibles, retentions or self-insured amounts thereunder, to the extent said claim arises from or relates to the alleged acts or omissions of Agent or Agent's employees, agents or independent contractors).

12.5 Risk of Loss.

Without limiting any other provision of this Agreement, Merchant acknowledges that Agent is conducting the Sale on behalf of Merchant solely in the capacity of an agent, and that in such capacity (i) Agent shall not be deemed to be in possession or control of the Stores or the assets located therein or associated therewith, or of Merchant's employees located at the

Stores, and (ii) except as expressly provided in this Agreement, Agent does not assume any of Merchant's obligations or liabilities with respect to any of the foregoing. Agent shall not be deemed to be a successor employer. Merchant and Agent agree that, subject to the terms of this Agreement, Merchant shall bear all responsibility for liability claims of customers, employees and other persons arising from events occurring at the Stores during and after the Sale Term, except to the extent any such claim arises directly from the acts or omissions of Agent, or its supervisors, agents, independent contractors, or employees located at the Stores (an "Agent Claim"). In the event of any liability claim other than an Agent Claim, Merchant shall administer such claim and shall present such claim to Merchant's liability insurance carrier in accordance with Merchant's policies and procedures existing immediately prior to the Sale Commencement Date, and shall provide a copy of the initial documentation relating to such claim to Agent at the address listed in this Agreement. To the extent that Merchant and Agent agree that a claim constitutes an Agent Claim, Agent shall administer such claim and shall present such claim to its liability insurance carrier, and shall provide copies of the initial documentation relating to such claim to Merchant. In the event that Merchant and Agent cannot agree whether a claim constitutes an Agent Claim, each party shall present the claim to its own liability insurance carrier, and a copy of the initial claim documentation shall be delivered to the other party to the foregoing address.

Section 13. Indemnification.

13.1 ~~Merchant Indemnification.~~ Merchant shall indemnify and hold Agent and its officers, directors, employees, agents and independent contractors (collectively, "Agent Indemnified Parties") harmless from and against all claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable attorneys' fees and expenses, asserted directly or indirectly against Agent resulting from, or related to:

(a) Merchant's material breach of or failure to comply with any of its agreements, covenants, representations or warranties contained in any Agency Document;

(b) subject to Agent's performance and compliance with its obligations pursuant to Sections 4.1(b) and 4.1(c) and Section 9 hereof, any failure of Merchant to pay to its employees any wages, salaries or benefits due to such employees during the Sale Term or other claims asserted against Agent by Merchant's employees resulting from Merchant's (and not Agent's) treatment of its employees;

(c) subject to Agent's compliance with its obligations under Section 8.3 hereof, any failure by Merchant to pay any Sales Taxes to the proper taxing authorities or to properly file with any taxing authorities any reports or documents required by applicable law to be filed in respect thereof.

(d) the gross negligence or willful misconduct of Merchant or any of its officers, directors, employees, agents (other than Agent) or representatives.

13.2 Agent Indemnification. Agent shall indemnify and hold Merchant and its officers, directors, employees, agents and representatives harmless from and against all claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable attorneys' fees and expenses, asserted directly or indirectly against, Merchant resulting from, or related to (including acts or omissions of persons or entities affiliated with or acting on behalf of the Agent):

(a) Agent's material breach of or failure to comply with any local, state, or federal laws or regulations, or any of its agreements, covenants, representations or warranties contained in any Agency Document;

(b) any harassment, discrimination or violation of any laws or regulations or any other unlawful, tortious or otherwise actionable treatment of any employees or agents of Merchant by Agent or any of its employees, agents, independent contractors or other officers, directors or representatives of Agent;

(c) any claims by any party engaged by Agent as an employee or independent contractor arising out of such engagement;

(d) any Agent Claims; and

(e) the gross negligence or willful misconduct of Agent or any of its officer, directors, employees, agents, or representatives.

Section 14. Defaults. The following shall constitute "Events of Default" hereunder:

(a) Merchant's or Agent's failure to perform any of their respective material obligations hereunder, which failure shall continue uncured seven (7) days after receipt of written notice thereof to the defaulting party; or

(b) Any representation or warranty made by Merchant or Agent proves untrue in any material respect as of the date made or at any time and throughout the Sale Term; or

(c) The Sale is terminated or materially interrupted or impaired for a period of five (5) consecutive business days at five (5) or more Stores for any reason other than (i) an Event of Default by Agent, or (ii) any other material breach or action by Agent not authorized hereunder.

In the event of an Event of Default, the non-defaulting party may, in its discretion, elect to terminate this Agreement upon seven (7) business days' written notice to the other party and pursue any and all rights and remedies and damages resulting from such default hereunder.

Section 15. Fixtures. With respect to furniture, fixtures and equipment (other than artwork and visuals) owned by Merchant and located at the Stores and the Distribution Centers (collectively, the "FF&E"), which FF&E is being acquired by Agent under the Asset Purchase Agreement, Agent shall have the right to sell the FF&E in the Rejected Locations through the applicable Vacate Date for each such Rejected Store and the date that is twenty-one (21) days after the Sale Commencement Date at the Distribution Center; provided however, all expenses incurred in connection with the sale of such FF&E shall be borne by the Agent. Agent shall have the right to abandon any unsold FF&E at the Rejected Locations so long as such items are left in a neat and orderly fashion.

Section 16. Miscellaneous.

16.1 Notices. All notices and communications provided for pursuant to this Agreement shall be in writing, and sent by hand, by facsimile, or a recognized overnight delivery service, as follows:

If to the Merchant: SAN FRANCISCO MUSIC BOX COMPANY

390 N. ~~Wiget Lane~~
Suite 200
Walnut Creek, California 94598

and

THE MUSEUM COMPANY, INC.
695 Route 46 West
Fairfield, New Jersey 07004
Attn: Holly Felder Etlin
Tel: (212) 610-5600
Fax: (212) 610-5601

with a copy to:

YOUNG CONAWAY STARGATT & TAYLOR, LLP
The Brandywine Building
1000 West Street, 17th Floor
Wilmington, Delaware 19899
Attn: M. Blake Cleary, Esq.
Tel: (302) 571-6714
Fax: (302) 571-1253

TRAUB, BONACQUIST & FOX LLP

-27-

655 Third Avenue - 21st Floor
New York, New York 10017
Attn: Michael S. Fox
Maura I. Russell
Tel: (212) 4766-4770
Fax: (212) 476-4787

If to Lenders:

FLEET RETAIL FINANCE, INC.
Attn: Betsy Ratto
Tel:
Fax:

BROWN RUDNICK BERLACK ISRAELS LLP
One Financial Center
Boston, Massachusetts 02111
Attn: Steven B. Levine
Tel: (917) 856-8200
Fax: (917) 856-8201
-and-

GB RETAIL FUNDING, LLC
Attn: Betsy Ratto
Tel:
Fax:

RIEMER & BRAUNSTEIN LLP
Three Center Plaza
Boston, Massachusetts 02108
Attn: Jonathan D. Yellin
Tel: (617) 523-9000
Fax: (617) 880-3456

If to Agent:

Garcel, Inc. d/b/a Great American Group
One Parkway North - Suite 520
Deerfield, IL 60015
Attn: Harvey Yellen
Tel: 847/444-1400
Fax: 847/444-1401

Calendar Club SA, LLC
6411 Burleson Road

-28-

Austin, Texas 78744
Attn: James Hull
Tel: (512) 369-6117
Fax: (512) 369-6198

With a copy to: Jaffe Raitt
One Woodward Avenue, Suite 2400
Detroit, MI 48226
Attn: Peter Sugar
Tel: (313) 964-8244
Fax: (313) 961-8358

16.2 Governing Law; Consent to Jurisdiction. This Agreement shall be governed and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles thereof. The parties hereto agree that the Bankruptcy Court shall retain jurisdiction to hear and finally determine any disputes arising from or under this Agreement, and by execution of this Agreement each party hereby irrevocably accepts and submits to the jurisdiction of such court with respect to any such action or proceeding and to service of process by certified mail, return receipt requested to the address listed above for each party.

16.3 Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the transactions contemplated hereby and supersedes and cancels all prior agreements, including, but not limited to, all proposals, letters of intent or representations, written or oral, with respect thereto.

16.4 Amendments. This Agreement may not be modified except in a written instrument executed by each of the parties hereto.

16.5 No Waiver. No consent or waiver by any party, express or implied, to or of any breach or default by the other in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligation of such party. Failure on the part of any party to complain of any act or failure to act by the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder.

16.6 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon Agent and Merchant, including, but not limited to, any chapter 11 or chapter 7 trustee. Merchant and Agent may not assign their respective obligations under this Agreement; provided however, it is understood that Merchant and/or Agent may assign their respective rights under this Agreement to their respect lenders.

16.7 Execution in Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one agreement. This Agreement may be executed by facsimile, and such facsimile signature shall be treated as an original signature hereunder.

16.8 Section Headings. The headings of sections of this Agreement are inserted for convenience only and shall not be considered for the purpose of determining the meaning or legal effect of any provisions hereof.

16.9 Survival. All representations, warranties, covenants and agreements made herein, by the parties hereto, shall be continuing, shall be considered to have been relied upon by the parties and shall survive the execution, delivery and performance of this Agreement.

16.10 Reporting. If requested by Merchant, Agent shall prepare weekly reports including, without limitation, reports that comply with the Merchant's current weekly cash reporting to its central office, reflecting the progress of the Sale which shall specify the Proceeds received to date. The Agent will maintain and provide to Merchant and Lenders sales records to permit calculation of and compliance with any percentage rent obligations under Stores leases. During the course of the Sale, Merchant shall have the right to have representatives continually act as observers of the Sale in the Stores so long as they do not interfere with the conduct of the Sale.

16.11 Termination. This Agreement shall remain in full force and effect until the first to occur of: (i) receipt by Merchant or Agent, as the case may be, of written notice from Merchant or Agent, as the case may be, that any of the conditions specified in Section 10 hereof have not been satisfied; or (ii) the expiration of the Sale Term and completion and certification by Merchant and Agent of the final Sale reconciliation pursuant to Section 8.7 above. Notwithstanding the foregoing, the representations and warranties of Merchant and Agent contained herein and the provisions of Section 11 above, the payment obligations in sections 3 and 4 and the indemnification obligations contained in Sections 13.1 and 13.2 shall survive the termination of this Agreement pursuant to this Section 16.11.

IN WITNESS WHEREOF, Agent and Merchant hereby execute this Agreement by their duly authorized representatives as of the day and year first written above.

SAN FRANCISCO MUSIC BOX COMPANY

By: 

Name:

Title:

GARCEL, INC. D/B/A GREAT AMERICAN GROUP

By: 

Name:

Title:

CALENDAR CLUB, LLC.

By: 

Name:

Title:

CONSENTED AND AGREED TO AS TO SECTIONS 3, 4 AND BY FLEET RETAIL FINANCE INC.

As Administrative and Collateral Agent for itself and Merchant's Pre-Petition and Post-Petition Secured Lenders

By: _____

Name:

Title:

Exhibit 1A

Distribution Center 414-382-4160
P.O. Box 3171, Milwaukee WI 53201
Store Operations 770-223-4783

The San Francisco Music Boys Company
200 N. Nagel Lane, Suite 200 - Walnut Creek CA 94598
Telephone: 925-939-4800 FAX: 925-927-4999



Revised 02/1/03

PERMANENT STORE DIRECTORY Revised 05-21-2003 BB Stores.

- 36021** SAN FRANCISCO / PIER 32
SPACE #P-1
SAN FRANCISCO, CA 94133
(415) 433-3078
Opened: 1978-10-01 - Sq Ft: 1274
District: 708
Mgr: Beverly Hayden
- 36023** PLEASANTON / STONERIDGE MALL
1036 STONERIDGE MALL SPACE A-116
PLEASANTON, CA 94688
(925) 453-1088
Opened: 1981-09-01 - Sq Ft: 1818
District: 709
Mgr: Jennifer L. White
- 36025** CONCORD / SUN VALLEY MALL
408 SUN VALLEY MALL
CONCORD, CA 94520
(925) 822-5615
Opened: 1981-10-01 - Sq Ft: 1083
District: 732
Mgr: Angela C. Horsley
- 36029** FRESNO / FASHION FAIR MALL
816 W SHAW AVE
FRESNO, CA 93710
(509) 222-6531
Opened: 1985-10-01 - Sq Ft: 1000
District: 784
Mgr: Catherine A. Clark
- 36030** MONTCLAIR / MONTCLAIR PLAZA
2070 MONTCLAIR PLAZA LANE
MONTCLAIR, CA 97103
(503) 825-0875
Opened: 1985-10-01 - Sq Ft: 1200
District: 704
Mgr: Leticia Sando
- 36031** ESCONDIDO / NORTH COUNTY FAIR
208 VIA RANCHO TRAVY SPACE #219
ESCONDIDO, CA 92026
(760) 746-7160
Opened: 1989-04-01 - Sq Ft: 637
District: 784
Mgr: Jill J. Saly
- 36032** LAS VEGAS / FASHION BACHM MALL
2000 LAS VEGAS BLVD S. SUITE 2160
LAS VEGAS, NV 89106
(702) 795-7700
Opened: 1989-05-01 - Sq Ft: 1133
District: 787
Mgr: Linda M. Rogers
- 36034** BANKERSFIELD / VALLEY PLAZA SHOP
CENTRE
2701 KING AVE BOX 808
BANKERSFIELD, CA 95804
(951) 857-8691
Opened: 1989-10-01 - Sq Ft: 1584
District: 784
Mgr: Charles L. Dennis
- 36035** WESTMINSTER / WESTMINSTER MALL
5123 WIRTH AVE SPACE #12
WESTMINSTER, CO 80057
(303) 850-8800
Opened: 1986-10-01 - Sq Ft: 1113
District: 707
Mgr: Brande J. Kim
- 36041** WOODBRIDGE / ECHILON MALL
1245 ECHILON MALL SPACE 1205
WOODBRIDGE, NJ 08044
(609) 774-8215
Opened: 1977-11-07 - Sq Ft: 1014
District: 789
Mgr: Julie R. Kowalski
- 38104** PORTLAND / CLACKAMAS TOWNE CENTER
12000 SE 87TH AVE SPACE #2204
PORTLAND, OR 97286
(503) 853-2288
Opened: 1987-10-21 - Sq Ft: 1674
District: 702
Mgr: Laura K. Buseby
- 38943** ALBUQUERQUE / CONCORD CENTER
6810 MENAUL BLVD HE SPACE #18
ALBUQUERQUE, NM 87110
(505) 881-8285
Opened: 1987-11-04 - Sq Ft: 2000
District: 787
Mgr: Renee Biggs

The San Francisco Marts Box Company
300 N. Yegre Lane, Suite 200 - Walnut Creek, CA 94598
Telephone: 925-939-1800 FAX: 925-927-2899

- 38059** ROSEVILLE / SACRAMENTO MALL
3225 GRATIOT AVE. SPACE 610
ROSEVILLE, MI 48068
(936) 284-8240
Opened: 1987-11-27 - Sq Ft: 836
District: 705
Mgr: Marie E. Leachman
- 38058** ROSEVILLE / SACRAMENTO MALL
3225 GRATIOT AVE. SPACE 610
ROSEVILLE, MI 48068
(936) 284-8240
Opened: 1987-11-27 - Sq Ft: 836
District: 705
Mgr: Marie E. Leachman
- 38053** ANAPOLIS / ANAPOLIS MALL
100 ANAPOLIS MALL
ANAPOLIS, MD 21401
(410) 286-9272
Opened: 1987-11-01 - Sq Ft: 864
District: 733
Mgr: Michelle A. Wallitt
- 38054** MERRILLVILLE / WESTFIELD
SHOPPINGTOWN MALL
1072 BOUTLAKA MALL SPACE AL-140
MERRILLVILLE, IN 46410
(219) 736-7717
Opened: 1987-11-27 - Sq Ft: 871
District: 798
Mgr: Thelma A. Pochop
- 38055** KENNEDY TOWN CENTER AT COBB
409 ERNEST BARNETT PKWY SUITE #169
KENNESAW, GA 30144
(770) 428-8339
Opened: 1983-11-27 - Sq Ft: 1078
District: 780
Mgr: Janet K. Schwärz
- 38056** AURORA / AURORA MALL
14200 E. ALAMEDA AVE
AURORA, CO 80012
(303) 344-8019
Opened: 1987-11-10 - Sq Ft: 1035
District: 787
Mgr: Dwight A. Coleman
- 38057** ARLINGTON PARKS AT ARLINGTON
3811 E. COOPER STREET SPACE #1064
ARLINGTON, TX 76015
(817) 472-8222
Opened: 1988-02-24 - Sq Ft: 775
District: 787
Mgr: Rhonda R. Key
- 38058** BRIDGEWATER BRIDGEWATER EDWARDS
400 COMMONWEAY WAY SPACE #202
BRIDGEWATER, NJ 08807
(908) 231-0023
Opened: 1989-02-24 - Sq Ft: 980
District: 789
Mgr: Christina T. Tomasco
- 38062** HOWL TWELVE OAKS MALL
27848 NOV ROAD SPACE D-183
NOVI, MI 48377
(248) 847-2740
Opened: 1988-04-28 - Sq Ft: 1489
District: 763
Mgr: Sheryl Mason
- 38070** FORT WAYNE / GLENNBROOK SQUARE
4001 GOLDWATER ROAD SPACE CA
FORT WAYNE, IN 46805
(307) 683-8785
Opened: 1988-08-07 - Sq Ft: 1128
District: 785
Mgr: Heather N. Hyvonen
- 38071** SAN JEROME / DASSBRIDGE MALL
151 OAKRIDGE MALL
SAN JOSE, CA 95123
(408) 224-8044
Opened: 1988-10-27 - Sq Ft: 870
District: 782
Mgr: Mitsya M. Ota
- 38072** DANBURY / DANBURY FAIR MALL
7 BRACKUS AVENUE
DANBURY, CT 06810
(203) 787-1118
Opened: 1988-05-30 - Sq Ft: 1045
District: 781
Mgr: Ann M. Franzen

The San Francisco Music Box Company
 300 N. Ynglet Lane, Suite 200 - Walnut Creek CA 94598
 Telephone: 925-939-4800 FAX: 925-927-2900

34070	CLAY LANE/ NORTHERN HALL 4165 ROUTE 111 SPACE #F-100 CLAY, NY 13041 (315) 822-4888 Opened: 1988-10-06 - Sq Ft: 897 District: 791 Mgr: _____	31808	2700 MAIN STREET SPACE #68 DAYTON, OH 45418 (607) 492-2188 Opened: 1988-11-17 - Sq Ft: 1036 District: 785 Mgr: Jeff Ajala
35071	SANTA ANA/ MAIN PLAZA 2000 N MAIN STREET SPACE #608 SANTA ANA, CA 92705 (714) 847-0425 Opened: 1988-08-23 - Sq Ft: 1032 District: 784 Mgr: Lorena J. Feltz	35101	DAYTON/ DIXON HALL 2700 MAIN STREET SPACE #68 DAYTON, OH 45418 (607) 492-2188 Opened: 1988-11-17 - Sq Ft: 1036 District: 785 Mgr: Jeff Ajala
35072	WOODBRIDGE/ WOODBRIDGE CENTER 125 WOODBRIDGE CENTER DR WOODBRIDGE, NJ 07095 (201) 894-4885 Opened: 1988-08-23 - Sq Ft: 1045 District: 788 Mgr: Nicola M. Mason	35102	BIRMINGHAM/ UNIVERSTABLE GALLERY 2000 RIVERCHASE GALLERY SPACE 282 BIRMINGHAM, AL 35244 (205) 988-4883 Opened: 1988-08-18 - Sq Ft: 895 District: 780 Mgr: Freda J. Farmer
35085	BOISE/ BOISE TORINE SCHWABE 350 N MILWAUQUEE SPACE #605 BOISE, ID 83704 (208) 376-0183 Opened: 1988-10-18 - Sq Ft: 815 District: 782 Mgr: Diana L. Reavis	35104	TOMB RIVER/ JOHNSON COUNTY MALL 1201 HOOPER AVE SPACE #217 TOMB RIVER, NJ 08725 (724) 895-8332 Opened: 1988-12-05 - Sq Ft: 894 District: 789 Mgr: Julia T. Donahue
		31809	DES PERES/ WESTFIELD SHOPPING TOWN WEST COUNTY CENTER 44 WEST COUNTY CENTER WAY, SPACE 2030 DES PERES, MO 63131 (314) 694-2178 Opened: 8/20/02 - Sq Ft: 1310 District: 798 Mgr: Devin M. Stevens
		35105	PASADENA/ PASADENA MALL 8655 W RIDGEWOOD DR UNIT 42 PASADENA, CA 91120 (441) 842-7370 Opened: 1988-04-08 - Sq Ft: 1650 District: 783 Mgr: Kelley W. Scott
		35106	ROCKAWAY/ ROCKAWAY MALL RT 80 & MT HOPE AVE ROCKAWAY, NJ 07866 (973) 387-3877 Opened: 1988-04-21 - Sq Ft: 837 District: 788 Mgr: Margaret A. Braun
		35107	PHOENIX/ METRO CENTER 6617 N METRO PARKWAY WEST SPACE #1074 PHOENIX, AZ 85051 (602) 943-0829 Opened: 1988-05-13 - Sq Ft: 2380 District: 797 Mgr: Judith R. Poston

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- 36105 **BUFFALO WYANDEN GALLERY MALL**
2800 WALDEN AVENUE SPACE #B-101
BUFFALO, NY 14226
(716) 861-2277
Opened: 1989-08-01 - Sq Ft: 1020
District: 781
Mgr: Steven M Chiodo
- 36106 **SARASOTA / SARASOTA SQUARE**
2601 S TAMPA TRAIL, UNIT A7
SARASOTA, FL 34238-2871
(811) 924-0816
Opened: 1989-11-01 - Sq Ft: 1550
District: 780
Mgr: Elizabeth A Hill
- 36107 **COLUMBUS / COLUMBUS CITY CENTER**
238 COLUMBUS CITY CITY DR
COLUMBUS, OH 43215
(614) 221-4416
Opened: 1989-08-18 - Sq Ft: 1869
District: 785
Mgr: Maurven P Nixon
- 36108 **ST. ANN / WESTFIELD / HOPEWETOWN**
KONIGSHEIL
751 NORTHWEST PLAZA
ST. ANN, MD 20774
(314) 739-0205
Opened: 1988-09-01 - Sq Ft: 1505
District: 788
Mgr: Auligall L Seindler
- 36110 **VERNON HILLS / HAYTHORN CENTER**
607 HAYTHORN CENTER
VERNON HILLS, IL 60061
(647) 818-8877
Opened: 1989-09-28 - Sq Ft: 942
District: 786
Mgr: Theodore
- 36111 **DUNLINDO / BELZ FACTORY DR MALL**
5401 WEST OAKHURST RD SPACE #B
DUNLINDO, FL 32618
(407) 323-2611
Opened: 1988-03-20 - Sq Ft: 1087
District: 780
Mgr: Barbara J Polino
- 36113 **NORTH ATLANTICO / PARROLD SQUARE**
MALL
317 PARROLD SQUARE
NORTH ATLANTICO, MA 02760
(603) 859-8112
Opened: 1988-09-10 - Sq Ft: 1112
District: 781
Mgr: Christina P Williams
- 36115 **PARANUS / GARDEN STATE PLAZA**
1058 GARDEN STATE PLAZA
PARANUS, NJ 07652
(201) 843-6940
Opened: 1928-12-02 - Sq Ft: 1165
District: 789
Mgr: Leanne S Circhella
- 36125 **FREEDOLD / FREEDOLD RACEWAY HALL**
3710 ROUTE 8 SPACE #2318
FREEDOLD, NJ 07723
(732) 392-1880
Opened: 1990-08-11 - Sq Ft: 812
District: 789
Mgr: Eimmabella R Normanen
- 36129 **EL CAJON / PARKWAY PLAZA**
783 PARKWAY PLAZA
EL CAJON, CA 92020
(619) 523-1010
Opened: 1980-11-01 - Sq Ft: 1247
District: 784
Mgr: Lueanna J Bagasco
- 36130 **SYRACUSE / CAROUSEL CENTER**
848 CAROUSEL CENTER DR 330 W
MADYRTHA BLVD
SYRACUSE, NY 13220
(315) 486-3906
Opened: 1990-10-15 - Sq Ft: 1427
District: 781
Mgr: Elaine Galva
- 36135 **GLEN BURNE / MOSELEY STATION**
1600 RICHIE HWY
GLEN BURNE, MO 21691
(410) 760-8835
Opened: 1991-05-01 - Sq Ft: 1310
District: 783
Mgr: Lynn L Sellers

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- | | | | | | |
|-------|--|-------|---|-------|--|
| 36136 | BIVERSIDE / GALLERIA AT TYLER
228 GALLERIA AT TYLER
RIVERSIDE, CA 92505
(951) 358-9375
Operated: 1991-11-16 - Sq Ft: 1083
District: 704
Mgr: Debbie E. Salazar | 36142 | BLOOMINGTON / MALL OF AMERICA
189 SOUTH AVENUE
BLOOMINGTON, MN 55408
(652) 853-2882
Operated: 1987-08-11 - Sq Ft: 1999
District: 700
Mgr: Reginald A. Train | 36151 | EUGENE / VALLEY RIVER CENTER
27 VALLEY RIVER CENTER SPACE #M-5
EUGENE, OR 97401
(541) 867-1618
Operated: 1992-08-21 - Sq Ft: 367
District: 782
Mgr: Jacqueline S. Cardona |
| 36137 | PAINFAX / FAIR OAKS MALL
11734 FAIR OAKS
FAIRFAX, VA 22033
(703) 354-8865
Operated: 1991-10-04 - Sq Ft: 1200
District: 793
Mgr: David A. Dierks | 36143 | SAN FRANCISCO / SAN FRANCISCO CENTER
801 MARKET STREET SPACE #229
SAN FRANCISCO, CA 94103
(415) 846-8848
Operated: 2000-02-02 - Sq Ft: 1003
District: 798
Mgr: Anthony G. Laughed | 36156 | WINSTON SALEM / MANEER HALL
3300 SILAS CREEK PARKWAY ELITE #340
WINSTON SALEM, NC 27103
(336) 760-8881
Operated: 1993-08-13 - Sq Ft: 1812
District: 783
Mgr: Nicholas C. Harris |
| 36139 | SILVERDALE / KINGS MALL
10315 SILVERDALE WAY NW PO BOX 2243
SILVERDALE, WA 98381
(800) 816-7780
Operated: 1991-11-27 - Sq Ft: 1005
District: 782
Mgr: Dennis D. Alvarez | 36147 | STATEN ISLAND / STATEN ISLAND MALL
2655 RICHMOND AVE SPACE #112
STATEN ISLAND, NY 10314
(718) 983-8884
Operated: 1993-10-30 - Sq Ft: 1076
District: 788
Mgr: Elizabeth A. Gerhard | 36180 | TAYLOR / DUTCHLAND MALL
23000 DUTCHLAND ROAD SPACE # C-9
TAYLOR, MI 48180
(734) 287-2771
Operated: 1992-09-18 - Sq Ft: 1350
District: 785
Mgr: Wendy S. Hopkins |
| 36140 | SAUNDERSBURG / LANGFORD MALL
701 RUSSELL AVE SPACE 125
GAITHERSBURG, MD 20877
(301) 339-6373
Operated: 1992-04-01 - Sq Ft: 1620
District: 783
Mgr: Beverly J. Juhala | 36148 | THOUSAND OAKS / THE OAKS MALL
424 W. HILLCREST DRIVE SPACE # P-19
THOUSAND OAKS, CA 91320
(805) 373-0869
Operated: 1992-09-15 - Sq Ft: 1100
District: 784
Mgr: Yvonne N. Schneiderburg | 36163 | VALENCIA / VALENCIA TOWN CENTER
24261 W. VALENCIA BLVD SUITE #2205
VALENCIA, CA 91355
(818) 287-3784
Operated: 1993-03-20 - Sq Ft: 1070
District: 784
Mgr: David M. Boudreau |

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|-------|--|-------|--|
| 36184 | AURORA FOX VALLEY CENTER
1410 FOX VALLEY CENTER
AURORA, IL 60504
(630) 884-1753
Opened: 1980-11-18 - Sq Ft: 900
District: 784
Mgr. Patricia L. Saphien | 36170 | HELENA/IRVING/HELENA SQUARE
1700 W NEW HAVEN AVE SPACE #301
HELENA, MT 59604
(406) 224-0489
Opened: 1982-09-28 - Sq Ft: 1085
District: 720
Mgr. Bob J Woodhouse |
| 36185 | WEST MERRILL/CENTURY III MALL
3075 CLARKTON RD SPACE #204
WEST MIFFLIN, PA 16128
(412) 953-8780
Opened: 1993-02-19 - Sq Ft: 1069
District: 783
Mgr. Wendy J Syder | 36186 | MELEUN/CHANCELL HILL MALL
2000 BRITAIN ROAD SUITE #311
AUBURN, CA 95610
(530) 623-0181
Opened: 1982-11-03 - Sq Ft: 1260
District: 765
Mgr. Tracey M DeLoach |
| 36187 | ANTIOCH/HICKORY HOLLOW MALL
4222 HICKORY HOLLOW HWY SPACE #1021
ANTIOCH, TN 37013
(615) 731-7755
Opened: 1993-11-13 - Sq Ft: 1133
District: 783
Mgr. Kelly Henderson | 36187 | FRUITSWOOD/LEAVENWORTH MALL
1314 BAYBROOK MALL
FRUITSWOOD, TX 77541
(281) 483-0988
Opened: 1992-11-14 - Sq Ft: 1113
District: 787
Mgr. Brigitte Lk
Temp. Mgr. Susan Temp Closure |
| 36188 | ROCHESTER/MARKETPLACE MALL
880 AIRTRAIL MILLS DRIVE
ROCHESTER, NY 14623
(585) 427-2210
Opened: 1982-10-17 - Sq Ft: 1200
District: 791
Mgr. Deborah W Komer | 36188 | LOUISVILLE/JEFFERSON MALL
480 W 272 CUTLER LOOP ROAD
LOUISVILLE, KY 40218
(502) 979-8038
Opened: 1982-11-19 - Sq Ft: 1278
District: 785
Mgr. Maribel A Guiter |
| 36189 | SPokane/Inokintown Mall
4750 N DIVISION ST SPACE # N-207
SPOKANE, WA 99207
(509) 482-1078
Opened: 1983-04-02 - Sq Ft: 1478
District: 782
Mgr. Terrence Evans | 36189 | FLANDERS/ROSS PARK MALL
1000 ROSS PARK MALL DR SPACE # A6.4.7
PITTSBURGH, PA 15237
(412) 385-8833
Opened: 1983-06-20 - Sq Ft: 1223
District: 793
Mgr. Tracy L. Chumey |
| 36190 | AUSTIN/BARTON CREEK SQUARE
2801 CAPITAL TEXAS HWY SPACE # L-1
AUSTIN, TX 78748
(512) 329-8750
Opened: 1983-04-23 - Sq Ft: 1184
District: 787
Mgr. Jeffrey J Mardin | 36190 | FLANDERS/ROSS PARK MALL
1000 ROSS PARK MALL DR SPACE # A6.4.7
PITTSBURGH, PA 15237
(412) 385-8833
Opened: 1983-06-20 - Sq Ft: 1223
District: 793
Mgr. Tracy L. Chumey |
| 36191 | FLANDERS/ROSS PARK MALL
1000 ROSS PARK MALL DR SPACE # A6.4.7
PITTSBURGH, PA 15237
(412) 385-8833
Opened: 1983-06-20 - Sq Ft: 1223
District: 793
Mgr. Tracy L. Chumey | 36191 | FLANDERS/ROSS PARK MALL
1000 ROSS PARK MALL DR SPACE # A6.4.7
PITTSBURGH, PA 15237
(412) 385-8833
Opened: 1983-06-20 - Sq Ft: 1223
District: 793
Mgr. Tracy L. Chumey |

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36180

~~MILPITAS / GREAT PLAZA MALL~~
 530 GREAT PLAZA DRIVE
 MILPITAS, CA 95035
 Operated: 1984-08-22 - Sq Ft: 1383
 District: 782
 Mgr. Suzanne Vargas

36188

~~MILWAUKEE / MILWAUKEE DIST. CENTER~~
 8125 N. GRANVILLE WOODS RD PO BOX
 3111
 MILWAUKEE, WI 53223
 (414) 382-4180
 Operated: 2002-04-22 - Sq Ft: 98
 District: 796
 Mgr. Jeff Lund

36204

~~SPRINGFIELD / BARTO REFIELD MALL~~
 2626 S. OLDFIELD AVENUE SPACE 303
 SPRINGFIELD, MO 65804
 (417) 882-7862
 Operated: 1993-08-20 - Sq Ft: 1085
 District: 788
 Mgr. Carolyn C Fay

36186

~~KNOXVILLE / WESTTOWN MALL~~
 7800 KINGSTON PLACE SPACE #1082
 KNOXVILLE, TN 37818
 (615) 881-4747
 Operated: 1983-07-31 - Sq Ft: 1175
 District: 783
 Mgr. Shirley R. Tindal

36201

~~MERIDEN / WESTFIELD SHOPPING TOWN~~
 MERIDEN SQUARE
 470 LEWIS AVENUE SPACE #2212
 MERIDEN, CT 06451
 (203) 834-8838
 Operated: 1993-03-03 - Sq Ft: 1056
 District: 791
 Mgr. Mary C. Vanni

36203

~~LAKEWOOD / LAKEWOOD CENTER~~
 28 LAKEWOOD CENTER
 LAKEWOOD, CA 90712
 (800) 694-6839
 Operated: 1988-11-24 - Sq Ft: 1267
 District: 714
 Mgr. Deborah J. Powell

36184

~~CHICAGO RIDGE / CHICAGO RIDGE MALL~~
 531 CHICAGO RIDGE MALL
 CHICAGO RIDGE, IL 60415
 (708) 422-5488
 Operated: 1989-08-28 - Sq Ft: 1035
 District: 746
 Mgr. Louise M. Staudach

36206

~~CHICAGO RIDGE / CHICAGO RIDGE MALL~~
 531 CHICAGO RIDGE MALL
 CHICAGO RIDGE, IL 60415
 (708) 422-5488
 Operated: 1989-08-28 - Sq Ft: 1035
 District: 746
 Mgr. Louise M. Staudach

36178

~~NORRIDGE / HARLEEN SWING PLAZA~~
 4108 N. HARLEEN AVE
 NORRIDGE, IL 60708
 (708) 453-8750
 Operated: 1989-04-30 - Sq Ft: 962
 District: 709
 Mgr. Alison Reitz

36207

~~CINCINNATI / FR. COUNTY MALL~~
 11700 PRINCETON PARK SPACE # 5-208
 CINCINNATI, OH 45248
 (613) 671-4475
 Operated: 1988-08-28 - Sq Ft: 1040
 District: 785
 Mgr. Sharon M. Day

36207

~~SACRAMENTO / DIONTORRA PLAZA~~
 547 L. STREET SUITE 1101
 SACRAMENTO, CA 95814
 (916) 444-9848
 Operated: 1989-10-20 - Sq Ft: 1327
 District: 782
 Mgr. James J. Fox

The San Francisco North Bay Company
380 N. Wood Lane, Suite 200 - Walnut Creek, CA 94598
Telephone: 925-838-4800 FAX: 925-927-2880

34467 CONCORD / CONCORD MILLS
8111 CONCORD MILLS SPACE 518
CONCORD, NC 27027
(704) 878-3058
Operated: 2002-02-04 - 29 Ft. 5383
District: 725
Mgr: Jeanne D Flur

35881 ST. LOUIS / ST. LOUIS UNION STATION
1626 MARKET STREET SPACE #128
ST. LOUIS, MO 63103
0141231-1228
Operated: 1999-03-15 - 59 Ft. 1551
District: 788
Mgr: Gertrudine A Schuchman

SFMB DISTRIBUTION CENTER
8155 N. Granville Woods Road
Milwaukee, WI 53201-3111

TRADEMARK
REEL: 002959 FRAME: 0082

Exhibit 4.1(a) to TMC/SFMB Agency Agreement
SFMB Stores

Landlord Occupancy- This includes rent, CAM and may or may not include real estate and use taxes, HVAC, Utilities, telephone charges, personal property leases and taxes, Repairs and Maintenance (equipment, systems and building), building insurance relating to stores, merchants liability and casualty insurance, security and trash removal costs.

Other Occupancy - This includes the following expenses to the extent that they are not included in landlord occupancy: real estate and use taxes, HVAC, Utilities, telephone charges, personal property leases and taxes, Repairs and Maintenance (equipment, systems and building), building insurance relating to stores, merchants liability and casualty insurance, security and trash removal

Store #	Store Name	Store Address 1	City	State	Zip	Monthly			Total Occupancy Cost Per Day
						Landlord Occupancy	Other Occupancy	Total Occupancy	
36021	Pier 39	Space #H-1	San Francisco	CA	94133	\$ 18,188	\$ 4,840	\$ 21,028	\$ 888
36023	Stoneridge Mall	1036 Stoneridge Mall	Pleasanton	CA	94588	\$ 13,448	\$ 507	\$ 13,954	\$ 455
36025	Sun Valley Mall	408 Sun Valley Mall	Concord	CA	94520	\$ 9,211	\$ 1,243	\$ 10,455	\$ 341
36029	Fashion Fair Mall	819 E Shaw Ave	Fresno	CA	93710	\$ 7,155	\$ 151	\$ 7,305	\$ 238
36030	Mondair Plaza	2079 Mondair Plaza Lane	Montclair	CA	91763	\$ 9,223	\$ 1,303	\$ 10,527	\$ 343
36031	North County Fair	200 E Via Rancho Pkwy	Escondido	CA	92025	\$ 6,283	\$ 854	\$ 5,838	\$ 194
36032	Fashion Show Mall	3200 Las Vegas Blvd S.	Las Vegas	NV	89108	\$ 9,206	\$ 358	\$ 9,565	\$ 312
36034	Valley Plaza Shop Center	1701 Ming Ave	Bakersfield	CA	93304	\$ 6,973	\$ 1,810	\$ 6,563	\$ 280
36035	Westminster Mall	5423 W 88Th Ave	Westminster	CO	80031	\$ 6,770	\$ 879	\$ 7,749	\$ 253
36041	Echelon Mall	1285 Echelon Mall	Voorhees	NJ	08043	\$ 5,829	\$ 403	\$ 6,228	\$ 203
36044	Cackamas Towne Center	12900 Se 82Nd Ave	Portland	OR	97288	\$ 6,368	\$ 1,372	\$ 9,998	\$ 325
36046	Coronado Center	9600 Menaul Blvd Nc	Albuquerque	NM	87110	\$ 8,769	\$ 2,636	\$ 11,395	\$ 372
36050	Macomb Mall	32375 Gratiot Ave	Rosetville	MI	48068	\$ 3,820	\$ 721	\$ 9,541	\$ 213
36052	Annapolis Mall	100 Annapolis Mall	Annapolis	MD	21401	\$ 6,618	\$ 150	\$ 8,788	\$ 221
36054	Westfield Shop Twn-S.Lake	1972 Southlake Mall	Southlake	IN	48410	\$ 5,643	\$ 140	\$ 5,783	\$ 189
36055	Town Center At Cobb	400 Ernest Barrett Pkwy	Kennesaw	GA	30144	\$ 7,828	\$ 155	\$ 7,884	\$ 260
36056	Aurora Mall	14200 E Alameda Ave	Aurora	CO	80012	\$ 4,828	\$ 1,002	\$ 6,328	\$ 193
36061	Bridgewater Commons	400 Commons Way	Bridgewater	NJ	08807	\$ 9,871	\$ 915	\$ 10,886	\$ 355
36062	Twelve Oaks Mall	27348 Nowl Road	Nowl	MI	48377	\$ 13,864	\$ 809	\$ 14,873	\$ 485
36070	Glenbrook Square	4201 Colowater Road	Fort Wayne	IN	46805	\$ 8,104	\$ 1,173	\$ 7,278	\$ 237
36071	Oakridge Mall	151 Oakridge Mall	Sas Jose	CA	95123	\$ 8,306	\$ 1,929	\$ 7,235	\$ 288
36075	Danbury Fair Mall	7 Bachus Avenue	Danbury	CT	06810	\$ 8,919	\$ 933	\$ 8,862	\$ 321
36076	Great Northern Mall	4183 Route 31	Clay	NY	13041	\$ 4,986	\$ 141	\$ 5,128	\$ 167
36077	Main Place	2800 N Main Street	Santa Ana	CA	92705	\$ 6,402	\$ 751	\$ 9,153	\$ 298
36078	Woodbridge Center	123 Woodbridge Center Dr	Woodbridge	NJ	07095	\$ 6,835	\$ 154	\$ 7,989	\$ 231
36085	Boise Towne Square	350 N Milwaukee	Pose	ID	83704	\$ 3,812	\$ 495	\$ 4,307	\$ 140
36087	Westfield Shop Twn-S. County	70 S County Center Way	St Louis	MO	63128	\$ 8,488	\$ 185	\$ 9,653	\$ 316
36088	Dayton Mall	2700 Miamiburg/Centervia	Dayton	OH	45458	\$ 6,395	\$ 827	\$ 7,222	\$ 233
36090	Riverchase Galleria	3000 Riverchase Galleria	Birmingham	AL	35244	\$ 7,304	\$ 1,108	\$ 8,412	\$ 274
36081	Ocean County Mall	1201 Hooper Ave	Toms River	NJ	08753	\$ 8,384	\$ 1,465	\$ 9,829	\$ 321
36099	West County Mall	44 West County Center	Des Peres	MO	63131	\$ 7,760	\$ 912	\$ 8,672	\$ 283
36101	Parsippany Mall	8055 W Ridgewood Dr	Parsippany	OH	44129	\$ 6,660	\$ 3,840	\$ 10,500	\$ 342
36102	Rockaway Mall	Rt 80 & Mt Hope Ave	Rockaway	NJ	07886	\$ 9,620	\$ 1,518	\$ 11,138	\$ 363
36104	Metro Center	9617 N Metro Parkway West	Phoenix	AZ	85051	\$ 3,791	\$ 521	\$ 4,312	\$ 141
36105	Walton Galleria Mall	2800 Walton Avenue	Buffalo	NY	14225	\$ 8,643	\$ 196	\$ 8,841	\$ 284
36106	Sarasota Square	8201 S Tamiami Trail	Sarasota	FL	3423829	\$ 6,798	\$ 196	\$ 8,994	\$ 293
36107	Columbus City Center	233 Columbus City Cir Or	Columbus	OH	43215	\$ 11,374	\$ 189	\$ 11,572	\$ 377
36109	Westfield Shop Twn-Nw Plaza	731 Northwest Plaza	St Ann	MO	63074	\$ 6,677	\$ 309	\$ 6,888	\$ 228
36110	Hawthorn Center	807 Hawthorn Center	Vernon Hills	IL	60061	\$ 5,366	\$ 819	\$ 7,185	\$ 234
36111	Belt Factory Of Mall	5401 West Oakridge Rd	Orlando	FL	32818	\$ 6,200	\$ 1,571	\$ 7,772	\$ 253
36113	Emerald Square Mall	337 Emerald Square	North Attleboro	MA	02780	\$ 9,410	\$ 850	\$ 10,259	\$ 335
36115	Garden State Plaza	1053 Garden State Plaza	Paramus	NJ	07652	\$ 11,184	\$ 734	\$ 11,917	\$ 389
36125	Freehold Raceway Mall	3710 Route 9	Freehold	NJ	07728	\$ 8,208	\$ 148	\$ 8,357	\$ 272
36129	Parkway Plaza	733 Parkway Plaza	El Cajon	CA	92020	\$ 7,178	\$ 2,052	\$ 9,230	\$ 304
36130	Carousel Center	9648 Carousel Center Dr	Syracuse	NY	13290	\$ 11,782	\$ 168	\$ 11,967	\$ 390
36136	Marley Station	7800 Riche Hwy	Glen Burnie	MD	21061	\$ 8,334	\$ 751	\$ 9,084	\$ 296
3613e	Galleria At Tyler	2228 Galleria At Tyler	Riverside	CA	92503	\$ 6,802	\$ 576	\$ 7,378	\$ 241
36137	Fair Oaks Mall	11733-L Fair Oaks	Fairfax	VA	22033	\$ 9,777	\$ 187	\$ 9,844	\$ 324
36139	Kings Mall	10315 Silverdale Way Nw	Silverdale	WA	98363	\$ 5,470	\$ 1,225	\$ 6,895	\$ 216
36140	Lakewood Mall	701 Russell Ave	Galtersburg	MD	20877	\$ 8,998	\$ 182	\$ 9,178	\$ 289
36142	Mall Of America	154 South Avenue	Bloomington	MN	55423	\$ 9,481	\$ 2,005	\$ 11,488	\$ 374
36145	San Francisco Center	484 Market Street	San Francisco	CA	94103	\$ 9,151	\$ 494	\$ 9,945	\$ 315
36147	Staten Island Mall	2855 Richmond Ave	Staten Island	NY	10314	\$ 8,617	\$ 1,809	\$ 10,427	\$ 340
36148	The Oaks Mall	544 W Hillcrest Drive	Thousand Oaks	CA	91360	\$ 9,838	\$ 193	\$ 10,001	\$ 326
36151	Valley River Center	527 Valley River Center	Eugene	OR	97401	\$ 4,816	\$ 198	\$ 5,014	\$ 164
36166	Hanes Mall	3320 Siles Creek Parkway	Winston Salem	NC	27103	\$ 6,811	\$ 810	\$ 7,621	\$ 249
36160	Southland Mall	23000 Eureka Road	Taylor	MI	48180	\$ 7,643	\$ 1,722	\$ 9,365	\$ 305
36163	Valencia Town Center	24201 W Valencia Blvd	Valencia	CA	91355	\$ 7,150	\$ 358	\$ 7,508	\$ 245
36164	Fox Valley Center	1410 Fox Valley Center	Aurora	IL	60504	\$ 8,014	\$ 503	\$ 8,517	\$ 213
36165	Century II Mall	3075 Clifton Rd	West Mifflin	PA	15123	\$ 4,884	\$ 1,616	\$ 6,501	\$ 212
36167	Hickory Hollow Mall	5262 Hickory Hollow Pkwy	Antioch	TN	37013	\$ 6,624	\$ 161	\$ 6,786	\$ 221
36168	Marketplace Mall	890 Miracle Mile Drive	Rochester	NY	14623	\$ 6,322	\$ 344	\$ 7,085	\$ 230
36170	Melbourne Square	1700 W New Haven Ave	Melbourne	FL	32904	\$ 5,125	\$ 633	\$ 5,758	\$ 188
36171	Baybrook Mall	1143 Baybrook Mall	Friendswood	TX	77546	\$ 8,188	\$ 284	\$ 8,450	\$ 210
36174	Jefferson Mall	4801A272 Outer Loop Road	Louisville	KY	40219	\$ 5,805	\$ 670	\$ 6,274	\$ 205
36175	Chapel Hill Mall	2000 Brittan Road	Akron	OH	44310	\$ 5,321	\$ 313	\$ 5,634	\$ 184
36182	Northtown Mall	4750 N Division St	Spokane	WA	99207	\$ 8,668	\$ 180	\$ 6,045	\$ 197
36184	Barton Creek Square	2901 Capitol Texas Hwy	Austin	TX	78748	\$ 8,492	\$ 542	\$ 7,934	\$ 229

Exhibit 4.1(a) to TMC/SFMB Agency Agreement
SFMB Stores

Landlord Occupancy - This includes rent, CAM and may or may not include real estate and use taxes, HVAC, Utilities, telephone charges, personal property leases and taxes, Repairs and Maintenance (equipment, systems and building), building insurance relating to stores, merchants liability and casualty insurance, security and trash removal costs.

Other Occupancy - This includes the following expenses to the extent that they are not included in landlord occupancy: real estate and use taxes, HVAC, Utilities, telephone charges, personal property leases and taxes, Repairs and Maintenance (equipment, systems and building), building insurance relating to stores, merchants liability and casualty insurance, security and trash removal.

Store #	Store Name	Store Address 1	City	State	Zip	Monthly			Total Occupancy Cost Per Day
						Landlord Occupancy	Other Occupancy	Total Occupancy	
36185	Collin Creek Mall	811 N Central Exp	Plano	TX	75075	\$ 5,868	\$ 383	\$ 6,251	\$ 203
36188	Ross Park Mall	1000 Ross Park Mall Dr	Pittsburgh	PA	15237	\$ 6,378	\$ 189	\$ 6,567	\$ 213
36190	Great Bay Area Mall	536 Great Mall Drive	Milpitas	CA	95035	\$ 6,753	\$ 1,220	\$ 7,973	\$ 260
36195	West Town Mall	7800 Kingston Pike	Knoxville	TN	37919	\$ 6,094	\$ 1,181	\$ 7,275	\$ 237
36198	Great Northeast Sq	134 Great Northeast Blvd	North Olmsted	OH	44070	\$ 6,370	\$ 1,418	\$ 7,788	\$ 256
36198	Harlem Irving Plaza	4200 N Harlem Ave	Norridge	IL	60708	\$ 4,871	\$ 1,581	\$ 6,452	\$ 214
36201	Westfield Meriden Square	470 Lewis Avenue	Meriden	CT	06451	\$ 6,321	\$ 1,057	\$ 7,378	\$ 241
36202	Southcenter Mall	720 Southcenter	Tukwila	WA	98106	\$ 6,757	\$ 844	\$ 7,601	\$ 249
36203	Tri County Mall	11700 Princeton Pike	Cincinnati	OH	45248	\$ 6,828	\$ 462	\$ 7,290	\$ 240
36204	Battlefield Mall	2825 G Glenstone Ave	Springfield	MO	65804	\$ 6,498	\$ 193	\$ 6,691	\$ 218
36205	Lakewood Center	38 Lakewood Center	Lakewood	CA	90712	\$ 6,600	\$ 1,588	\$ 8,188	\$ 274
36206	Chicago Ridge Mall	531 Chicago Ridge Mall	Chicago Ridge	IL	60415	\$ 6,575	\$ 1,181	\$ 7,756	\$ 252
36207	Downtown Plaza	547 L Street	Sacramento	CA	95814	\$ 6,826	\$ 908	\$ 7,734	\$ 246
36210	Stratford Square MI	410 Stratford Square	Bloomington	IL	60108	\$ 5,388	\$ 402	\$ 5,790	\$ 189
36212	Fashion Square Mall	4883 Fashion Square MI	Saginaw	MI	48604	\$ 4,829	\$ 618	\$ 5,447	\$ 178
36219	Roosevelt Field Mall	830 Old Country Rd	Garden City	NY	11530	\$ 17,458	\$ 1,822	\$ 19,280	\$ 629
36222	Burnsville Center	2047 Burnsville Center	Burnsville	MN	55306	\$ 6,058	\$ 295	\$ 6,353	\$ 207
36223	Osmoor Mall	7900 Shelbyville Road	Louisville	KY	40222	\$ 8,708	\$ 328	\$ 9,036	\$ 295
36224	Greenwood Park Mall	1251 Lis 31 North	Greenwood	IN	46142	\$ 6,483	\$ 235	\$ 6,718	\$ 219
36225	Galleria At Crystal Run	One Galleria Drive	Middletown	NY	10941	\$ 8,567	\$ 152	\$ 8,719	\$ 284
36228	Natick Mall	1248 Worcester Street	Natick	MA	01780	\$ 7,853	\$ 1,222	\$ 9,075	\$ 296
36229	Crystal Mall	150 Hartford Turnpike	Waterford	CT	06385	\$ 7,219	\$ 801	\$ 8,020	\$ 263
36230	Mall Of New Hampshire	1500 S Willow Street	Manchester	NH	03103	\$ 7,601	\$ 902	\$ 8,503	\$ 277
36231	Village Fair Mall	3401 Dale Rd	Maine St	CA	95356	\$ 5,045	\$ 821	\$ 5,866	\$ 185
36234	Orland Park Square	808 Orland Square	Orland Park	IL	60462	\$ 8,537	\$ 1,188	\$ 9,725	\$ 314
36487	Concord Mills	8111 Concord Mills	Concord	NC	28027	\$ 3,875	\$ 504	\$ 4,379	\$ 143
36801	St Louis Union Station	1829 Market Street	St Louis	MO	63100	\$ 4,500	\$ 1,179	\$ 5,679	\$ 185
						\$ 700,742	\$ 81,628	\$ 782,370	\$ 25,509

SCHEDULE 8.1

GUIDELINES FOR CONDUCT OF THE SALES

1. The Sale shall be conducted so that the subject Closing Store remains open during that Closing Store's normal hours of operation.
2. The Sale shall be conducted in accordance with applicable state and local "Blue Laws."
3. The Sale shall be concluded at each Store no later than September 30, 2003.
4. Agent shall not use flashing lights or any type of amplified sound on the leased premises or on any common areas to advertise the Sales or solicit customers for the Sale at that Store.
5. With respect to the advertising of the Sales, Agent shall be permitted to promote and advertise the Sale in accordance with the Agency Agreement and applicable law, including, without limitation, by means of electronic and print media advertising and in-store and exterior signage; provided that all signage shall be professionally produced, and all banners and hanging signs shall be hung in a professional manner.
6. Conspicuous signs shall be posted at the stores to the effect that all sales are "final."
7. Agent shall not make any alterations to the storefront or exterior walls of any of the stores (including the removal of store signs).
8. Agent shall not make any alterations to interior or exterior store lighting.
9. Agent shall not remove from any store any property so affixed to the real estate that an interest therein arises under real estate law (i.e., "fixtures" within the meaning of the Uniform Commercial Code).
10. No exterior signs or signs in common areas of a mall shall be used. Signs will be limited to 3' x 5' signs indicating "Store Closing" or "Going Out of Business" with no more than ten (10) hanging signs per 1000 square feet of retail space. In addition, one interior banner sign of 3' x 10' may be placed in the rear of the store.
11. Agent shall be permitted to use one (1) sign per window. Window signs will be no larger than 3' x 5'. All window signs in enclosed malls will be set back at least one (1) foot.
12. Furniture, fixtures and equipment may be sold but may not be removed prior to the closing of the store and removal may not be through public areas of the mall. No auction of such items will be conducted.

13. Landlords will receive at least seven (7) days notice of the termination of a GOB sale at each location. All stores will be left in broom clean condition and all goods and inventory will be removed from the store.
14. The landlords of the Stores shall have reasonable access to the Store premises (i) of any purposes consistent with applicable Store leases, and (ii) upon conclusion of the Sale at any Store for the purpose of dressing windows to minimize the appearance of a dark Store. Any such dressing shall not be deemed an acceptance by the landlord of surrender of the premises. A lease shall only be deemed rejected at such time as notice has been given in compliance with any order of the Bankruptcy Court.
15. The Debtors shall provide the name, address, telephone and facsimile number of individuals to contact on behalf of the Debtors with any general questions or problems related to these Guidelines that do not rise to the level of seriousness (an "Ordinary Course Contact Person"). The Debtors will provide written notice of any change in the identify and contact information of any Ordinary Course Contact Person. The initial Ordinary Course Contact Person is:

Name: _____
Address: _____
Phone: _____
Fax: _____

16. To the extent that any Store landlord affected hereby contends that the Debtors is in breach or default under these Guidelines, such landlord shall provide five (5) days' written notice, served by facsimile and overnight delivery, on both the Debtors and the Debtors' counsel at the following facsimile numbers and addresses:

Debtor:

The San Francisco Music Box Company, Inc.
c/o The Museum Company, Inc.
695 Route 46 West
Fairfield, NJ 07004
Attn: Craig Boucher, Esq.
Tel: (212) 610-5600
Fax: (212) 610-5601

Debtors' Counsel:

Young Conaway Stargatt and Taylor, LLC
The Brandywine Building
1000 West Street, 17th Floor
Wilmington, DE j19801
Attn: Joseph M. Barry, Esq.
Tel: (302) 571-6705
Fax: (302) 576-3280

Exhibit 10

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
)	
SFMB ACQUISITION CORP., et al.,)	Case No. 03-11524 (PJW)
)	
Debtors.)	Jointly Administered
)	
)	Re Docket No.47 & 104

**ORDER PURSUANT TO BANKRUPTCY CODE SECTIONS 105 AND 363:
(A) APPROVING ASSET PURCHASE AGREEMENT (B) APPROVING AGENCY
AND LICENSE AGREEMENT; (C) APPROVING AGENCY AGREEMENT (BACK-UP
BID); (D) APPROVING THE PAYMENT OF BID PROTECTIONS IN CONNECTIONS
THEREWITH; (E) AUTHORIZING THE
DEBTORS AND/OR THEIR AGENT TO CONDUCT GOING OUT OF BUSINESS SALES
AND TO SELL CERTAIN ASSETS FREE AND CLEAR OF LIENS, INTERESTS, AND
ENCUMBRANCES; AND (F) GRANTING ANCILLARY RELIEF RELATED THERETO**

Upon the Motion of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), for an Order: (1) Establishing Bidding Procedures With Respect To The Disposition of Debtors' Assets; (2) Approving The Form And Manner Of Notice Of Bidding Procedures To Potential Bidders And Other Parties In Interest; (3) Scheduling A Hearing To Consider Approval Of The Highest And Best Offer For Debtors' Merchandise or Assets, (4) Approving either (a) Agency Agreement In Connection With Retaining Exclusive Agent To Conduct Closing Sale or (b) Asset Purchase Agreement for the Sale of Some or All of the Debtors' Assets; (5) Authorizing the Sale of Certain Assets Free and Clear Of Liens, Interests, and Encumbrances; and (6) Granting Relief Related Thereto (the "Motion")¹ [see Docket No. 47], all as more fully set forth in the Motion; and the Amended Notice of (A) Amendment to Sale Procedures; (B) Revised Agency Agreement; (C) Proposed Asset Purchase Sale of San Francisco Music Box; (D) Revised Auction and Bid Procedures; and (E) Establishing New Auction Date (the "Amended Notice," and together with the Motion, the "Amended Motion")

[see Docket No. 104]; and an auction having been conducted in accordance with the terms set forth in the Amended Motion on June 10, 2003 (the "June 10th Auction"); and the Debtors, in consultation with proposed counsel to the Official Committee of Unsecured Creditors appointed in these cases (the "Committee") and Fleet Retail Finance, Inc. ("Fleet"), GB Retail Funding LLC ("GB Retail," and together with Fleet, the "Lenders"), the Debtors' pre- and post-petition lenders having entered into that certain Asset Purchase Agreement (the "APA") by and among San Francisco Music Box Company, Inc. ("SFMB") and Calendar Club SA, L.L.C. ("Calendar Club") and Great American Group ("Great American," and together with Calendar Club, "Purchaser") dated June 10, 2003 for the sale of certain assets or the right to liquidate certain assets of SFMB, pursuant to the terms of the APA (the "Sale"), that certain Agency and License Agreement dated June 10, 2003 by and among SFMB and the Purchasers in connection with the Agreement (the "Agency Agreement") and that certain Agency Agreement (Back-up Bid) (the "Back-up Bid") dated as of June 10, 2003 by and among Great American and SFMB and The Museum Company ("TMC"); and a hearing to consider the relief requested in the Amended Motion (the "Hearing") having been held on June 11, 2003; and due and sufficient notice of the Amended Motion having been given to all parties-in-interest; and any objections to the Amended Motion having been overruled or withdrawn; and it appearing that entry into the APA and Agency Agreement is in the best interests of the Debtors, their estates, creditors and other parties in interest; and sufficient cause appearing therefor,

IT IS HEREBY FOUND AND DETERMINED that:

A. This Court has jurisdiction over the Amended Motion and the transactions contemplated therein pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding

¹ Capitalized terms not otherwise defined herein, shall have the meaning ascribed to them in the Motion, as modified by the Amended Notice.

pursuant to 28 U.S.C. § 157(b)(2)(M). Venue of these cases and the Amended Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

B. The statutory predicates for the relief requested in the Amended Motion are sections 363(b), 363(f) and 363(m) of the Bankruptcy Code and Rule 6004 of the Federal Rules of Bankruptcy Procedure.

C. Notice of the Amended Motion, the June 10th Auction, and the Hearing has been provided. Such notice was reasonable and sufficient under the circumstances and no other or further notice of the Amended Motion, the June 10th Auction or the Hearing is required.

D. A reasonable opportunity to object or be heard with respect to the Amended Motion and the relief requested therein has been afforded to all interested persons and entities.

E. Based upon the testimony of the Debtors, and representations of Debtors' counsel, counsel to the Lenders, and counsel to the Committee at the Hearing, the Debtors have demonstrated sound business justifications for the Sale and entry into the APA, the Agency Agreement and the transactions related thereto pursuant to section 363(b) of the Bankruptcy Code.

F. It appears from the record that the Sale, the APA and the Agency Agreement were negotiated, proposed and agreed to by SFMB and the Purchasers as parties thereto without collusion, in good faith, and from arm's-length bargaining positions. Neither SFMB nor the Purchasers have engaged in any conduct that would cause or permit the Sale to be avoided under section 363(n) of the Bankruptcy Code. The Purchasers are good faith purchasers under section 363(m) of the Bankruptcy Code and, as such, are entitled to all of the protections afforded thereby.

G. The consideration provided by the Purchasers (i) is fair and reasonable, (ii) is the highest and best offer for the Acquired Assets (as defined in the APA), (iii) will provide a

greater recovery for SFMB's creditors and other interested parties than would be provided by any other practically available alternative, and (iv) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia.

H. The Sale under the terms of the APA will be a legal, valid, and effective transfer, and will vest in the Purchasers all right, title and interest of SFMB to the Acquired Assets free and clear of all Encumbrances (as defined in the APA) except Assumed Liabilities (as defined in the APA) including, but not limited to, those (i) that purport to give to any party a right or option to give any of the foregoing in the future, any sale or contingent sale or title retention agreement or lease, or termination of SFMB's interest in the Acquired Assets, or any similar rights, and (ii) relating to taxes arising under or out of, in connection with, or in any way relating to the operation of SFMB's businesses prior to the date (the "Closing Date") of the consummation of the Sale (the "Closing").

I. The Purchasers may sell the Acquired Assets free and clear of all Encumbrances (as defined in the APA) of any kind or nature whatsoever because, in each case, one or more of the standards set forth in section 363(f) of the Bankruptcy Code has been satisfied. Those (i) holders of interests and (ii) non-debtor parties who did not object, or who withdrew their objections, to the Sale or the Motion are deemed to have consented pursuant to Bankruptcy Code section 363(f)(2). Those holders of interests, who fall within one or more of the other subsections of Bankruptcy Code section 363(f), are adequately protected by having their interests, if any, attach to the proceeds of the Sale ultimately attributable to the property against or in which they claim or may claim an interest.

J. Approval and consummation of the Sale at this time is in the best interests of the Debtors, their creditors, estates and other parties in interest.

K. The Purchasers would not consummate the transactions contemplated by the Sale, thus adversely affecting the Debtors, their estates, and their creditors, if the Sale were not free and clear of all interests of any kind or nature whatsoever, or if the Purchasers would, or in the future could, be liable for any such interests and if the transfer could not be made under section 363 of the Bankruptcy Code.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion as amended is granted set forth herein;
2. The Debtors shall be, and hereby are, authorized and directed to file within five (5) days of the entry of this Order a motion seeking an order or orders permitting the assumption and assignment of the Assumed and Assigned Leases, Assumed and Assigned Licenses and Assumed and Assigned Contracts in accordance with section 9A of the APA ("Assumption Motions"). The Debtors are further authorized, without further order of this Court, to schedule any such Assumption Motions for the June 24, 2003 omnibus hearing scheduled in these cases, and any objections to any such Assumption Motions shall be June 2003 at 4:00 p.m. (ET).
3. In accordance with the Amended Motion, the Debtors are hereby authorized to conduct an auction (the "June 23rd Auction") on June 23, 2003 at 9:00 a.m. the offices of Crossroads, LLC, 400 Madison Avenue, 3rd Floor, New York, New York to consider bids for the assets of TMC on a going-concern basis and are further authorized to seek approval of the highest and best bid received at the second auction for the TMC assets at the hearing scheduled for June 24, 2003 at 4:00 p.m. (ET) (the "June 24th Hearing").
4. Bidding, if any, at the June 23rd Auction shall be conducted in accordance with the bid procedures set forth in the Amended Motion (the "TMC Bidding Procedures"). Any Going Concern Buyer (as defined in the "Amended Motion") wishing to submit an offer with

respect to the TMC Assets must submit such offer, writing, no later than 5:00 p.m. on June 18, 2003, to San Francisco Music Box Company and The Museum Company, Inc., 695 Route 46 West, Fairfield, New Jersey 07004 (or by facsimile to 212-610-5601), Attn: Holly Felder Etlin and Craig Boucher, with copies to (i) Debtors' counsel, Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17 Floor, Wilmington, Delaware 19801 (or by facsimile to 302-571-1253), Attn: M. Blake Cleary, Esq.; (ii) counsel for Fleet Retail Finance, Inc., Brown Rudnick Berlack Israels LLP, One Financial Center, Boston, Massachusetts 02111 (or by facsimile to 617-856-8201), Attn: Peter Antoszyk, Esq.; and (iii) counsel for GB Retail, Rierner & Braunstein LLP, Three Center Plaza, Boston, Massachusetts 02108 (or by facsimile to 617-880-3456), Attn: Jonathan D. Yellin, Esq.; and (iv) counsel for the Official Committee of Unsecured Creditors (the "Committee"), Traub Bonacquist & Fox LLP, 655 Third Avenue, 21st Floor, New York, NY 10017, Attn: Michael Fox, Esq. Any objections to the sale of the TMC Assets shall be filed with the Bankruptcy Court on or before June 18, 2003 and shall be served upon counsel to the Debtors, counsel to the Committee, counsel to the Lenders, the Office of the United States Trustee and any parties having filed requests for notice pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure.

5. All objections to the Amended Motion relating to SIMB or the relief requested therein that have not been withdrawn, waived, resolved or settled, and all reservations of rights included therein other than those set forth in the record at the Hearing, are overruled on the merits.

6. The APA in the form attached hereto as Exhibit A, and all of the terms and conditions thereof and attachments thereto, are hereby approved.

7. The Agency Agreement in the form attached hereto as Exhibit B, and all of the terms and conditions thereof and attachments thereto, are hereby approved.

8. Pursuant to section 363(b) of the Bankruptcy Code, SFMB is authorized and directed to consummate the Sale, pursuant to and in accordance with the terms and conditions of the APA.

9. SFMB is authorized and directed to execute and deliver, and is empowered to perform under, consummate and implement, the APA, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the APA, including, but not limited to the Agency Agreement, and to take all further actions as may be requested by the Purchasers for the purpose of assigning, transferring, granting, conveying and conferring to the Purchasers or reducing to possession, the Acquired Assets, or as may be necessary or appropriate to the performance of the obligations as contemplated by the APA. -

10. The Purchase Price to be paid by the Purchasers for the sale and transfer of the Acquired Assets under the terms of the APA constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession or the District of Columbia. The sale of Acquired Assets and other transactions contemplated by the APA may not be avoided under Sections 363(k) or (m) of the Bankruptcy Code.

11. The transactions contemplated by the APA are undertaken by the Purchasers in good faith, as that term is used in Section 363(m) of the Bankruptcy Code, and, accordingly, the reversal or modification on appeal of this Order shall not affect the validity of the sale of Acquired Assets to the Purchasers, unless such sale and this Order are duly stayed pending appeal. The Purchasers are purchasers in good faith of the Acquired Assets for all purposes.

12. All of SFMB's interests in the Acquired Assets shall be, as of the Closing Date, transferred to and vested in the Purchasers. Upon the Closing Date, this Order shall be considered and constitute for any and all purposes a full and complete general assignment,

conveyance and transfer of the Acquired Assets and any assets acquired by the Purchasers under the APA and/or a bill of sale or assignment transferring good and marketable, indefeasible title and interest in the assets acquired by the Purchasers under the APA. As of the Closing Date (and earlier should SFMB so permit), the Purchasers shall be hereby granted immediate and unfettered access to the Acquired Assets.

13. Except as expressly permitted or otherwise specifically provided for in the APA or this Order, as of the Closing Date and pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, the Acquired Assets shall be transferred to the Purchasers pursuant to the APA free and clear of all interests of any kind or nature whatsoever, with all such interests of any kind or nature whatsoever to attach to the net proceeds of the Sale in the order of their priority, with the same validity, force and effect which they now have as against such assets, ~~subject to any claims and defenses that the Debtors and other parties may possess with respect~~ thereto.

14. Except as expressly permitted or otherwise specifically provided for in the APA or this Order, all persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax and other regulatory authorities, lenders, trade and other creditors holding interests of any kind or nature whatsoever against or in the Acquired Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, liquidated or unliquidated, senior or subordinated), arising under or out of, in connection with, or in any way relating to the Acquired Assets, the operation of SFMB's businesses prior to the Closing Date of the Sale, or the Sale are hereby forever barred, estopped, and permanently enjoined from asserting against the Purchasers, their successors or assigns (to the extent allowed by law) and their property and officers, and any directors and shareholders, such persons' or entities' interest. All holders or beneficiaries of the interests are hereby directed

to reasonably cooperate with the Purchasers in delivering such documents reasonably requested by the Purchasers, which may be necessary to evidence and effectuate the extinguishment of any interest from or against the Acquired Assets.

15. If any person or entity that has filed financing statements, mortgages, mechanics' liens, assignments, security agreements, lis pendens, or other documents or agreements evidencing interests in any Acquired Assets shall not have delivered to the Debtors prior to the Closing Date under the APA, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, and releases of all interests which the person or entity has with respect to the Debtors or otherwise, then (a) the Debtors hereby authorized and directed to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Acquired Assets and (b) the Purchasers are hereby authorized to file, register, or otherwise record a certified copy of this Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all interests in the Acquired Assets and its assets of any kind or nature whatsoever.

16. This Order (a) shall be effective as a determination that, on the Closing Date under the APA, all interests of any kind or nature whatsoever existing prior to such Closing as to the Acquired Assets sold pursuant to the APA, have been unconditionally released, discharged and terminated, and that the conveyances described herein have been effected, and (b) shall be binding upon and shall govern the act of all entities, including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record

or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Acquired Assets.

17. Each and every federal, state and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the APA, as if submitted by the seller.

18. This Court retains jurisdiction to endorse and implement the terms and provisions of the APA, the Agency Agreement, all amendments thereto, any waivers and consents thereunder.

19. The Purchasers shall have no liability or responsibility for any liability or other obligation of the Debtors arising under or related to the Acquired Assets other than those expressly assumed under or set forth in the APA and/or the Agency Agreement. Without limiting the generality of the foregoing and except as otherwise specifically provided herein or in the APA and/or the Agency Agreement, the Purchasers shall not be liable for any claims against the Debtors or any of their predecessors or affiliates, and the Purchasers shall have no successor or vicarious liabilities of any kind or character whether known or unknown as of the Closing Date, now existing or hereafter arising, whether fixed or contingent, with respect to SFMB or any obligations of SFMB arising prior to the Closing Date.

20. In accordance with the Agency Agreement, SFMB and Purchasers are authorized to conduct going-out-of-business, store closing or other similarly themed sales (a "GOB Sale") at each of the Designated Locations (as defined in the Agency Agreement) notwithstanding any provisions in contracts or leases that otherwise may restrict or prevent a GOB Sale in accordance with the provisions of the Agency Agreement or require further consents, and notwithstanding provisions of state or federal law or applicable regulations that would otherwise govern the conduct of a GOB Sale.

21. The sale by the Purchaser, as Agent under the Agency Agreement, of the Merchandise, such sale to be free and clear of all liens, claims, interests, or encumbrances thereon and any presently existing liens.

22. The Purchasers, as Agent under the Agency Agreement, are granted the unencumbered right to use and occupy the Designated Locations and all services, furniture, fixtures, equipment and other assets of SFMB related thereto, as designated under the Agency Agreement, for the purpose of conducting a GOB Sale, free of any interference from any entity or person.

23. The Purchasers, as Agent under the Agency Agreement, are authorized to conduct, advertise, post signs and otherwise promote any and all of the Sale as a "store closing," "going out of business" or similar type sale without further consent of any person (other than the Debtors), ~~in accordance with the Sale Guidelines attached to the Agency Agreement as Exhibit 8.1 or as otherwise agreed to by and between the Purchasers and such landlord, without further compliance with state and local laws and regulations imposing licensing requirements, waiting periods and time limits, bulk sales and other restrictions upon the conduct of a GOB Sale;~~ provided, however, that the Debtors and the Purchasers, as Agent under the Agency Agreement, will continue to be bound by and must comply with state and local health, safety, and tax laws and state consumer protection laws relative to false and deceptive advertising with respect to the conduct of a GOB Sale at the Designated Locations.

24. Each and every federal, state or local agency, department or governmental authority with regulatory authority over a GOB Sale are directed to accept this Order and to allow the Debtors and the Purchasers, as Agent under the Agency Agreement, to consummate the transactions provided for in the Agency Agreement, including, without limitation, conducting and advertising of a GOB Sale in the manner contemplated by the Agency Agreement.

25. All utilities, lessors, creditors, and all persons acting for or on their behalf are directed not to interfere with or otherwise impede the conduct of any GOB Sale, institute in any court (other than in the Court) or before any administrative body any action that in any way directly or indirectly interferes with or obstructs or impedes the conduct of a GOB Sale in the manner contemplated by the Agency Agreement.

26. The Purchasers, as Agent under the Agency Agreement, are relieved from liability for any claims against the Debtors other than as expressly provided for in the Agency Agreement.

27. Implementation of an employee retention program under the terms detailed in Section 4.1(c) of the Agency Agreement in connection with and as a consequence of the Sale is authorized in an aggregate amount up to the Benefits Cap (as defined in the Agency Agreement), ~~which amount shall be the Purchasers' (as Agent under the Agency Agreement) Expense (as~~ defined in the Agency Agreement) of the GOB Sale, without prejudice to the Debtors' right to seek Court authority for additional sums for an employee retention program as the Purchasers' Expense of the GOB Sale and the Committee's right to object to authorization and payment of such additional sums.

28. This Order shall be without prejudice to Debtors' right to seek an extension of time to assume or reject its nonresidential real property leases pursuant to 11 U.S.C. § 365(d)(4) and the respective landlords' right to object to such extension request.

29. The Proceeds from the Sale shall be paid directly to Fleet Retail Finance, Inc., as agent, and treated in accordance with the terms and conditions of the Final Order (A) Authorizing Debtors in Possession to Obtain Interim Secured Post-Petition Financing with Priority Over all Other Indebtedness; (B) Approving Agreements Relating to the Foregoing; and

(C) Granting Related Relief (the "Final Order"). Nothing contained in this Order is intended to or shall supercede the Final Order.

30. The Debtors are authorized and directed to pay to the Joint Venture of Hilco Merchant Resources, LLC and The Ozer Group LLC ("Hilco/Ozer") on demand the sum of \$50,000 for each of SFMB and TMC to compensate Hilco/Ozer for the benefits which Hilco/Ozer bestowed upon the Debtors' estates in evaluating each of TMC and SFMB, entering into the Revised Agency Agreement (as defined in the Amended Notice), providing a base bid, and participating in the Auction, plus up to an additional \$25,000 for each of SFMB and TMC in payment of Hilco/Ozer's actual expenses incurred in the conduct of due diligence, analysis, negotiation and implementation of the Revised Agency Agreement and participation in the Auction.

~~31. To the extent not otherwise prohibited by applicable law, the transfer of the~~
Acquired Assets pursuant to the APA shall not be taxed under any stamp tax or similar tax pursuant to 11 U.S.C. § 1146(c).

32. The terms and provisions of the Purchase Agreement and this Order shall be binding in all respects upon, and shall inure to the benefit of, the Debtors, their estates, creditors, the Purchasers, and their respective affiliates, successors and assigns and any affected third parties (including, but not limited to, all persons asserting interests in Acquired Assets), notwithstanding any subsequent appointment of any trustees under any chapter, upon which trustee such terms and provisions likewise shall be binding.

33. The failure specifically to include any particular provisions of the APA or the Agency Agreement in this Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the APA and the Agency Agreement be authorized and approved in its entirety.

34. The APA, the Agency Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties, and in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment or supplement does not have a material adverse effect on the Debtors' estates.

35. This Order shall be effective immediately upon its entry. The stays provided under Bankruptcy Rules 6004(g) and 6006(d) are both hereby waived and no stay shall apply to the Sale or any transaction contemplated under the APA.

Dated: Wilmington, Delaware
June ____, 2003

Peter J. Walsh
Chief United States Bankruptcy Judge

EXHIBIT 1.1(b)

To

ASSET PURCHASE AGREEMENT

Dated June 10, 2003

By and among

**The San Francisco Music Box Company, Inc., and
Calendar Club SA L.L.C., and
Great American Group**

Purchaser designates the store locations and other information on the attached Schedule A relating to Assumed and Assigned Leases under Section 1.1(b) of this Agreement, and Purchaser hereby waives and relinquishes its right under Section 1.4 to remove the leases designated on Schedule A as Store Nos. 36087 – South County Center, 36202 – SouthCenter Mall and 36196 – Great Northern SC, and hereby agrees to assume such designated leases subject to court approval.

EXHIBIT 1.1(d)
To
ASSET PURCHASE AGREEMENT
Dated June 10, 2003
By and among
The San Francisco Music Box Company, Inc., and
Calendar Club SA L.L.C., and
Great American Group

Purchaser designates the third party licenses and other information on the attached Schedule B relating to Assumed and Assigned Licenses under Section 1.1(d) of this Agreement, subject to the rights of Purchaser to remove any of the licenses designated on the attached Schedule B pursuant to Section 1.4 of this Agreement.

SCHEDULE B

Cure Amounts for SFMB Licences as of bK Filing					
	Vendor #	Name	Product Lines	A/P Total	Total A/P for Go Forward Vendors
		COUNTRY ARTISTS (UK)			???
2	67701	MARJORIE SARNAT	CV, RV, Christmas	23,934.10	23,934.10
3	27577	KEHRLI STUDIO INC		(0.04)	(0.04)
11	92143	MAUREEN DRDAK	Cerouscle	4,331.34	4,331.34
12	92336	THE REALLY USEFUL MERCHANDISE	Phantom Of The Opera	39,909.61	39,909.61
13	96549	RUTH NINNEMAN		1,724.01	1,724.01
14	93993	MICHAEL ADAMS		29,770.10	29,770.10
15	37155	TOBIN FRALEY	American Treasures	3,831.66	3,831.66
21	94328	KAMYSZ DESIGN INC	The Guardians, Christmas	9,265.80	9,265.80
25	08551	MARY BADENHÖP		3,582.97	3,582.97
26	16898	WARNER BRÖS CONSUMER	Wizard Of Oz	103,093.61	103,093.61
27	25715	EMI ROBBINS CATALOG	WQZ Music	21,055.95	21,055.95
28	17408	WARNER BROS CONSUMER	Gone With The Wind	78,483.26	78,483.26
29	17865	WARNER CHAPELL MUSIC	GW TW Music	11,427.24	11,427.24
38	18281	DEBRA JORDAN BRYANT	Baby Express, Christmas	1,494.55	1,494.55
31	22833	BILL CLEAVER	Christmas, Anna Rosa	11,719.34	11,719.34
30	96820	JOHN M KISSLING		3,288.23	3,288.23
39	12492	THE COPYRIGHTS GROUP	Flower Fairies	19,270.85	19,270.85
39	31640	UNITED MEDIA	Rainbow Fish	(6,867.92)	(6,867.92)
43	34152	CREATIVE ENERGY RESOURCES	Holiday Illusion	1,998.92	1,998.92
44	34354	PORCELAIN AND FINE CHINA	Spode Christmas Tree	39,794.18	39,794.18
46	35371	JEAN EVERETT		915.93	915.93
47	92194	THE RAINMAKER GROUP	Jack Morrow Agent	52,625.63	52,625.63
48	24410	OUT OF BOX	Jack Morrow Agent	36,124.00	36,124.00
					490,773.32

EXHIBIT 1.1(f)

To.

ASSET PURCHASE AGREEMENT

Dated June 10, 2003

By and among

The San Francisco Music Box Company, Inc., and
Calendar Club SA L.L.C., and
Great American Group

Purchaser designates the contracts and other information below relating to Assumed and Assigned Contracts under Section 1.1(f) of this Agreement, subject to the rights of Purchaser to remove any of the contracts designated below pursuant to Section 1.4 of this Agreement:

All Sales representative Agreements of the type with Alger Sales Associates, Ltd., providing for only commission-based compensation for the sales representative.

**San Francisco Music Box / The Museum Company
Schedule 2.1**

Purchase Price Adjustment

San Francisco Music Box

If the aggregate Retail Price of the Merchandise is below \$15,000,000, then portion of the Purchase Price attributable to the Merchandise will be calculated by multiplying the aggregate Retail Price of the Merchandise by the appropriate factor shown below. For every \$100,000 below \$15,000,000 at the Retail Price, the Purchase Price will reduce by .20% as follows:

<u>Retail Price</u>	<u>Guaranteed Amount</u>	
15,000,000	22.000	%
14,900,000	21.800	%
14,800,000	21.600	%
14,700,000	21.400	%
14,600,000	21.200	%
14,500,000	21.000	%
14,400,000	20.800	%
14,300,000	20.600	%
14,200,000	20.400	%
14,100,000	20.200	%

Adjustments between the \$100,000 increments shall be on a pro rata basis. For example, if the Retail Price of the Merchandise was \$14,700,000, then the Purchase Price would be calculated by multiplying \$14,700,000 by 21.40%

Exhibit B

AGENCY AGREEMENT

This Agency Agreement (the "Agreement") is made as of this 10th day of June, 2003, by and between Garcel, Inc. d/b/a Great American Group (the "Agent") and San Francisco Music Box Company ("SFMB") and The Museum Company ("TMC") (each a "Chain" and collectively, the "Merchant").

RECITALS

WHEREAS, each entity comprising Merchant is a debtor and debtor in possession under Chapter 11 of the United States Bankruptcy Code, in Chapter 11 Case No. 03-11524 (PJW) (the (the "Case") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court");

WHEREAS, Merchant desires that Agent act as Merchant's exclusive agent for the limited purpose of (a) selling all of the Merchandise (as hereinafter defined) located or to be located in Merchant's retail store locations as identified in Exhibit 1A attached hereto (each a "Store" and collectively, the "Stores") and Merchant's distribution centers identified on Exhibit 1B annexed hereto (each a "Distribution Center", and collectively, the "Distribution Centers", and together with the Stores, the "Closing Locations"), by conducting a "going-out-of-business", "store closing", or similar theme sales (the "Sale") at the Stores; and (b) disposing of Merchant's owned FF&E located at the Stores and the Distribution Centers, subject to the terms and conditions set forth herein;

WHEREAS, Agent is willing to serve as Merchant's exclusive agent to conduct the Sale, dispose of the FF&E, in accordance with the terms and conditions of this Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Agent and Merchant hereby agree as follows:

Section 1.

1.1 Defined Terms. The terms set forth below are defined in the Sections referenced of this Agreement:

<u>Defined Term</u>	<u>Section Reference</u>
Adjustment Amount	Section 3.3(a)
Agency Accounts	Section 3.3(c)

Agency Documents	Section 11.1(b)
Agent	Preamble
Agent Claim	Section 12.5
Agent Indemnified Parties	Section 13.1
Agreement	Preamble
Approval Order	Section 10(b)
Auction	Section 16.12(d)
Benefits Cap	Section 4.1(c)
Central Services Expenses	Section 4.1
Defective Merchandise	Section 5.2(b)
Designated Merchant Accounts	Section 3.3(d)
Event of Default	Section 14
Estimated SMBC Guaranteed Amount	Section 3.3(a)
Estimated TMC Guaranteed Amount	Section 3.3(b)
Excluded Benefits	Section 4.1
Expenses	Section 4.1
Expense L/C	Section 4.2(a)
Final Inventory Report	Section 3.3(a)
Final Reconciliation	Section 3.4
FF&E	Section 15
Going Concern Buyer	Section 16.12(d)
Guaranty Percentage	Section 3.1(a)
Guaranteed Amount	Section 3.1(a)
Guaranty L/C	Section 3.3(b)
Gross Rings	Section 6.3
Initial Guaranty Payment	Section 3.3(a)
Inventory Completion Date	Section 5.1
Inventory Date	Section 5.1
Inventory Taking	Section 5.1
Inventory Taking Instructions	Section 5.1
Inventory Taking Service	Section 5.1
License	Section 8.6
Merchandise	Section 5.2(a)
Merchant	Preamble
Occupancy Expenses	Section 4.1
Procccds	Section 7.1
Remaining Merchandise	Section 3.2
Retail Price	Section 5.3
Retained Employee	Section 9.1
Retention Bonuses	Section 9.4
Sale	Recitals
SFMB Sale Commencement Date	Section 6.1

TMC Sale Commencement Date	Section 6.1
Sale Guidelines	Section 8.1
Sale Term	Section 6.1
Sale Termination Date	Section 6.1
Sales Taxes	Section 8.3
Store(s)	Recitals
Third Party	Section 4.1

1.2 Exhibits. The Exhibits and Schedules annexed to this Agreement, as listed below, are an integral part of this Agreement:

<u>Exhibit</u>	<u>Section Reference</u>	<u>Description</u>
Exhibit 1A	Recitals	List of Stores
Exhibit 1B	Recitals	List of Distribution Centers
Exhibit 3.3(b)	Section 3.3(b)	Form of Guaranty L/C
Exhibit 3.3(b)(1)	Section 3.3(b)	Amended Exhibit A to Guaranty L/C
Exhibit 4.1(a)	Section 4.1(a)	Occupancy Expense Schedule
Exhibit 4.2(a)	Section 4.2(a)	Form of Expense L/C
Exhibit 4.2(a)(1)	Section 4.1(a)	Amended Exhibit A to Expense L/C
Exhibit 5.1	Section 5.1	Inventory Taking Instructions
Exhibit 8.1	Section 8.1	Sale Guidelines
Exhibit 10	Section 10(b)	Form of Approval Order
Exhibit 12.4	Section 12.4	Agent Insurance Policies

1.3 Currency. Unless otherwise specified, all references to monetary amounts refer to United States dollars.

Section 2. Appointment of Agent. Merchant hereby appoints Agent, and Agent hereby agrees to serve, as Merchant's exclusive agent for the limited purpose of conducting the Sale in accordance with the terms and conditions of this Agreement. Merchant's obligations hereunder are expressly subject to the issuance of the Approval Order.

Section 3. Guaranteed Amount and Other Payments

3.1 Payments to Merchant and Agent

(a) As a guaranty of Agent's performance hereunder, Agent guarantees that Merchant shall receive (i) an amount not less than Twenty-Four and One-Half Percent (24.5%) (the "SFMB Guaranty Percentage") of the aggregate Retail Price of the Merchandise of SFMB included in the Sale (the "SFMB Guaranteed Amount"); and (ii) an amount not less than Thirty-Eight and Three-Quarters Percent (38.75%) (the "TMC Guaranty Percentage," of the aggregate

Retail Price of the Merchandise of The Museum Company included in the Sale (the "TMC Guaranteed Amount") (the SFMB Guaranteed Amount and the TMC Guaranteed Amount collectively, the "Guaranteed Amount").

(b) **Intentionally Omitted**

3.2 Payments to Agent. Agent shall receive as its compensation for services rendered to Merchant, all remaining Proceeds of the Sale after payment of the Guaranteed Amount and all Expenses. All unsold Merchandise remaining, if any, in the Stores at the Sale Termination Date ("Remaining Merchandise") shall become the property of Agent, free and clear of all liens, claims and encumbrances; provided, however, that Agent shall use its reasonable best efforts to sell all of the Merchandise during the Sale; provided, further, any proceeds received by Agent from the disposition of such Remaining Merchandise shall constitute Proceeds hereunder.

3.3 Time of Payments and Control of Proceeds

(a) SFMB Payment. On the second business day following issuance of the Approval Order, Agent shall pay Merchant (or its designee) eighty percent (80%) of the Estimated SFMB Guaranteed Amount (the "Initial SFMB Guaranty Payment"), calculated based upon the estimated aggregate Retail Price of the SFMB Merchandise to be included in the Sale, as determined by the amounts reflected on Merchant's books and records as on hand as of the close of business on the date immediately preceding the Sale Commencement Date (the "SFMB Estimated Guaranteed Amount"), by wire transfer to the following account: Fleet Retail Finance, ABA No. 011000138, Account No. 9428428615, Attn: San Francisco Music Box, provided however, Agent shall tender payment of the Guaranteed Amount attributable to the SFMB On-Order Merchandise that is received on a weekly basis as part of the weekly reconciliation process provided for in Section 8.7 hereof. The unpaid portion of the SFMB Guaranteed Amount, if any, or of the SFMB Estimated Guaranteed Amount shall be paid by Agent to Merchant on the earlier of (i) the date thirty (30) days after the SFMB Sale Commencement Date (in which case payment shall be of the balance of the SFMB Estimated Guaranteed Amount) and (ii) the first business day following the issuance of the final audited report of the aggregate Retail Price of the Merchandise by the Inventory Taking Service, after verification thereof by Agent and Merchant, plus the verification of the aggregate Retail Price of the On-Order Merchandise (the "Final Inventory Report"), and Agent's failure to pay such balance shall entitle Merchant to draw upon the Guaranty L/C to the extent of such balance; provided, however, that the Inventory Taking shall be reconciled within seven (7) days after its completion (and the Agent and Merchant shall use their reasonable best efforts to accomplish such reconciliation within such seven (7) day period). In the event that the Final Inventory Report is issued after payment by Agent of the unpaid portion of the SFMB Estimated Guaranteed Amount in accordance clause (i) of the immediately preceding sentence, the Agent or Merchant, as the case may be, shall, within two (2) business days after the Final Inventory Report has been issued, pay to the Merchant or Agent,

as the case may be, the amount (the "SFMB Adjustment Amount") by which the actual SFMB Guaranteed Amount exceeds or is less than the SFMB Estimated Guaranteed Amount actually paid as set forth above. In the event there is any dispute with respect to the reconciliation of the aggregate Retail Price of the Merchandise following the Inventory Taking, then any such dispute shall be resolved in the manner and at the times set forth in Section 3.4(b) hereof.

(b) **TMC Payment.** On the second business day following the TMC Sale Commencement Date, Agent shall pay Merchant (or its designee) eighty percent (80%) of the Estimated TMC Guaranteed Amount (the "Initial TMC Guaranty Payment"), calculated based upon the estimated aggregate Retail Price of the TMC Merchandise to be included in the Sale, as determined by the amounts reflected on Merchant's books and records as on hand as of the close of business on the date immediately preceding the Sale Commencement Date (the "TMC Estimated Guaranteed Amount"), by wire transfer to the following account: Fleet Retail Finance, ABA No. 011000138, Account No. 9428428615, Attn: San Francisco Music Box, provided however, Agent shall tender payment of the Guaranteed Amount attributable to the TMC On-Order Merchandise that is received on a weekly basis as part of the weekly reconciliation process provided for in Section 8.7 hereof. The unpaid portion of the TMC Guaranteed Amount, if any, or of the TMC Estimated Guaranteed Amount shall be paid by Agent to Merchant on the *earlier* of (i) the date thirty (30) days after the TMC Sale Commencement Date (in which case payment shall be of the balance of the TMC Estimated Guaranteed Amount) and (ii) the first business day following the issuance of the final audited report of the aggregate Retail Price of the Merchandise by the Inventory Taking Service, after verification thereof by Agent and Merchant, plus the verification of the aggregate Retail Price of the On-Order Merchandise (the "Final Inventory Report"), and Agent's failure to pay such balance shall entitle Merchant to draw upon the Guaranty I/C to the extent of such balance; provided, however, that the Inventory Taking shall be reconciled within seven (7) days after its completion (and the Agent and Merchant shall use their reasonable best efforts to accomplish such reconciliation within such seven (7) day period). In the event that the Final Inventory Report is issued after payment by Agent of the unpaid portion of the TMC Estimated Guaranteed Amount in accordance clause (i) of the immediately preceding sentence, the Agent or Merchant, as the case may be, shall, within two (2) business days after the Final Inventory Report has been issued, pay to the Merchant or Agent, as the case may be, the amount (the "TMC Adjustment Amount") by which the actual TMC Guaranteed Amount exceeds or is less than the TMC Estimated Guaranteed Amount actually paid as set forth above. In the event there is any dispute with respect to the reconciliation of the aggregate Retail Price of the Merchandise following the Inventory Taking, then any such dispute shall be resolved in the manner and at the times set forth in Section 3.4(b) hereof.

(c) To secure payment of the balance of any unpaid portion of the SFMB Guaranteed Amount and any other amounts due from Agent to Merchant hereunder, Agent shall deliver to Merchant an irrevocable and unconditional standby letter of credit, naming Fleet Retail Finance, Inc., as agent ("Fleet"), and GB Retail Funding, LLC ("GB Retail", collectively with Fleet, the "Lenders"), as beneficiary, in the original face amount equal to the unpaid portion

of the SFMB Estimated Guaranteed Amount as provided for in Section 3.3(a) above, substantially in the form of Exhibit 3.3(b) attached hereto (the "SFMB Guaranty L/C"). To secure payment of the balance of any unpaid portion of the TMC Guaranteed Amount and any other amounts due from Agent to Merchant hereunder, Agent shall deliver to Merchant an irrevocable and unconditional standby letter of credit, naming Fleet Retail Finance, Inc., as agent ("Fleet"), and GB Retail Funding, LLC ("GB Retail", collectively with Fleet, the "Lenders"), as beneficiary, in the original face amount equal to the unpaid portion of the TMC Estimated Guaranteed Amount as provided for in Section 3.3(b) above, substantially in the form of Exhibit 3.3(b) attached hereto (the "TMC Guaranty L/C") (the SFMB Guaranty L/C and the TMC Guaranty L/C collectively the "Guaranty L/C"). The SFMB Guaranty L/C shall be delivered to Fleet no later than one (1) business day following the SFMB Sale Commencement Date, shall be issued by a bank selected by Agent and reasonably acceptable to Merchant and Fleet, and shall contain terms, provisions and conditions mutually acceptable to Merchant, Fleet, and Agent. The TMC Guaranty L/C shall be delivered to Fleet no later than one (1) business day following the TMC Sale Commencement Date, shall be issued by a bank selected by Agent and reasonably acceptable to Merchant and Fleet, and shall contain terms, provisions and conditions mutually acceptable to Merchant, Fleet, and Agent. Within five (5) business days after its receipt of written notice from Fleet that Fleet and the Lenders have been paid in full, Agent shall cause the Guaranty L/C to be amended to name Merchant as the beneficiary and to replace Exhibit "A" thereto with the Amended Exhibit "A" annexed hereto as Exhibit 3.3(b)(1). The Guaranty L/C shall expire no earlier than sixty (60) days after the Sale Termination Date. Unless the parties shall have mutually agreed that they have completed the final reconciliation under this Agreement, then, at least thirty (30) days prior to the initial or any subsequent expiry date, Fleet or Merchant, as the case may be, shall receive an amendment to the Guaranty L/C solely extending (or further extending, as the case may be) the expiry date by at least sixty (60) days. If Fleet or Merchant, as the case may be, does not receive such amendment to the Guaranty L/C no later than thirty (30) days before the expiry date, then all amounts hereunder shall become immediately due and payable and Fleet or Merchant, as the case may be, shall be permitted to draw under the Guaranty L/C in payment of all amounts owed hereunder and Merchant shall hold the balance of the amount drawn under the Guaranty L/C as security for amounts that may become due and payable to Merchant hereunder. In the event that Agent fails to pay the Guaranteed Amount, or any portion thereof, or other obligations hereunder when due, Fleet or Merchant, as the case may be, may draw on the Guaranty L/C in an amount equal to the unpaid, past due, amount of the Guaranteed Amount or other obligations due hereunder. Merchant and Agent agree that after payment of the unpaid portion of the Guaranteed Amount (whether the Estimated Guaranteed Amount or the Guaranteed Amount calculated pursuant to the Final Inventory Report) pursuant to Section 3.3(a), the face amount of the Guaranty L/C shall be reduced in an amount(s) to be agreed upon by Merchant, Fleet, and Agent.

(d) Within fourteen (14) business days after the Sale Commencement Date, Agent shall establish its own accounts, dedicated solely for the deposit of the Proceeds and the disbursement of amounts payable to Agent hereunder (the "Agency Accounts") and Merchant

shall promptly upon Agent's request execute and deliver all necessary documents to open and maintain the Agency Accounts. Agent shall exercise sole signatory authority and control with respect to the Agency Accounts; provided however, upon request, Agent shall deliver to Merchant copies of all bank statements and other information relating to such accounts. Merchant shall not be responsible for and Agent shall pay as an Expense hereunder, all bank fees and charges, including wire transfer charges, related to the Agency Accounts, whether received during or after the Sale Term. Upon Agent's designation of the Agency Accounts, all Proceeds of the Sale (including credit card proceeds) shall be deposited into the Agency Accounts.

(e) During the period between the Sale Commencement Date and the date Agent establishes the Agency Accounts, all Proceeds of the Sale (including credit card proceeds), shall be collected by Agent and deposited on a daily basis into Merchant's existing accounts designated for the Stores, and are designated solely for the deposit of Proceeds of the Sale (including credit card proceeds), and the disbursement of amounts payable by Agent hereunder (the "Designated Merchant Accounts"). All Proceeds of the Sale received by Merchant shall be held by Merchant in trust for the Agent, shall not be commingled with Merchant's other funds or bank balances, and shall not become property of Merchant's estate. Commencing on the first business day following the payment of the Initial Guaranty Payment and the posting of the Guaranty L/C and the Expense L/C, and on each business day thereafter (or as soon thereafter as is practicable), Merchant shall promptly pay to Agent by wire funds transfer all collected funds constituting Proceeds deposited in such accounts (but not any other funds, including, without limitation, any proceeds of Merchant's inventory sold prior to the Sale Commencement Date, such as special order goods or collections of accounts receivable at the Store level, if any). During this interim period, Agent shall control the Proceeds of the Sale, Fleet, on behalf of itself and as agent for the Lenders, shall not take any action with respect to such Proceeds deposited into the Designated Merchant Accounts, which shall inure solely for the benefit of Agent, subject only to Agent's payment obligations hereunder.

(f) Agent shall be permitted to satisfy a portion of its payment obligations under this Section 3.3 hereunder by offsetting undisputed Proceeds held by Merchant or Lenders against such payment obligations; provided however, nothing contained in this Section 3.3(e) shall be deemed to amend, modify or otherwise affect the timing of Agent's obligations to pay the Guaranteed Amount or the estimated balance of the Guaranteed Amount pursuant to Section 3.3(a) and Expenses.

(g) All amounts required to be paid by Agent to Merchant under any provision of this Agreement shall be made by wire transfer of immediately available funds which shall be wired by Agent to the following bank account: Fleet Retail Finance, ABA No. 011000138, Account No. 9428428615, Attn: San Francisco Music Box, provided, however, upon receipt of written notice, signed by Merchant and Fleet, confirming that the Lenders have been paid in full, all future amounts due from Agent to Merchant under this Agreement shall be wired to such account as shall be designated in such notice.

(h) To the extent that it appears after the Final Reconciliation provided for in Section 3.4 below that Agent has made payments hereunder to or for the benefit of Merchant which, in the aggregate, exceed the amounts otherwise due Merchant in respect of the Guaranteed Amount, Expenses, or any other amount due Merchant hereunder such that the Merchant was overpaid, to the extent that Merchant does not have sufficient amounts to refund the overpayment, the Lenders shall cause any overpayment to be immediately refunded to Agent to the extent that the Lenders have received payment of such funds and the Merchant has no funds with which to do so; provided however, Agent must assert a demand for such repayment from the Lenders within fourteen (14) days after the Final Inventory Report is issued; and provided further however, any repayment of an overpayment shall first be made from assets of Merchant, and any deficiency by the Lenders. For this purpose, any undisputed overpayment shall constitute an administrative expense of the bankruptcy estates of Merchant

3.4 Final Reconciliation. (a) Within thirty (30) days after the Sale Termination Date, Agent and Merchant, in consultation with Fleet and the Committee, shall jointly prepare a final reconciliation of the Sale including, without limitation, a summary of Proceeds, taxes, Expenses, and any other accountings required hereunder (the "Final Reconciliation"). Within five (5) days of completion of the Final Reconciliation, any undisputed and unpaid Expenses shall be paid from Proceeds or, if there are insufficient Proceeds deposited by Agent with Merchant, by Agent. In the absence of an order of the Bankruptcy Court, no such ~~disputed amount(s)~~ shall be paid until the dispute has been resolved by agreement of the parties or as determined in the manner prescribed in Section 3.4(b) hereof. During the Sale Term, and until all of Agent's obligations under this Agreement have been satisfied, Merchant and Agent shall have reasonable access to Merchant's and Agent's records with respect to Proceeds, taxes and Expenses to review and audit such records. Merchant and Agent hereby agree to submit to the jurisdiction of the Bankruptcy Court for such determination.

(b) In the event that there is any dispute with respect to the Final Reconciliation, such dispute shall be promptly (and in no event later than the third business day following the request by either Merchant or Agent) submitted to the Bankruptcy Court for a determination.

Section 4. Expenses of the Sale.

4.1 Expenses. Agent shall be unconditionally responsible for payment of all Expenses incurred and when due in conducting the Sale during the Sale Term, which expenses may be funded and paid from the Proceeds of the Sale whether or not Proceeds are available, to the extent available and in accordance with Section 4.2 below. As used herein, "Expenses" shall mean all Store operating expenses of the Sale which arise during the Sale Term at the Stores, limited to the following (unless otherwise specified herein):

- (a) Occupancy Expenses, on a per Store or per Distribution Center, per diem basis in an aggregate amount equal to the per diem amounts set forth on Exhibit 4.1(a) annexed hereto;
- (b) Payroll for all Store-level or Distribution-level Retained Employees used in conducting the Sale for the actual days worked (or in the case of hourly employees, the hours worked) in connection with the Sale;
- (c) Any amounts payable or accrued by Merchant for benefits for Retained Employees (including, but not limited to, FICA, unemployment taxes, workers' compensation and health care insurance benefits, pension and 401-K benefits, but excluding Excluded Benefits), used in the Sale, in an amount equal to actual expenses incurred up to a maximum of twenty-four (24%) of base payroll for each Retained Employee ("Benefits Cap");
- (d) Actual costs of Agent's on-site supervision, supervisor travel and supervisor bonuses;
- (e) In-Store signs and banners which are produced for the Sale;
- (f) Promotional costs including, without limitation, advertising, and direct mail, and any advertising medium produced for the Sale;
- (g) The costs and expenses of obtaining additional supplies as may be required by Agent to conduct the Sale;
- (h) All telephone, postage/overnight or delivery/courier charges, water, heating electricity and other utility charges;
- (i) Credit card and bank card fees (including processing fees), chargebacks and discounts;
- (j) Costs of moving, transferring or consolidating merchandise between the Stores;
- (k) A pro rata share of Merchant's casualty, property, general liability and workers' compensation insurance premiums attributable to the Stores and Distribution Centers;
- (l) Trash removal and ordinary course third party cleanings;

- (m) Store and Distribution Center security and building alarm services, to the extent not included as an Occupancy Expense;
- (n) Fifty percent (50%) of cost of the physical inventory taking (Agent's portion) by the Inventory Taking Service and 50% of the actual payroll and related costs for the Retained Employees who work at any Closing Location during the Inventory Taking at such Closing Location;
- (o) Agent's actual cost of capital and letter of credit fees and reasonable legal fees and expenses;
- (p) Armored car fees;
- (q) Central Services Expenses at the rate of \$250 per Store for each week during the Sale Term during which such Store is open for business, prorated for the portion of any week during which such Store is closed;
- (r) Retention Bonuses for Retained Employees as provided for in Section 9.4 hereof;
- (s) Actual costs and expenses associated with the operation of the TMC Distribution Centers during the first three (3) weeks of the TMC Sale in an amount not to exceed \$107,000, and actual costs and expenses associated with the operation of the SFMB Distribution Centers during the first three (3) weeks of the SFMB Sale in an amount not to exceed \$153,000 (the "DC Operation Cap"), which expenses shall include, but shall not be limited to, occupancy expenses for the Distribution Centers and payroll for Distribution Centers employees as set forth in Sections 4.1(a), 4.1(b), 4.1(c), and 4.1(m) hereof; provided however, Merchant, in consultation with Agent shall be responsible to coordinating the operation of such Distribution Centers.
- (t) Actual costs of transferring Distribution Centers and On-Order Merchandise to the Stores, up to an amount not to exceed \$66,000 for SFMB Merchandise transfers and \$9,000 for TMC Merchandise transfers, (the "DC Merchandise Transfer Cap", provided however, Merchant, in consultation with Agent shall be responsible to coordinating the transfer of the Distribution Center and On-Order Merchandise to the Stores;
- (u) Third-Party payroll processing fees;

(v) The costs of transferring Merchandise between the Stores and, so long as Agent is conducting the Sale at both of the Chains, between the Chains; and

(w) Such other and further costs and expenses as Agent deems necessary or appropriate in consultation with Merchant, up to \$7,500 for each of SFMB and TMC.

"Expenses" shall not include: (i) any Central Services Expenses, except as provided for in Section 4.1(q) hereof; (ii) Excluded Benefits; (iii) any rent or other occupancy expenses other than Occupancy Expenses in accordance with Section 4.1(a) hereof; and (iv) any costs, expenses or liabilities (except as otherwise provided herein and in sections 6.2, 9.2, 12.5 and 13.2) arising during the Sale Term, other than the Expenses listed above, all of which shall be paid by Merchant promptly when due during the Sale Term. Notwithstanding anything herein to the contrary, to the extent that an Expense listed in Section 4.1 is also included on Exhibit 4.1(a), then Exhibit 4.1(a) shall control and such Expense shall not be double counted.

As used herein, the following terms have the following respective meanings:

"Central Services Expenses" means costs and expenses for Merchant's central administrative services necessary for the Sale, including, but not limited to, MIS services, ~~inventory processing and handling and data processing and reporting to the extent such services~~ are normally provided by Merchant.

"Excluded Benefits" means vacation days or vacation pay, sick days or sick leave, maternity leave or other leaves of absence, termination or severance pay (including any obligation under the WARN Act), ERISA coverage and similar contributions (other than pension and 401(k) contributions), that accrued prior to or after the Sale Commencement Date, and benefits in excess of the Benefits Cap percentage limitation provided in Section 4.1(c) above.

"Occupancy Expenses" means rent (including, base rent and any portion of percentage rent specifically allocable to the period of the Sale Term on an annualized basis), CAM (including, but not limited to, snow removal, sprinkler expense and landscaping), real estate and use taxes, HVAC, utilities, telephone charges (including base telephone, leased line charges and data circuit charges), personal property leases (including, point of sale equipment), personal property taxes, equipment repair and maintenance (including cash register maintenance), systems repair and maintenance (including POS systems, store servers, signature pads, routers), building maintenance, building insurance relating to the Stores (exclusive of any deductible, which shall be paid by Merchant) and Merchant's liability and casualty insurance (exclusive of any deductible, which shall be paid by the Merchant) and security and housekeeping costs.

"Third party" means, with reference to any Expenses to be paid to a "third party", a party that is not affiliated with or related to Merchant.

4.2 Payment of Expenses: Security. (a) All Expenses incurred during each week of the Sale (i.e. Sunday through Saturday) shall be paid when due by Agent to or on behalf of Merchant, or offset from Proceeds held by Merchant, immediately following the weekly Sale reconciliation by Merchant and Agent pursuant to Section 8.7 below, based upon invoices and other documentation reasonably satisfactory to Agent; except with respect to Occupancy Expenses, which shall be funded weekly, by Agent during the Sale Term. To secure payment of the Expenses, Agent shall deliver to Lenders an irrevocable and unconditional standby letter of credit, naming Fleet, as agent for the Lenders, as beneficiary, in the original face amount equal to three (3) weeks estimated Expenses which are the responsibility of Merchant, substantially in the form of Exhibit 4.2(a) attached hereto (the "Expense L/C"). The Expense L/C shall be delivered to Fleet no later than one (1) business day following the Sale Commencement Date, shall be issued by a bank selected by Agent and reasonably acceptable to Merchant and Fleet, and shall contain terms, provisions and conditions mutually acceptable to Merchant, Fleet, and Agent. Within five (5) business days after its receipt of written notice from Fleet that Fleet and the Lenders have been paid in full, Agent shall cause the Expense L/C to be amended to name Merchant as the beneficiary and to replace Exhibit "A" thereto with the Amended Exhibit "A" annexed hereto as Exhibit 4.2(a)(2). The Expense L/C shall expire no earlier than sixty (60) days after the Sale Termination Date. Unless the parties shall have mutually agreed that they have completed the final reconciliation under this Agreement, then, at least thirty (30) days prior to the initial or any subsequent expiry date, Fleet or Merchant, as the case may be, shall receive an amendment to the Expense L/C solely extending (or further extending, as the case may be) the expiry date by at least sixty (60) days. If Fleet or Merchant, as the case may be, does not receive such amendment to the Expense L/C no later than thirty (30) days before the expiry date, then all amounts hereunder shall become immediately due and payable and Fleet or Merchant, as the case may be, shall be permitted to draw under the Expense L/C in payment of amounts owed and Merchant shall hold the balance of the amount drawn under the Expense L/C as security for amounts that may become due and payable to Merchant hereunder.

(b) Except for Expenses contested in good faith, in the event that Agent fails to pay any Expense(s) when due, or within three (3) business days after Fleet or Merchant, as the case may be, notifies Agent that any Expense(s) is/are unpaid and past due, or in the event the Expense L/C will expire within 5 business days and certain Expenses are unpaid, Fleet or Merchant, as the case may be, shall be entitled to draw on the Expense L/C to fund such unpaid amount.

Section 5. Inventory Valuation; Merchandise.

5.1 Inventory Taking. Commencing on the first business day of the relevant Sale Commencement Date for each of SFMB and TMC, Merchant and Agent shall cause to be

taken a SKU and retail physical inventory of the Merchandise located in the Stores (the "Inventory Taking"), which Inventory Taking shall be completed in all of the Stores no later than fourteen (14) days after the applicable Sale Commencement Date (the "Inventory Completion Date", and the date of the Inventory Taking at each Store being the "Inventory Date" for each such Store). Merchant and Agent shall jointly employ RGIS or another mutually acceptable independent inventory taking service (the "Inventory Taking Service") to conduct the Inventory Taking. The Inventory Taking shall be conducted in accordance with the procedures and instructions attached hereto as Exhibit 5.1 (the "Inventory Taking Instructions"). As an Expense, Agent shall be responsible for 50% of the fees and expenses of the Inventory Taking Service and Merchant shall pay the balance of such fees and expenses. Except as provided in Section 4.1(n) and the immediately preceding sentence, Merchant and Agent shall each bear their respective costs and expenses relative to the Inventory Taking. Merchant and Agent shall each have representatives present during the Inventory Taking, and shall each have the right to review and verify the listing and tabulation of the Inventory Taking Service. The Lenders shall also have the right to have its representatives observe the Inventory Taking, provided however, the costs of such observation shall be at the Lenders' expense as a cost of collection. Merchant agrees that during the conduct of the Inventory Taking in each of the Stores, the applicable Stores shall be closed to the public and no sales or other transactions shall be conducted. Agent shall provide Merchant and Fleet with a budget concerning the cost of the Inventory Taking prior to the Sale Commencement Date. Distribution Center Merchandise and On-Order Merchandise shall be counted and included as Merchandise, upon its receipt at the Stores, which receipt shall be counted and verified jointly by a representative of Merchant and Agent.

5.2 Merchandise Subject to this Agreement. (a) For purposes of this Agreement, including, without limitation, the calculation of the Guaranteed Amount, "Merchandise" shall mean (i) all finished goods inventory that is owned by Merchant located in the Closing Locations on the Sale Commencement Date and included in the Sale (including, but not limited to, (A) Defective Merchandise, (B) Distribution Center Merchandise located in SFMB's Distribution Center (the "SFMB Distribution Center Merchandise") and TMC's Distribution Center (the "TMC Distribution Center Merchandise") that is received in the Stores on or before the date that is fourteen (14) days after the Sale Commencement Date (the "Store Receipt Deadline"), (C) Merchandise subject to Gross Rings (D) goods which are of a type customarily provided to a customer in the Stores free or at a nominal charge with a purchase ("Free With Purchase Goods"), for which Merchant and Agent mutually agree upon a Base Retail Price, and (E) Returned Bummer Merchandise and SFMB Components for which Merchant and Agent mutually agree upon a Base Retail Price; and (ii) On-Order Merchandise that is received in the Stores, on or before the Store Receipt Deadline; provided however Merchant shall have the obligation and bear the expense of transferring the On-Order Merchandise and the Distribution Center Merchandise to the Stores to the extent such costs and expenses exceed the DC Operation Cap and/or the DC Merchandise Transfer Cap provided for in Sections 4.1(s) and 4.1(t), as and where applicable, and (iii) damaged or defective items of jewelry segregated into Department 921 in the ordinary course of the Merchant's business

("Dept. 921 Goods"). Merchant shall allocate such On-Order Merchandise and Distribution Center Merchandise between and amongst the Stores consistent with its past practices and in consultation with Agent, provided, however, that if Agent elects to reallocate such On-Order Merchandise and/or Distribution Center Merchandise and to the extent such reallocation causes such goods to arrive in the Stores after the Store Receipt Deadline, Agent shall not be entitled to apply the prevailing discount adjustment in determining the Retail Price for such goods. Notwithstanding the foregoing, "Merchandise" shall not include: (1) goods which belong to sublessees, licensees or concessionaires of Merchant, unless Merchant, Agent and the respective sublessees, licensees or concessionaires otherwise agree; (2) goods held by Merchant on memo, on consignment, or as bailee; (3) customer owned goods that have been placed in Merchant's care for purposes of repair or storage, (4) goods that are the subject of wholesale purchase orders placed on or before the Sale Commencement Date, as identified in Merchant's books and records, (5) Free With Purchase Goods, Returned Bummer Merchandise and SFMB Components for which Merchant and Agent are unable to agree upon a Base Retail Price, (6) supplies, furnishings, trade fixtures furniture and equipment and improvements to real property which are located in the Closing Locations; and (7) goods, supplies, fixtures and other miscellaneous items identified by Merchant as TMC Department 150 goods and SFMB Location 298 goods, other than SFMB Components for which Merchant and Agent mutually agree upon a Base Retail Price). Nothing set forth herein shall be construed to require the Parties to count goods in the Inventory Taking that are so broken as to not be saleable at any price, which goods shall be further addressed in the Inventory Taking Instructions.

(b) As used herein, the following terms shall have the respective meanings set forth below:

"Defective Merchandise" means any item of Merchandise, other than Dept. 921 Goods, identified and agreed upon by Merchant and Agent during the Inventory Taking as defective or otherwise not saleable in the ordinary course because it is worn, scratched, broken, faded, torn, mismatched, tailored or affected by other similar defenses rendering it not first quality. Sample Merchandise and Merchandise on display shall not per se be deemed to be Defective Merchandise.

"Distribution Center Merchandise" means any item of merchandise that is located in the Distribution Center(s) on the Sale Commencement Date.

"On-Order Merchandise" means any item of merchandise for which Merchant has issued a purchase order prior to the Sale Commencement Date, which orders are not previously cancelled by Merchant or the respective vendors, but which have not been received by the Stores or the Distribution Centers on or before the Sale Commencement Date.

"Returned Bummer Merchandise" means those items of Merchandise located in the SFMB Distribution Center on the Sale Commencement that has been returned by the SFMB

Stores for various reasons and identified by Merchant as "bummer merchandise" and identified in Merchant's stock ledger as Department 97 goods.

"SFMB Components" means those goods maintained in Location 298 in SFMB's stock ledger that constitute replacement or substitute music box components.

5.3 Valuation. (a) For purposes of this Agreement, "Retail Price" shall mean with respect to each item of Merchandise, other than On-Order Merchandise, Dept. 921 Goods, Free With Purchase Goods, Returned Bummer Merchandise, and Distribution Center Merchandise received in the Stores after the Store Receipt Deadline, the lowest price offered to the general public since May 16, 2003 as determined by the lowest ticketed price, SKU price, or Merchant's PLU file for such period, including red tagged items (the "Base Retail Price"); provided however, Excluded Pricing Adjustments shall not be taken into account in determining the Base Retail Price. With respect to On-Order Merchandise and Distribution Center Merchandise received after the Store Receipt Deadline, "Retail Price" shall mean the Base Retail Price multiplied by the inverse of the prevailing discount attributable to such item of On-Order Merchandise and/or Distribution Center Merchandise on the date such item is received in the Stores. In lieu of any other adjustments to the Retail Price of Merchandise under this Agreement (e.g., adjustments for Defective Merchandise, sample merchandise and seasonal goods), the aggregate Retail Price of the Merchandise shall be multiplied by ninety-nine percent (99%) (the "Global Inventory Adjustment"). With respect to Dept. 921 Goods, "Retail Price" shall mean 37% of the Base Retail Price. With respect to Free With Purchase Goods, SFMB Components and Returned Bummer Merchandise, "Base Retail Price" shall be subject to further agreement of the parties.

(b) The Retail Price of any item of Merchandise shall be determined as provided for by this Agreement and in accordance with the Inventory Taking Instructions set forth in Exhibit 5.1. For the purposes of this Agreement, "Excluded Pricing Adjustments" shall mean the following discounts or price adjustments offered by Merchant during the applicable period: (i) temporary point-of-sale discounts or similar temporary adjustments, provided that red tags shall not be deemed to be Excluded Pricing Adjustments; (ii) employee discounts; (iii) member or customer appreciation points or coupons; (iv) multi-unit purchase discounts; (v) adjustments for damaged or defective items; (vi) coupons or circular prices; and (vi) similar customer specific, temporary, or employee non-product specific discounts or pricing accommodations.

(c) In the event of a conflict between this Agreement and the Inventory Taking Instructions, the terms of this Agreement shall control. The Retail Price of any item of Merchandise shall exclude all Sales Taxes, and Merchant represents that the ticketed prices of items of Merchandise at the Stores do not and shall not include any Sales Taxes, except for excluded pricing adjustments. If an item of Merchandise has more than one ticketed price, or if multiple items of the same SKU are ticketed, at different prices, or have a different SKU or

PLU price, the lowest ticketed, ~~marked~~ SKU or PLU price on any such item shall prevail for such item or for all such items ~~within the same SKU~~ (as the case may be, the "Lowest Store Price"), as the case may be, that are ~~located~~ within the same Store, unless it is reasonably determined by Merchant and Agent ~~that the applicable~~ Lowest Store Price was ~~mismarked~~ or such item was priced because it was ~~damaged~~ or marked as "as is", in which case the higher price shall control; ~~provided however, in determining~~ the Lowest Store Price with respect to any item of Merchandise at the Stores, ~~the~~ Lowest Store Price shall be determined based upon the lowest ticketed, marked, SKU, or PLU price for such item on a per Store basis. No adjustment to Retail Price shall be made with respect to different ticketed price, marked price, SKU or PLU prices for items located in different Stores.

5.4 Option to Remove. Merchant shall have the right, exercisable at any time prior to June 24, 2003, to exclude ~~from Merchandise~~ Distribution Center Merchandise located in the SFMB Distribution Center, with an aggregate Retail Price not to exceed \$1,500,000 (the "Removed Goods"), which Removed Goods shall constitute a representative sampling of Distribution Center Merchandise ~~located~~ in the SFMB Distribution Center.

5.5 [Intentionally Left Blank]

Section 6. Sale Term.

6.1 Term. Subject to the prior issuance of the Approval Order, the Sale shall commence (i) at the SFMB Stores ~~on the second day~~ after entry of the Approval Order (the "SFMB Sale Commencement Date"), and (ii) at the TMC Stores on the first day after entry of the Approval Order on which the Agent receives a notice from the Merchant to commence the Sale at the TMC Stores, but in no event later than June 26, 2003 or, at the option of Merchant, such earlier date as Merchant shall, upon one day's notice, designate to Agent after entry of the Approval Order (the "TMC Sale Commencement Date"). The Agent shall complete the Sale at each Store, and shall vacate each Store's premises in favor of Merchant or its representative or assignee on or before September 30, 2003 (the "Sale Termination Date"). The period from the relevant Sale Commencement Date to the Sale Termination Date shall be referred to herein as the "Sale Term". The Sale Termination Date may be (a) extended by mutual written agreement of Agent and Merchant; or (b) accelerated by Agent, in which case Agent shall provide Merchant with not less than seven (7) days advance written notice of any such planned accelerated Sale Termination Date.

6.2 Vacating the Stores. Subject to the terms of Section 6.1 hereof, Agent shall provide Merchant and Fleet with not less than seven (7) days' advance written notice of its intention to vacate any Store (as to each Store, the "Vacate Date"). On the Vacate Date, Agent shall vacate in favor of Merchant or its representatives or assignee, remove all Remaining Merchandise and leave the Stores in "broom clean" condition (ordinary wear and tear excepted). Agent's obligation to pay all Expenses, including Occupancy Expenses, for each Store shall

continue until the Vacate Date. All assets of Merchant used by Agent in the conduct of the Sale (e.g. FF&E, supplies, etc.) shall be returned by Agent to Merchant or left at the Stores' premises at the end of the Sale Term to the extent the same have not been used in the conduct of the Sale or have not been otherwise disposed of through no fault of Agent. Agent shall be responsible to repair or reimburse Merchant for any damage caused to the building or the FF&E at the Stores during the Sale Term, ordinary wear and tear excepted. Where reference is made in this Section 6 to vacating the Stores, such shall mean vacating the Stores in favor of Merchant, its representatives or assignee and shall not mean vacating possession or disclaimer of lease in favor of the landlord or owner of the Store premises.

6.3 Gross Rings. In the event that the Sale commences prior to the completion of the Inventory Taking at any Store, then for the period from the Sale Commencement Date until the Inventory Date for such Store, Agent and Merchant shall jointly keep (i) a strict count of gross register receipts less applicable Sales Taxes ("Gross Rings"), and (ii) cash reports of sales within such Stores. Register receipts shall show for each item sold the Retail Price for such item and the markdown or discount, if any, specifically granted by Agent in connection with such Sale. All such records and reports shall be made available to Agent and Merchant and Lenders during regular business hours upon reasonable notice. Agent shall pay that portion of the balance of the unpaid Guaranteed Amount calculated on the Gross Rings basis, to account for shrinkage, on the basis of 101.5% of the aggregate Retail Price of Merchandise sold during the Gross Rings period (without taking into account any point of sale discounts or point of sale markdowns).

Section 7. Sale Proceeds.

7.1 Proceeds. For purposes of this Agreement, "Proceeds" shall mean the aggregate of (a) the total amount (in dollars) of all sales of Merchandise made under this Agreement, exclusive of Sales Taxes, and specifically excluding (i) proceeds from Merchant's sale of merchandise prior to the Sale Commencement Dates, such as special order goods; and (ii) collections of accounts receivable at the Store level, if any; and (b) all proceeds of Merchant's insurance for loss or damage to Merchandise or loss of cash arising from events occurring during the Sale Term. Proceeds shall also include any and all proceeds received by Agent from the disposition, in a commercially reasonable manner, of Remaining Merchandise at the end of the Sale whether through salvage, bulk sale or otherwise.

7.2 Credit Card Proceeds. Agent may use Merchant's credit card facilities (including Merchant's credit card terminals and processor(s), credit card processor coding,) for credit card sales; Agent shall also have the right to use Merchant's identification number(s) and existing bank accounts, to process credit card sales. Merchant shall process credit card transactions, applying customary practices and procedures. Merchant shall cooperate with Agent to down-load data from all credit card terminals each day during the Sale Term and to effect settlement with Merchant's credit card transactions under Merchant's merchant identification

number(s). Merchant shall deposit the net settlement received from any credit card sales receipts into the Designated Merchant Accounts. Merchant shall prepare a weekly reconciliation of the amounts deposited into the Designated Merchant Accounts in respect of the sales of Merchandise by credit plus Sales Taxes less credit card and bank card fees, chargebacks and service charge adjustments, returns allowances and customer credits. Merchant shall not be responsible for paying and Agent shall pay as an Expense hereunder, all credit card fees charges, and chargebacks related to the Sale, whether received during or after the Sale Term.

7.3 Petty Cash. In addition to the Guaranteed Amount, Agent shall reimburse Merchant on and as of the start of business on the Sale Commencement Date for all cash in the Stores.

Section 8. Conduct of the Sale.

8.1 Rights of Agent. Except as may otherwise be provided in the Approval Order, Agent shall be permitted to conduct the Sale as a "going-out-of-business", "store closing," or similar theme sale in the Stores throughout the Sale Term in a manner consistent with the Sale guidelines annexed hereto as Exhibit 8.1 (the "Sale Guidelines"). In addition to any other rights granted to Agent hereunder, in conducting the Sale, Agent, in the exercise of its sole discretion, shall have the right:

(a) to establish Sale prices and Stores hours which are consistent with the terms of applicable leases, mortgages or other occupancy agreements, and local laws or regulations, including, without limitation, Sunday closing laws;

(b) to use without charge (other than Agent's obligation to pay bank fees pursuant to Section 4.1 hereof), during the Sale Term all FF&E, bank accounts (subject to Section 3.3(d)), Store-level customer lists and mailing lists, computer hardware and software, existing supplies located at the Stores, intangible assets (including Merchant's name, logo and tax identification numbers), Stores keys, case keys, security codes, and safe and lock combinations required to gain access to and operate the Stores, and any other assets of Merchant located at the Stores (whether owned, leased, or licensed) consistent with applicable terms of leases or licenses. Agent shall exercise due care and return to the Merchant immediately at the end of the Sale all materials and supplies except materials or supplies expended;

(c) to use Merchant's central office facilities, central administrative services and personnel to process payroll, perform MIS and provide other central office services necessary for the Sale to the extent that such services are normally provided by Merchant in house, at no cost to Agent, subject to Agent's payment of Central Service Expenses in accordance with Section 4.1(r) hereof; provided however, Agent shall designate one or two representatives from the joint venture who will be responsible for interacting with Merchant's employees for the purposes of providing such; provided, further however, that in the event

Agent expressly requests Merchant to provide services other than those normally provided to the Stores and relating to the sale of merchandise by Merchant in the ordinary course of business and as expressly contemplated by this Agreement, Agent shall be responsible to reimburse Merchant for the actual incremental cost of such services incurred by Merchant as an Expense of the Sale hereunder;

(d) to establish and implement advertising, signage (including interior and exterior banners), and promotion programs consistent with a "going-out-of-business", "store closing," or similar theme sale, and as otherwise provided in the Approval Order and the Sale Guidelines (including, without limitation, by means of media advertising, A-frame, and similar signage and interior and exterior signs and banners);

to transfer Merchandise between and among the Closing Locations; provided however, Merchandise shall not be transferred between the Stores until after the Inventory Taking is completed at all of the Stores.

8.2 Terms of Sales to Customers, Law Compliance.

(a) All sales of Merchandise will be "final sales" and "as is" and all advertisements and sales receipts will reflect the same. Agent shall not warrant the Merchandise in any manner, but will, to the extent legally permissible, pass on all manufacturers' warranties to customers. All sales will be made only for cash, nationally recognized bank credit cards and, in Agent's discretion, personal checks, provided, however, if Agent determines to accept personal checks, Agent shall bear the risk of loss therefor; provided further however, during the first thirty (30) days of the Sale Term, Agent shall accept gift certificates, gift cards, etc, as provided for in Section 8.2(b) hereof. Agent shall not accept any coupons issued by Merchant prior to the Sale Commencement Date.

(b) For the first thirty (30) days of the applicable Sale Term to the respective Chain, Agent shall accept Merchant's gift certificates, gift cards, Merchandise credits, and Merchandise certificates issued by Merchant prior to the Sale Commencement Date. Merchant shall reimburse Agent in cash for such amounts during the weekly sale reconciliation provided for in Section 8.7 hereof.

8.3 Sales Taxes. During the Sale Term, all sales, excise, gross receipts and other taxes attributable to sales of Merchandise as indicated on Merchant's point of sale equipment (other than taxes on income) payable to any taxing authority having jurisdiction (collectively, "Sales Taxes") shall be added to the sales price of Merchandise and collected by Agent, on Merchant's behalf, and deposited into Merchant's existing accounts, trust accounts or other accounts, as designated by Merchant. Provided that Agent has collected all Sales Taxes during the Sale and remitted the proceeds thereof to Merchant, Merchant shall promptly pay all Sales Taxes and file all applicable reports and documents required by the applicable taxing

authorities. Merchant will be given access to the computation of gross receipts for verification of all such Sales Tax collections. Provided Agent performs its responsibilities in accordance with this Section 8.3, Merchant shall indemnify and hold harmless Agent from and against any and all costs, including, but not limited to, reasonable attorneys' fees, assessments, fines or penalties which Agent sustains or incurs as a result or consequence of the failure by Merchant to promptly pay such taxes to the proper taxing authorities and/or the failure by Merchant to promptly file with such taxing authorities all reports and other documents required, by applicable law, to be filed with or delivered to such taxing authorities. If Agent fails to perform its responsibilities in accordance with this Section 8.3, and provided Merchant complies with its obligations in accordance with this Section 8.3, Agent shall indemnify and hold harmless Merchant from and against any and all costs including, but not limited to, reasonable attorneys' fees, assessments, fines or penalties which Merchant sustains or incurs as a result or consequence of the failure by Agent to collect Sales Taxes and/or, to the extent Agent is required hereunder to prepare reports and other documents, the failure by Agent to promptly deliver any and all reports and other documents required to enable Merchant to file any requisite returns with such taxing authorities.

8.4 Supplies. Agent shall have the right to use all existing supplies necessary to conduct the Sale (e.g., bags, twine,) but not gift certificates, rain checks, merchandise credits or the like, located at the Closing Locations at no charge to Agent. In the event that additional supplies are required in any of the Stores during the Sale, the acquisition of such additional supplies shall be the responsibility of Agent as an Expense; provided, however, that Merchant shall assist Agent in obtaining supplies from Merchant's vendors at Merchant's cost.

8.5 Returns of Merchandise. (a) During the first twenty-one (21) days of the applicable Sale Term for the respective Chains, Agent shall accept returns of Merchandise sold by Merchant prior to the Sale Commencement Date; provided that (i) such item was purchased within thirty (30) days prior to the date of such return; (ii) the customer has the original register receipt; and (iii) such return is not being made in contemplation of such customer repurchasing the item at the sale price being offered by Agent ("Returned Merchandise") provided that Returned Merchandise may be exchanged only for Merchandise and may not be returned in exchange for a refund of the purchase price. Returned Merchandise shall be included in Merchandise and valued at the Retail Price applicable to such item less the prevailing Sale discount at the time of the return. The aggregate Retail Price of the Merchandise shall be increased by the Retail Price of any Returned Merchandise included in Merchandise (determined in accordance with this Section 8.5) and reduced by the Retail Price of any Merchandise exchanged in respect of Returned Merchandise, and the Guaranteed Amount shall be adjusted accordingly. Merchant shall provide Agent with the name and contact information for a Merchant representative to coordinate with any customers regarding any Returned Merchandise not accepted by Agent.

(c) Agent shall dispose of Returned Merchandise not included in Merchandise in accordance with instructions received from Merchant or, in the absence of such instructions,

returned to Merchant ~~at the end~~ of the Sale Term, in each case at Merchant's expense. Any increases or decreases ~~in the~~ Guaranteed Amount shall be accounted for on a weekly basis, in connection with the ~~weekly~~ reconciliation process.

8.6 License. Merchant hereby grants the Agent a non-exclusive license to use all trademarks and ~~tradenames~~, customer or mailing lists owned or used by Merchant in the conduct of any of its ~~business~~, and whether maintained at the Stores, on the internet or otherwise, in connection with the ~~sale~~ of the Merchandise, including with respect to any Merchandise that may be sold after the ~~Sale~~ Termination Date. Merchant will cause any purchaser or licensee of any of Merchant's ~~trademarks~~ or tradenames to agree to be bound by this license in favor of the Agent.

8.7 Sale Reconciliation. On each Wednesday during the Sale Term, commencing on the ~~second~~ Wednesday after the Sale Commencement Date, Agent and Merchant shall ~~cooperate to~~ reconcile Expenses, Gross Rings, and such other Sale-related items as either party shall ~~reasonably~~ request, in each case for the prior week or partial week (*i.e.* Sunday through Saturday), all pursuant to procedures agreed upon by Merchant and Agent. Within thirty (30) days ~~after the end~~ of the Sale Term, Agent and Merchant shall complete a final reconciliation of the ~~Sale~~, the written results of which shall be certified by representations of each of Merchant and ~~Agent~~ as a final settlement of accounts between Merchant and Agent.

8.8 Force Majeure. If any casualty, act of terrorism, or act of God prevents or substantially inhibits ~~the conduct~~ of business in the ordinary course at any Store, such Store and the Merchandise located at such Store shall, in Agent's discretion, be eliminated from the Sale and considered to be ~~deleted from~~ this Agreement as of the date of such event, and Agent and Merchant shall have ~~no further~~ rights or obligations hereunder with respect thereto; provided, however, that (i) ~~subject to~~ the terms of Section 7.1 above, the proceeds of any insurance attributable to such ~~Merchandise~~ shall constitute Proceeds hereunder, and (ii) the Guaranteed Amount shall be ~~reduced to~~ account for any Merchandise eliminated from the Sale which is not the subject of insurance ~~proceeds~~.

Section 9. Employee Matters.

9.1 Merchant's Employees. Subject to the terms of any collective bargaining agreement or employment contract, and with due regard to Merchant's past practices, policies and procedures relating to the employment of its employees, Agent may use Merchant's Store-level employees in the ~~conduct~~ of the Sale to the extent Agent, in consultation with Merchant, deems expedient. ~~Agent may~~ select and schedule the number and type of Merchant's employees required for the Sale. ~~Agent shall~~ identify any such employees to be used in connection with the Sale (each such employee, a "Retained Employee") prior to the Sale Commencement Date. In consultation with ~~Merchant~~, Agent shall identify any employees who will not be used in connection with the ~~Sale~~ prior to the Sale Commencement Date. Employees will be selected by

seniority and status where possible or where required by the terms of any collective bargaining agreement. Agent acknowledges that the selection and scheduling of Retained Employees and the decision to cease using Retained Employees in connection with the Sale shall be made with due regard to, but Agent shall not be obligated to comply with, Merchant's desire to minimize severance and termination costs to Merchant and to the extent reasonably possible shall be made so as not to interrupt any statutory working notice, provided that Agent's ability to terminate the Sale at any Sale Store under the terms of this Agreement shall not be impaired thereby. Retained Employees shall at all times remain employees of Merchant, and shall not be considered or deemed to be employees of Agent. Merchant and Agent agree that, except to the extent that wages, vacation pay and benefits of Retained Employees constitute Expenses hereunder, nothing contained in this Agreement and none of Agent's actions taken in respect of the Sale shall be deemed to constitute an assumption by Agent of any of Merchant's obligations relating to any of Merchant's employees including, without limitation, Excluded Benefits, termination type claims and obligations, or any other amounts required to be paid by statute or law; nor shall Agent become liable under any collective bargaining or employment agreement or be deemed a joint or successor employer with respect to such employees. Merchant shall not, without Agent's prior written consent, raise the salary or wages or increase the benefits for, or pay any bonuses or make any other extraordinary payments to, any of its employees in anticipation of the Sale or prior to the Sale Termination Date. Merchant has not terminated and shall not during the Sale Term terminate any employee benefits or benefit programs, without prior written notice to Agent. It is understood and agreed that Agent's on-site supervisors shall not be employees of Merchant under any circumstances.

9.2 Termination of Employees. Agent may in its discretion stop using any Retained Employee at any time during the Sale. In the event of Agent's termination of the services of any Retained Employee, Agent will provide written notice to Merchant at least seven (7) days prior thereto, except for a termination of services "for cause" (such as dishonesty, fraud or breach of employee duties), in which event no prior notice to Merchant shall be required, provided Agent shall notify Merchant as soon as practicable after such termination. Upon delivery to Merchant of a notice of termination of services of a Retained Employee, then Agent's obligations with respect to such Retained Employee terminate on the effective date of such termination, as provided for herein; provided however, although such Retained Employee will no longer be used in connection with the Sale, Merchant shall have the responsibility for terminating the employment of such Retained Employee from and after the date of this Agreement and until the Sale Termination Date, Merchant shall not transfer or dismiss employees of the Stores except "for cause" without Agent's prior consent (which consent shall not be unreasonably withheld). Notwithstanding any other provision hereof, Agent will indemnify Merchant with respect to any claims by Retained Employees arising from Agent's treatment of such Retained Employees.

9.3 Payroll Matters. During the Sale Term, Merchant shall process and pay the base payroll and all related payroll taxes, worker's compensation, employment and

unemployment insurance, and benefits for all Retained Employees in accordance with its usual and customary procedures. Any additional personnel hired by Agent for the Sale shall not be deemed to be employees of Merchant, an Expense, nor shall Merchant be obligated to process the payroll therefor or offer benefits to said additional personnel.

9.4 Employee Retention Bonuses. Agent shall pay, as an Expense, retention bonuses ("Retention Bonuses") (which bonuses shall be inclusive of payroll taxes but as to which no benefits shall be payable), up to a maximum of ten percent (10%) of base payroll, to certain Retained Employees who do not voluntarily leave employment and are not terminated "for cause". The amount of such Retention Bonuses, shall be in an amount to be determined by Agent, in its discretion, and shall be payable within thirty (30) days after the Sale Termination Date, and shall be processed through Merchant's payroll system. Agent shall provide Merchant with a copy of Agent's Retention Bonus plan within two (2) business days after the Sale Commencement Date. Agent shall not utilize the Retention Bonus as a mechanism to incentivize Retained Employees to act contrary to Merchant's best interests.

Section 10. Conditions Precedent. The willingness of Agent and Merchant to enter into the transactions contemplated under this Agreement are directly conditioned upon the satisfaction of the following conditions by the applicable party at the time or during the time periods indicated, unless specifically waived in writing by the other party, or as otherwise set forth herein:

(a) All representations and warranties of Merchant and Agent hereunder shall be true and correct in all material respects and no Event of Default shall have occurred at and as of the date hereof and as of the Sale Commencement Date.

(b) No later than June 12, 2003, the Court shall have entered the "Approval Order", containing the provisions set forth in Section 16.12 below, which Approval Order shall not have been vacated or stayed.

Section 11. Representations, Warranties and Covenants.

11.1 Merchant's Representations, Warranties, and Covenants. Merchant hereby represents, warrants and covenants in favor of Agent as follows:

(a) Merchant (i) is a corporation duly organized, validly existing under the laws of the jurisdiction of its incorporation; (ii) has all requisite corporate power and authority to own, lease and operate its assets and properties and to carry on its business as presently conducted; and (iii) is and during the Sale Term will continue to be, duly authorized and qualified to do business and in good standing in each jurisdiction where the nature of its business or properties requires such qualification, including all jurisdictions in which the Stores are located, except, in each case, to the extent that the failure to be in good standing or so qualified

~~could~~ not reasonably be expected to have a material adverse effect on the ability of Merchant to ~~execute~~ and deliver this Agreement and perform fully its obligations hereunder.

(b) Subject to the issuance and entry of the Approval Order (i) Merchant has ~~the~~ right, power and authority to execute and deliver this Agreement and each other document ~~and agreement~~ contemplated hereby (collectively, together with this Agreement, the "Agency Documents") and to perform fully its obligations thereunder; (ii) no further consent or approval ~~on the part of Merchant~~ is required for Merchant to enter into and deliver the Agency Documents, to perform its obligations thereunder, and to consummate the Sale; (iii) each of the Agency Documents has been duly executed and delivered by Merchant and constitutes the legal, ~~valid~~ and binding obligation of Merchant enforceable in accordance with its terms; (iv) no court ~~order~~ or decree of any federal, state, local, or provincial governmental authority or regulatory ~~body~~ is in effect that would prevent or materially impair, or is required for the Merchant's consummation of, the transactions contemplated by this Agreement, and no consent of any third ~~party~~ which has not been obtained is required therefor, other than as shall be obtained prior to the ~~Sale Commencement Date~~, except for any such consent the failure of which to be obtained could ~~not~~ reasonably be expected to have a material adverse effect on the ability of Merchant to ~~execute~~ and deliver this Agreement and perform fully its obligations hereunder; and (v) other ~~than~~ for any consent as shall be obtained prior to the Sale Commencement Date, and those ~~contracts or agreements~~ identified by Merchant to Agent on or prior to the Sale Commencement ~~Date~~, if any, no contract or other agreement to which the Merchant is a party or by which the ~~Merchant~~ is otherwise bound will prevent or materially impair the consummation of the Sale and ~~the other transactions~~ contemplated by this Agreement.

(c) Except has been otherwise disclosed to Agent, since April 5, 2003 ~~Merchant~~ has not conducted any promotions or advertised sales at the Stores except promotions ~~and sales~~ in the ordinary course of business consistent with historic promotions and sales for ~~comparable periods~~ last year.

(d) Merchant owns and will own at all times during the Sale Term, good and ~~marketable~~ title to all of the Merchandise. Merchant shall not create, incur, assume or suffer to ~~exist~~ any security interest, lien or other charge or encumbrance upon or with respect to any of the ~~Merchandise~~ or the Proceeds, except for such pre-existing pre-petition and post-petition liens and ~~the security interests and liens of the Lenders~~.

(e) Merchant has maintained its pricing files in the ordinary course of business ~~consistent~~ with historic practices, and prices charged to the public for goods (whether in-Store, ~~by advertisement~~ or otherwise) are the same in all material respects as set forth in such pricing ~~files~~ for the periods indicated therein.

(f) Merchant has not since April 5, 2003, and shall not up to the Sale ~~Commencement Date~~, marked up or raised the price of any items of Merchandise, or removed or

altered any tickets or any indicia of clearance merchandise, except in the ordinary course of business consistent with historic practices and except for the effects of the termination of promotional events.

(g) Merchant shall ticket or mark all items of inventory received at the Stores prior to and following the Sale Commencement Date in a manner consistent with similar Merchandise located at the Stores and in accordance with Merchant's past practices and policies relative to pricing and marking inventory.

(h) Merchant has not and shall not purchase, or transfer to or from the Stores, any merchandise, or goods outside the ordinary course in anticipation of the Sale or of the Inventory Taking, except that all saleable inventory has been or will be moved from Merchant's Distribution Centers to the Stores.

(i) Merchant makes no representation as to what portion, if any, of the On-Order Merchandise scheduled to be delivered will in fact be delivered and Merchant reserves the right to cancel any orders for On-Order Merchandise.

(j) To the best of Merchant's knowledge, all Merchandise is in material compliance with all applicable federal, state, or local product safety laws, rules, and standards. Merchant shall provide Agent with its historic policies and practices, if any, regarding product recalls prior to the Sale Commencement Date.

(k) Merchant had paid and, subject to Agent's compliance with its obligations under Section 4.1(c) hereof, will continue to pay throughout the Sale Term, to the extent authorized by the Bankruptcy Court, all self-insured or Merchant funded employee benefit programs for Store employees, including health and medical benefits and insurance and all proper claims made or to be made in accordance with such programs.

(l) The Guaranty Percentage has been calculated and agreed upon based upon the aggregate Retail Price of the (i) SFMB Merchandise (regardless of whether Merchant exercises its option to Remove Goods), without taking into account the Global Inventory Adjustment, not being less than \$15.0 million (the "SFMB Merchandise Threshold"), and (ii) TMC Merchandise, without taking into account the Global Inventory Adjustment, not being less than \$13.4 million (the "TMC Merchandise Threshold")(the SFMB Merchandise Threshold and the TMC Merchandise Threshold collectively the "Merchandise Threshold"). In the event that the aggregate Retail Price of (x) the Merchandise included in the Sale is less than the Merchandise Threshold, or (y) the SFMB Merchandise is less than the SFMB Merchandise Threshold, or (z), the TMC Merchandise is less than the TMC Merchandise Threshold, then such deviation shall not constitute a material breach of a representation or warranty, or an Event of Default; provided however, the Guaranty Percentage shall be adjusted in accordance with Exhibit 11.1(l) annexed hereto, as and where applicable.

(m) Merchant is not a party to any collective bargaining agreements covering any Retained Employees.

(n) Agent shall have the right to occupy the Stores during the Sale Term, and there will be no material labor disruptions or work stoppages during the Sale Term.

(o) Section 16.12 of this Agreement shall be effective and binding on the Merchant on the execution of this Agreement, and without regard to whether the Approval Order is entered.

(p) Through the Sale Commencement Date, TMC shall continue to segregate goods into Department 921, consistent with the ordinary course of business and historic practices.

11.2 Agent's Representations, Warranties, and Covenants. Agent hereby represents, warrants and covenants in favor of Merchant as follows:

(a) Agent: (i) is a corporation or limited liability company, as the case may be, duly and validly existing and in good standing under the laws of the State of its organization; (ii) has all requisite power and authority to carry on its business as presently conducted and to consummate the transactions contemplated hereby; and (iii) is and during the Sale Term will continue to be duly authorized and qualified as a foreign company to do business and in good standing in each jurisdiction where the nature of its business or properties requires such qualification.

(b) Agent has the right, power, and authority to execute and deliver each of the Agency Documents to which it is a party and to perform fully its obligations thereunder. Agent has taken all necessary actions required to authorize the execution, delivery, and performance of the Agency Documents, and no further consent or approval is required on the part of Agent for Agent to enter into and deliver the Agency Documents, to perform its obligations thereunder, and to consummate the Sale. Each of the Agency Documents has been duly executed and delivered by the Agent and, constitutes the legal, valid and binding obligation of Agent enforceable in accordance with its terms. No court order or decree of any federal, provincial, state or local governmental authority or regulatory body is in effect that would prevent or impair or is required for Agent's consummation of the transactions contemplated by this Agreement, and no consent of any third party which has not been obtained is required therefor other than as provided herein. No contract or other agreement to which Agent is a party or by which Agent is otherwise bound will prevent or impair the consummation of the transactions contemplated by this Agreement.

(c) No action, arbitration, suit, notice, or legal administrative or other proceeding before any court or governmental body has been instituted by or against Agent, or has been settled or resolved, or to Agent's knowledge, has been threatened against or affects Agent, which questions the validity of this Agreement or any action taken or to be taken by Agent in connection with this Agreement, or which if adversely determined, would have a material adverse effect upon Agent's ability to perform its obligations under this Agreement.

(d) Except as may be otherwise provided in the Approval Order, the Sale shall be conducted in compliance with all applicable federal, state, and local laws, rules and regulations.

Section 12. Insurance.

12.1 Merchant's Liability Insurance. Merchant shall continue until the Sale Termination Date, in such amounts as it currently has in effect, all of its liability insurance policies including, but not limited to, products liability, comprehensive public liability, auto liability and umbrella liability insurance, covering injuries to persons and property in, or in connection with Merchant's operation of the Stores, and shall cause Agent to be named an additional named insured with respect to all such policies. Prior to the Sale Commencement Date, Merchant shall deliver to Agent certificates evidencing such insurance setting forth the duration thereof and naming Agent as an additional named insured, in form reasonably satisfactory to Agent. All such policies shall require at least thirty (30) days prior notice to Agent of cancellation, non-renewal, or material change. In the event of a claim under any such policies Merchant shall be responsible for the payment of all deductibles, retentions or self-insured amounts to the extent said claim arises from or relates to the alleged acts or omissions of Merchant or its employees, agents (other than Agent's employees), or independent contractors (other than Agent and independent contractors hired by Agent in conjunction with the Sale).

12.2 Merchant's Casualty Insurance. Merchant shall continue until the Sale Termination Date, in such amounts as it currently has in effect, fire, flood, theft and extended coverage casualty insurance covering the Merchandise in a total amount equal to no less than the cost value thereof. In the event of a loss to the Merchandise on or after the date of this Agreement, the proceeds of such insurance attributable to the Merchandise (net of any deductible) shall constitute Proceeds. Prior to the Sale Commencement Date, Merchant shall deliver to Agent certificates evidencing such insurance setting forth the duration thereof, in form and substance reasonably satisfactory to Agent. All such policies shall require at least thirty (30) days prior notice to Agent of cancellation, non-renewal, or material change. Merchant shall not make any change in the amount of any deductibles or self-insurance amounts prior to the Sale Termination Date or the Extended Sale Termination Date, as the case may be, without Agent's prior written consent.

12.3 Worker's Compensation Insurance. Merchant shall continue until the Sale Termination Date, in such amounts as it currently has in effect, worker's compensation insurance (including employer liability insurance) covering all Retained Employees in compliance with all statutory requirements. Prior to the Sale Commencement Date, Merchant shall deliver to Agent a certificate of its insurance broker or carrier evidencing such insurance.

12.4 Agent's Insurance. Agent shall maintain at Agent's cost and expense throughout the Sale Term, in such amounts as it currently has in effect, comprehensive public liability and automobile liability insurance policies covering injuries to persons and property in or in connection with Agent's agency at the Stores, and shall cause Merchant and Lenders to be named an additional insured with respect to such policies. Exhibit 12.4 attached hereto contains a description of all such policies. Prior to the Sale Commencement Date, Agent shall deliver to Merchant certificates evidencing such insurance policies, setting forth the duration thereof and naming Merchant as an additional insured, in form and substance reasonable satisfactory to Merchant. In the event of a claim under such policies Agent shall be responsible for the payment of all deductibles, retentions or self-insured amounts thereunder, to the extent said claim arises from or relates to the alleged acts or omissions of Agent or Agent's employees, agents or independent contractors).

12.5 Risk of Loss.

Without limiting any other provision of this Agreement, Merchant acknowledges that Agent is conducting the Sale on behalf of Merchant solely in the capacity of an agent, and that in such capacity (i) Agent shall not be deemed to be in possession or control of the Stores or the assets located therein or associated therewith, or of Merchant's employees located at the Stores, and (ii) except as expressly provided in this Agreement, Agent does not assume any of Merchant's obligations or liabilities with respect to any of the foregoing. Agent shall not be deemed to be a successor employer. Merchant and Agent agree that, subject to the terms of this Agreement, Merchant shall bear all responsibility for liability claims of customers, employees and other persons arising from events occurring at the Stores during and after the Sale Term, except to the extent any such claim arises directly from the acts or omissions of Agent, or its supervisors, agents, independent contractors, or employees located at the Stores (an "Agent Claim"). In the event of any liability claim other than an Agent Claim, Merchant shall administer such claim and shall present such claim to Merchant's liability insurance carrier in accordance with Merchant's policies and procedures existing immediately prior to the Sale Commencement Date, and shall provide a copy of the initial documentation relating to such claim to Agent at the address listed in this Agreement. To the extent that Merchant and Agent agree that a claim constitutes an Agent Claim, Agent shall administer such claim and shall present such claim to its liability insurance carrier, and shall provide copies of the initial documentation relating to such claim to Merchant. In the event that Merchant and Agent cannot agree whether a claim constitutes an Agent Claim, each party shall present the claim to its own

liability insurance carrier, and a copy of the initial claim documentation shall be delivered to the other party to the foregoing address.

Section 13. Indemnification.

13.1 Merchant Indemnification. Merchant shall indemnify and hold Agent and its officers, ~~directors~~, employees, agents and independent contractors (collectively, "Agent Indemnified Parties") harmless from and against all claims, demands, penalties, losses, liability or damage, ~~including~~, without limitation, reasonable attorneys' fees and expenses, asserted directly or ~~indirectly~~ against Agent resulting from, or related to:

(a) Merchant's material breach of or failure to comply with any of its agreements, ~~covenants~~, representations or warranties contained in any Agency Document;

(b) subject to Agent's performance and compliance with its obligations pursuant to ~~Sections 4.1(b) and 4.1(c) and Section 9 hereof~~, any failure of Merchant to pay to its employees ~~any wages~~, salaries or benefits due to such employees during the Sale Term or other claims asserted ~~against~~ Agent by Merchant's employees resulting from Merchant's (and not Agent's) ~~treatment~~ of its employees;

(c) subject to Agent's compliance with its obligations under Section 8.3 hereof, any ~~failure~~ by Merchant to pay any Sales Taxes to the proper taxing authorities or to properly ~~file with any~~ taxing authorities any reports or documents required by applicable law to be filed in ~~respect thereof~~;

(d) the gross negligence or willful misconduct of Merchant or any of its officers, ~~directors~~, employees, agents (other than Agent) or representatives.

13.2 Agent Indemnification. Agent shall indemnify and hold Merchant and its officers, ~~directors~~, employees, agents and representatives harmless from and against all claims, demands, ~~penalties~~, losses, liability or damage, including, without limitation, reasonable attorneys' fees and expenses, asserted directly or indirectly against, Merchant resulting from, or related to (~~including~~ acts or omissions of persons or entities affiliated with or acting on behalf of the Agent):

(a) Agent's material breach of or failure to comply with any local, state, or federal laws or ~~regulations~~, or any of its agreements, covenants, representations or warranties contained ~~in any~~ Agency Document;

(b) any harassment, discrimination or violation of any laws or regulations or any other ~~unlawful~~, tortious or otherwise actionable treatment of any employees or agents of

Merchant by Agent or any of its employees, agents, independent contractors or other officers, directors or representatives of Agent;

(c) any claims by any party engaged by Agent as an employee or independent contractor arising out of such engagement;

(d) any Agent Claims; and

(e) the gross negligence or willful misconduct of Agent or any of its officer, directors, employees, agents, or representatives.

Section 14. Defaults. The following shall constitute "Events of Default" hereunder:

(a) Merchant's or Agent's failure to perform any of their respective material obligations hereunder, which failure shall continue uncured seven (7) days after receipt of written notice thereof to the defaulting party; or

(b) Any representation or warranty made by Merchant or Agent proves untrue in any material respect as of the date made or at any time and throughout the Sale Term; or

(c) The Sale is terminated or materially interrupted or impaired for a period of ~~five (5) consecutive business days at five (5) or more Stores for any reason other than (i) an~~ Event of Default by Agent, or (ii) any other material breach or action by Agent not authorized hereunder.

In the event of an Event of Default, the non-defaulting party may, in its discretion, elect to terminate this Agreement upon seven (7) business days' written notice to the other party and pursue any and all rights and remedies and damages resulting from such default hereunder.

Section 15. Fixtures. With respect to furniture, fixtures and equipment (other than artwork and visuals) owned by Merchant and located at the Stores and the Distribution Centers (collectively, the "FF&E"), Agent shall pay Merchant: (i) at the time that Agent makes the Initial SFMB Guaranty Payment, the sum of \$100,000 for all FF&E in the SFMB Stores and Distribution Centers; and (ii) at the time that Agent makes the Initial TMC Guaranty Payment, the sum of \$150,000 for all FF&E in the TMC Stores, Distribution Centers and home office location ("Office FF&E"); provided, however, that with respect to any Office FF&E, Agent shall not take possession of such Office FF&E until the earliest to occur of (x) such time as Agent and Merchant shall mutually agree and (y) December 31, 2003.

Section 16. Miscellaneous.

16.1 Notices. All notices and communications provided for pursuant to this Agreement shall be in writing, and sent by hand, by facsimile, or a recognized overnight delivery service, as follows:

If to the Merchant: SAN FRANCISCO MUSIC BOX COMPANY
390 N. Wiget Lane
Suite 200
Walnut Creek, California 94598

and

THE MUSEUM COMPANY, INC.
695 Route 46 West
Fairfield, New Jersey 07004
Attn: Holly Felder Etlin
Tel: (212) 610-5600
Fax: (212) 610-5601

with a copy to: YOUNG CONAWAY STARGATT & TAYLOR, LLP

The Brandywine Building
1000 West Street, 17th Floor
Wilmington, Delaware 19899
Attn: M. Blake Cleary, Esq.
Tel: (302) 571-6714
Fax: (302) 571-1253

TRAUB, BONACQUIST & FOX LLP
655 Third Avenue - 21st Floor
New York, New York 10017
Attn: Michel S. Fox
Maura I. Russell
Tel: (212) 4766-4770
Fax: (212) 476-4787

If to Lenders: FLEET RETAIL FINANCE, INC.
Attn: Betsy Ratto
Tel:
Fax:

BROWN RUDNICK BERLACK ISRAELS LLP
One Financial Center
Boston, Massachusetts 02111
Attn: Steven B. Levine
Tel: (917) 856-8200
Fax: (917) 856-8201
-and-

GB RETAIL FUNDING, LLC
Attn: Betsy Ratto
Tel:
Fax:

RIEMER & BRAUNSTEIN LLP
Three Center Plaza
Boston, Massachusetts 02108
Attn: Jonathan D. Yellin
Tel: (617) 523-9000
Fax: (617) 880-3456

If to Agent: GREAT AMERICAN GROUP
One Parkway North, Suite 520
Deerfield, IL 60015
Attn: Thomas E. Pabst
Tel: (847) 444-1400
Fax: (847) 444-1401

16.2 Governing Law; Consent to Jurisdiction. This Agreement shall be governed and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles thereof. The parties hereto agree that the Bankruptcy Court shall retain jurisdiction to hear and finally determine any disputes arising from or under this Agreement, and by execution of this Agreement each party hereby irrevocably accepts and submits to the jurisdiction of such court with respect to any such action or proceeding and to service of process by certified mail, return receipt requested to the address listed above for each party.

16.3 Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the transactions contemplated hereby and supersedes and cancels all prior agreements, including, but not limited to, all proposals, letters of intent or representations, written or oral, with respect thereto.

16.4 Amendments. This Agreement may not be modified except in a written instrument executed by each of the parties hereto.

16.5 No Waiver. No consent or waiver by any party, express or implied, to or of any breach or default by the other in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligation of such party. Failure on the part of any party to complain of any act or failure to act by the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder.

16.6 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon Agent and Merchant, including, but not limited to, any chapter 11 or chapter 7 trustee. Merchant and Agent may not assign their respective obligations under this Agreement; provided however, it is understood that Merchant and/or Agent may assign their respective rights under this Agreement to their respect lenders.

16.7 Execution in Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one agreement. This Agreement may be executed by facsimile, and such facsimile signature shall be treated as an original signature hereunder.

16.8 Section Headings. The headings of sections of this Agreement are inserted for convenience only and shall not be considered for the purpose of determining the meaning or legal effect of any provisions hereof.

16.9 Survival. All representations, warranties, covenants and agreements made herein, by the parties hereto, shall be continuing, shall be considered to have been relied upon by the parties and shall survive the execution, delivery and performance of this Agreement.

16.10 Reporting. If requested by Merchant, Agent shall prepare weekly reports including, without limitation, reports that comply with the Merchant's current weekly cash reporting to its central office, reflecting the progress of the Sale which shall specify the Proceeds received to date. The Agent will maintain and provide to Merchant and Lenders sales records to permit calculation of and compliance with any percentage rent obligations under Stores leases. During the course of the Sale, Merchant shall have the right to have representatives continually act as observers of the Sale in the Stores so long as they do not interfere with the conduct of the Sale.

16.11 Termination. This Agreement shall remain in full force and effect with respect to each Chain until the first to occur of: (i) receipt by Merchant or Agent, as the case may be, of written notice from Merchant or Agent, as the case may be, that any of the conditions

specified in Section 10 hereof have not been satisfied; (ii) the expiration of the Sale Term and completion and certification by Merchant and Agent of the final Sale reconciliation pursuant to Section 8.7 above; and (iii) Merchant's termination of this Agreement with respect to either Chain upon Merchant's delivery to Agent of notice of termination after closing on any transaction with a Going Concern Buyer for such Chain; provided, however, that termination of those portions of this Agreement relating to a Chain as a result of a sale to a Going Concern Buyer shall not affect the terms and conditions of this Agreement relating to the other Chain. Notwithstanding the foregoing, the representations and warranties of Merchant and Agent contained herein and the provisions of Section 11 above, the payment obligations in sections 3 and 4 and the indemnification obligations contained in Sections 13.1 and 13.2 shall survive the termination of this Agreement pursuant to this Section 16.11

16.12 Procedures.

(a) **Intentionally Omitted.**

(b) Merchant shall apply to the Bankruptcy Court on June 11, 2003 for entry of an Order in the form attached hereto as Exhibit 16.12(b)(the "Approval Order") which shall authorize the Merchant to conduct the Sale of the Chain retaining the highest and best bidder at the Auction as Agent, and which shall otherwise contain terms and conditions satisfactory to Agent, including the following: (i) that Merchant may contract to sell the TMC Stores only to a Going Concern Buyer prior to the TMC Sale Commencement Date, or may elect to conduct the Sale at the TMC Stores, in the good faith exercise of Merchant's business judgment, (ii) approving this Agreement in its entirety, subject only to those objections to the sale of the Merchandise of TMC that may be filed on or before June 18, 2003, including those reserved on the record of the hearing held in the Merchant's bankruptcy cases on June 11, 2003, (iii) authorizing the conduct of the Sale pursuant to the terms of this Agreement, subject only to those objections to the sale of the Merchandise of TMC that may be filed on or before June 18, 2003, including those reserved on the record of the hearing held in the Merchant's bankruptcy cases on June 11, 2003, (A) notwithstanding any state or local law or regulation otherwise governing or purporting to govern the licensing and conduct of the Sale, (B) notwithstanding the provision in any lease, mortgage, or other occupancy agreement that purport to limit, govern or restrict the conduct of the Sale, and (C) without the necessity of obtaining any third party consents, (iv) requiring that, upon Agent's payment of the Guaranteed Amount and issuance of the Guaranty L/C and Expense L/C, any liens granted by Merchant to the Lenders its lender or any other party shall not encumber the Merchandise or Proceeds, but shall instead attach only to the Guaranteed Amount, Merchant's entitlement to be reimbursed for Expenses paid directly by Merchant, or other amounts due to Merchant hereunder, (v) granting Agent, subject to Agent's obligations to pay the Guaranteed Amount and Expenses, a valid, duly perfected first priority lien and security interest in the Merchandise and any Proceeds to which Agent is entitled in accordance with the terms of this Agreement.

(c) If the Merchant does not proceed with the Sale of the TMC Chain for any reason, the Merchant agrees to pay the Agent on demand the sum of \$50,000 to compensate Agent for the benefits which Agent bestowed upon the Merchant's estate in evaluating the TMC business, entering into this Agreement, and participating in the Auction.

(d) As used herein, the following terms shall have the respective meanings set forth below:

"Qualified Bidder" means a nationally recognized firm or group of liquidators who agrees to participate in the Auction on the terms of this Agreement, modified only to reflect the identify of the bidder and incremental bid of such bidder.

"Auction" means the public auction held on June 10, 2003 to serve as the Agent under this Agreement.

"Going Concern Buyer" means, in the case of SFMB, the Purchaser under that certain Asset Purchase Agreement by and among SFMB, Garcel, Inc. d/b/a Great American Group and Calendar Club SA, LLC dated June 10, 2003 and, in the case of TMC, a prospective purchaser of the TMC Stores who shall, as a condition of qualifying as a Going Concern Buyer, unconditionally agree that as part of its purchase of the TMC Chain to be the assignee of not less than 20 of the Store Leases, and to hire not less than 50% of the TMC Chain employees employed in such assigned Stores.—

16.13 Security Interest. Upon payment of the Initial Guaranty Payment to Merchant and the issuance of the Guaranty L/C and the Expense L/C in favor of Merchant and in consideration of the Agent's payment of the Guaranteed Amount and Expenses, and the provision of services hereunder to Merchant, Merchant hereby grants to Agent a first priority security interest in and lien upon the Merchandise and the Proceeds to secure all obligations of Merchant to Agent hereunder. Until the payment of all amounts due to Merchant hereunder are received by the Lenders, including, but not limited to, the Guaranteed Amount, and reimbursement of Expenses, the security interest granted to Agent hereunder shall remain junior and subordinate to the security interest of Lenders, only to the extent of such unpaid amount. Upon entry of the Approval Order and payment of the Initial Guaranteed Payment, and the issuance of the Guaranty L/C and the Expense L/C, the security interest granted to Agent hereunder shall be deemed properly perfected without the need for further filings or documentation. Agent further agrees that in the event Agent fails to pay Merchant any portion of the Guaranteed Amount, Expenses or any other undisputed amounts due Merchant under this Agreement, and such failure shall continue for five (5) days after written notice by Merchant to Agent, then the security interest granted to Agent hereunder shall be deemed released in an amount equal to such unpaid amounts, provided however, the balance of Agent's security interest shall remain in full force and effect.

IN WITNESS WHEREOF, Agent and Merchant hereby execute this Agreement by their duly authorized representatives as of the day and year first written above.

SAN FRANCISCO MUSIC BOX COMPANY

By: [Signature]
Name: Craig M. Buckser
Title: CEO

THE MUSEUM COMPANY, INC.

By: [Signature]
Name: Craig M. Buckser
Title: CEO

GARCEL, INC. d/b/a GREAT AMERICAN GROUP

By: [Signature]
Name: Vice President / General Counsel
Title:

^{1.3(h)}
CONSENTED AND AGREED TO AS TO SECTIONS 3.4 AND 16.13
BY FLEET RETAIL FINANCE INC.
As Administrative and Collateral Agent for itself and
Merchant's Pre-Petition and Post-Petition Secured Lenders

By: _____
Name:
Title:

Exhibit 1A

002959 0145
:ODMARCDOC6\WP3\910903

002959

0145

The Museum Company
695 Route 46 West, Suite 400, Fairfield, NJ 07004

Museum Company # 1

Fashion Center at Pentagon City
 1100 South Hayes Street
 Arlington, VA 22202
 Phone: (703) 415-3838 Fax: (703) 415-3841
 Manager: Catherine Schultz
 Assistants: Donald Johnson
 Assistants: Michael McCalvin
 Assistants:
 Opened: 11/2/89 2670 SF
 M-S 10:00-9:30
 Sun 11:00-6:00
 Open 76 Hours

Museum Company # 14

Saint Louis Galleria
 2448 Saint Louis Galleria
 St. Louis, MO 63117
 Phone: (314) 727-7711 Fax: (314) 727-8068
 Manager: Jessica Wright
 Assistants: Jessica McDaniel
 Assistants: Crystal Bowman
 Assistants:
 Opened: 8/1/91 3320 SF+mezz
 M-S 10:00-9:30
 Sun 11:00-6:00
 Open 76 Hours

Museum Company # 7

2508 Montgomery Mall
 7101 Democracy Boulevard
 Bethesda, MD 20817
 Phone: (301) 365-0703 Fax: (301) 365-4736
 Manager: Dwight Western
 Assistants: Elizabeth Buchanan
 Assistants:
 Assistants:
 Opened: 11/21/90 2741 SF+mezz
 M-S 10:00-9:30
 Sun 12:00-6:00
 Open 75 Hours

Museum Company # 21

The Forum at Caesars, Suite A15
 3500 Las Vegas Blvd. South
 Las Vegas, NV 89109
 Phone: (702) 792-9220 Fax: (702) 792-6778
 Manager: David Wicburg
 Assistants: Kim Davis
 Assistants: Julia Oerding-Pierce
 Assistants: Stephen Thomas
 Opened: 5/9/92 3687 SF+mezz
 Mon- Sun 10-Midnight
 Open 98 Hours

Museum Company # 8

9644 Carousel Center
 Syracuse, NY 13290
 Phone: (315) 466-6014 Fax: (315) 466-6016
 Manager: Christine Whaley
 Assistants: Michele Olivia
 Assistants: Heidi Brou
 Assistants:
 Assistants:
 Opened: 10/15/90 3088 SF+mezz
 M-S 10:00-9:30
 Sun 11:00-6:00
 Open 76 Hours

Museum Company # 22

91 Stanford Shopping Center
 Palo Alto, CA 94304
 Phone: (650) 324-3161 Fax: (650) 324-8119
 Manager: Ronald Gephart
 Assistants: Raina Ostris
 Assistants:
 Assistants:
 Opened: 11/23/91 3511 SF
 M-F 10:00-9:00
 Sat 10:00-7:00
 Sun 11:00-6:00
 Open 71 Hours

The Museum Company
695 Route 46 West, Suite 400, Fairfield, NJ 07004

Museum Company # 26

Fashion Valley Center
 7007 Fifers Road, Suite 332
 San Diego, CA 92108
 Phone: (619) 291-0086 Fax: (619) 291-0097
 Manager: Susan Atwood
 Assistants: Troy Johnsonbaugh
 Assistants:
 Assistants:
 Opened: 9/19/92 3500 SF
 M-S 10:00-9:00
 Sun 11:00-7:00
 Open 74 Hours

Museum Company # 34

Roosevelt Field Shopping Center
 Meadowbrook Parkway/Old Country Road
 Garden City, NY 11530
 Phone: (516) 742-5925 Fax: (516) 742-6134
 Manager: Christine Hollander
 Assistants: John Lasher
 Assistants: Marc Shea
 Assistants:
 Opened: 9/18/93 4859 SF
 M-S 10:00-9:30
 Sun 11:00-7:00
 Open 77 Hours

Museum Company # 28

Wall Whitman Mall
 240-5 Route 110
 Huntington Station, NY 11746
 Phone: (631) 547-1012 Fax: (631) 547-1015
 Manager: James DeStefano
 Assistants: Tara Danko
 Assistants:
 Assistants:
 Opened: 11/13/92 2890 SF
 M-S 10:00-9:30
 Sun 11:00-7:00
 Open 77 Hours

Museum Company # 36

Prudential Center, Space #135
 800 Boylston Street
 Boston, MA 02199
 Phone: (617) 267-0071 Fax: (617) 267-0593
 Manager: John Cowhig
 Assistants: Angela Maki
 Assistants: Nicole Couillard
 Assistants:
 Opened: 10/15/93 2895 SF
 M-S 10:00-8:00
 Sun 11:00-6:00
 Open 67 Hours

Museum Company # 31

South Shore Plaza
 250 Granite Street, Space 1061
 Braintree, MA 02184
 Phone: (781) 356-1880 Fax: (781) 356-1884
 Manager: Karen Zimmer
 Assistants: Marya Schrier
 Assistants: Christian Sheehan
 Assistants:
 Opened: 1288SF
 M-S 10:00-10:00
 SUN 11:00-7:00
 Open 80 Hours

Museum Company # 39

Valley Fair Shopping Center
 2855 Steven Creek Blvd., Suite 1133
 Santa Clara, CA 95050
 Phone: (408) 261-3049 Fax: (408) 261-1364
 Manager: Michael Endlein
 Assistants: Dyana Cooper
 Assistants: Cynthia Gardlser
 Assistants:
 Opened: 11/20/93 2743 SF+mezz
 M-F 10:00-9:30
 Sat 10:00-9:00
 Sun 11:00-7:00
 Open 76.5 Hours

The Museum Company
695 Route 46 West, Suite 400, Fairfield, NJ 07004

Museum Company # 40

1045 Bellevue Square
 Bellevue, WA 98004
 Phone: (425) 462-9767 Fax: (425) 462-2815
 Manager: Cheryl Spink
 Assistants: Ann Marie Lane
 Assistants: David Maltese
 Assistants:
 Opened: 8/7/93 2992 SF
 M-S 9:30-9:30
 Sun 11:00-7:00
 Open 80 Hours

Museum Company # 41

Bridgewater Commons
 400 Commons Way, Suite #224
 Bridgewater, NJ 08807
 Phone: (908) 429-0142 Fax: (908) 429-0156
 Manager: Susan Ringo
 Assistants:
 Assistants:
 Assistants:
 Opened: 11/23/93 2673 SF
 M-S 10:00-9:30
 Sun 11:00-7:00
 Open 77 Hours

Museum Company # 44

1820 Annapolis Mall
 Annapolis, MD 21401
 Phone: (410) 573-5009 Fax: (410) 573-5013
 Manager: Amelia Hardesty
 Assistants: Stephanie Martin
 Assistants:
 Assistants:
 Opened: 7/2/94 3202 SF
 M-S 10:00-9:30
 Sun 11:00-6:00
 Open 76 Hours

Museum Company # 45

Rockaway Townsquare
 Route 80 & Mount Hope Avenue
 Rockaway, NJ 07866
 Phone: (973) 442-1028 Fax: (973) 442-1036
 Manager: Nancy Knecht
 Assistants: Thomas Hennings
 Assistants:
 Assistants:
 Opened: 11/19/93 2800 SF
 M-S 10:00-9:30
 Sun 11:00-6:00
 Open 76 Hours

Museum Company # 47

Topanga Plaza
 6800 Topanga Canyon Blvd., Space #51A
 Canoga Park, CA 91303
 Phone: (818) 348-8638 Fax: (818) 348-8582
 Manager: Serena Windwillows
 Assistants: Julie Debolt
 Assistants: Sarah Martin
 Assistants:
 Opened: 6/7/94 2665 SF
 M-F 10:00-9:00
 Sat 10:00-8:00
 Sun 11:00-7:00
 Open 73 Hours

Museum Company # 48

Mayfair Mall
 2500 North Mayfair Road, Space 121
 Milwaukee, WI 53226
 Phone: (414) 453-9353 Fax: (414) 453-9902
 Manager: Stefany Fary
 Assistants: Dirk Konings
 Assistants: Jennifer Baumgarten
 Assistants:
 Opened: 10/15/94 3233 SF
 M-F 10:00-9:00
 Sat 10:00-6:00
 Sun 11:00-6:00
 Open 70 Hours

The Museum Company
695 Route 46 West, Suite 400, Fairfield, NJ 07004

Museum Company # 51

University Town Center
 4485 La Jolla Village Drive, #F4
 San Diego, CA 92122
 Phone: (858) 546-9384 Fax: (858) 546-9388
 Manager: Amy Treichler
 Assistants:
 Assistants: Patrick Williams
 Assistants:
 Opened: 6/4/94 3004 SF
 M-F 10:00-9:00
 Sat 10:00-7:00
 Sun 11:00-6:00
 Open 71 Hours

Museum Company # 54

126 Hillsdale Shopping Center
 San Mateo, CA 94403
 Phone: (650) 578-9980 Fax: (650) 578-9971
 Manager: Suzanne Moore
 Assistants: Leslie Williams
 Assistants: David Estrada
 Assistants:
 Opened: 11/5/94 3235 SF
 M-S 10:00-9:00
 Sun 11:00-7:00
 Open 74 Hours

Museum Company # 52

253 Old Orchard Center
 Suite #A3
 Skokie, IL 60077
 Phone: (847) 674-1060 Fax: (847) 674-1093
 Manager: Gloria Inciong
 Assistants:
 Assistants: Terrie Little
 Assistants:
 Opened: 10/7/94 3510 SF
 M-S 10:00-9:00
 Sun 11:00-6:00
 Open 73 Hours

Museum Company # 55

Mall of America
 184 South Avenue
 Bloomington, MN 55425
 Phone: (952) 854-4995 Fax: (952) 854-5116
 Manager: Sharon Landers
 Assistants: Craig Scanlon
 Assistants: Beverly Peterson
 Assistants:
 Opened: 11/12/94 2905 SF
 M-S 10:00-9:30
 Sun 11:00-7:00
 Open 77 Hours

Museum Company # 53

One Crossgates Mall
 Albany, NY 12203
 Phone: (518) 456-3761 Fax: (518) 456-4231
 Manager: Marybeth Osterhout
 Assistants: Rebecca Degondea
 Assistants: Daniel Currier
 Assistants:
 Opened: 10/13/94 2857 SF
 M-S 10:00-9:30
 Sun 11:00-6:00
 Open 76 Hours

Museum Company # 56

2107 Glendale Galleria
 Glendale, CA 91210
 Phone: (818) 241-4784 Fax: (818) 241-5247
 Manager: Ben Beal
 Assistants: Emma Guzman
 Assistants: Delia Sellan
 Assistants:
 Opened: 11/19/94 3724 SF
 M-F 10:00-9:00
 Sat 10:00-8:00
 Sun 11:00-7:00
 Open 73 Hours

The Museum Company
695 Route 46 West, Suite 400, Fairfield, NJ 07004

Museum Company # 57

Nallick Mall
 1245 Worcester Street
 Nallick, MA 01760
Phone: (508) 647-0217 Fax: (508) 647-0435
 Manager: Frank Hegerly
 Assistants: Evan Berman
 Assistants: Yi Fang Carl
 Assistants:
 Opened: 11/19/94 2832 SF
 M-S 10:00-10:00
 Sun 11:00-6:00
 Open 79 Hours

Museum Company # 60

399 South Hills Village
 Pittsburgh, PA 15241
Phone: (412) 854-5830 Fax: (412) 854-0818
 Manager: Beth May
 Assistants: Mary Grace Joseph
 Assistants:
 Assistants:
 Opened: 4/22/95 3055 SF
 M-S 10:00-9:30
 Sun 11:00-6:00
 Open 76 Hours

Museum Company # 58

The Westchester
 125 Westchester Ave., Space #2290
 White Plains, NY 10601
Phone: (914) 644-8750 Fax: (914) 644-8077
 Manager: Brad Gimmelt
 Assistants: Allan Pollack
 Assistants:
 Assistants:
 Opened: 3/17/95 3255 SF
 M-S 10:00-9:00
 Sun 11:00-6:00
 Open 73 Hours

Museum Company # 64

Circle Center Unit D11
 49 West Maryland Street
 Indianapolis, IN 46204
Phone: (317) 237-4551 Fax: (317) 237-4556
 Manager: Nick Melle
 Assistants: Kirk Johnson
 Assistants:
 Assistants:
 Opened: 9/8/95 2800 SF
 M-S 10:00-9:00
 Sun 12:00-6:00
 Open 72 Hours

Museum Company # 59

Crabtree Valley Mall
 4325 Glenwood Ave.
 Raleigh, NC 27612
Phone: (919) 782-4636 Fax: (919) 782-2268
 Manager: Charles Johnson
 Assistants: Veronica Franklin
 Assistants:
 Assistants:
 Opened: 11/4/95 3000 SF
 M-S 10:00-9:30
 Sun 12:00-6:00
 Open 75 Hours

Museum Company # 66

746 Eastview Mall
 Victor, NY 14564
Phone: (585) 425-9440 Fax: (585) 425-2811
 Manager: Sharon Taylor
 Assistants: John Besuyen
 Assistants:
 Assistants:
 Opened: 10/1/95 3075 SF
 M-S 10:00-9:30
 Sun 11:00-6:00
 Open 76 Hours

The Museum February 28, 2003 Company
695 Route 46 West, Suite 400, Fairfield, NJ 07004

Museum Company # 67

Baltimore Washington International Airport
Pier D
Baltimore, MD 21240
Phone: (410) 691-0269 Fax: (410) 691-0272
Manager: Gard Jones
Assistants: Stephanie Burkhard
Assistants:
Assistants:
Opened: 11/18/95 1069 SF
M-S 7:00-9:30
Sun 7:00-9:30
Open 101.5 Hours

Museum Company # 70

Washington Square
9681 S.W. Washington Square Road
Tigard, OR 97223
Phone: (503) 598-9891 Fax: (503) 968-8990
Manager: Carol Phillips
Assistants: Judy Calkin
Assistants: Jeff Voyles
Assistants:
Opened: 4/26/96 2857 SF
M-S 10:00-9:00
Sun 10:00-6:00
Open 74 Hours

Museum Company # 69

*** Note This Their Shipping Address

Hartsfield International Airport
6000 North Terminal Pwky, Main Terminal Atrium
Atlanta, GA 30320
Phone: Fax:
Manager:
Assistants:
Assistants:
Assistants:
Opened:

Museum Company # 75

Danbury Fair Mall
7 Backus Avenue
Danbury, CT 06810
Phone: (203) 743-6974 Fax: (203) 743-7767
Manager: Jody Steadman-Keannon
Assistants: Lisa Marie Leberroth
Assistants:
Assistants:
Opened: 5/3/97 2794 SF
Mon-Sat 10:00-9:30
Sunday 11:00-7:00
Open 77 Hours

Museum Company # 69

Note this is their mailing address

P.O. Box 45691
Atlanta, GA 30320
Phone: (404) 761-6075 Fax: (404) 761-2580
Manager: Randy LeCompte
Assistants: Lamont McKinnon
Assistants: Lynn Schwinghammer
Assistants:
Opened: 2/24/96 1235SF
Mon-Sun 8:00-9:30
Open 94.5 Hours

Museum Company # 78

McCarran International Airport
5757 Wayne Newton Blvd.
Las Vegas, NV 89119
Phone: (702) 261-7894 Fax: (702) 261-7894
Manager: Marie Catherine Brisepierre
Assistants: Pat Caspari
Assistants: Cassandra Kimbler
Assistants:
Opened: 6/24/98 1537SF
Mon-Sun 6:00-9:30
Open 108.5 Hours

2/28/2003

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The Museum Company
695 Route 46 West, Suite 400, Fairfield, NJ 07004

Museum Company # 79

Tampa International Airport
 Main Terminal, 3rd Level
 Tampa, FL 33607
 Phone: (813) 876-4403 Fax: (813) 876-4501
 Manager: Nancy McCue
 Assistants: Rebecca Gill
 Assistants: James Parrull
 Assistants:
 Opened: 7/8/98 950SF
 Mon-Sun 7:30-8:30
 Open 91 Hours

Museum Company # 81

Minneapolis Saint Paul Int'l Airport
 4300 Glumack Dr. Space 44
 St. Paul, MN- 55111
 Phone: (612) 726-1490 Fax: (612) 726-1474
 Manager: Mary Kay Malerich
 Assistants: Erica Schier
 Assistants: Huda Mohamed
 Assistants:
 Opened: 3/27/99 1016SF

Sun-Fri 7:00am-9:00pm
 Sat- 7:00am-7:00pm
 Open 96 Hours

Museum Company # 82

Newark International Airport
 Terminal C, Space 18 (Between Gates 72 & 74)
 Newark, NJ 07114
 Phone: (973) 733-4900 Fax: (973)733-9568
 Manager: Phillip Gorkin
 Assistants: Tameka Sims
 Assistants: Ernesto Urbina
 Assistants:
 Opened: 11/21/99 1127SF
 Mon- Sun 7:00-8:30
 Open 94.5 Hours

Museum Company # 83

73 Providence Place Mall
 Space A111
 Providence, RI 02903
 Phone: (401) 270-4274 Fax: (401) 270-4277
 Manager: Wendy Medeiros
 Assistants: Kathleen Hill
 Assistants: Jerald Cardoza
 Assistants:
 Opened: 8/23/99 2900SF
 Mon-Sat 10:00- 9:30
 Sun 12:00-6:00
 Open 75 Hours

Museum Company # 86

11835L Fair Oaks
 Fairfax, VA 22038
 Phone: (703) 691-8092 Fax: (703) 691-0821
 Manager: Mary O'Neill
 Assistants: Erika Hale
 Assistants:
 Assistants:
 Opened: 11/24/00 2500SF
 Mon- Sat 10:00-9:30
 Sun 10:00-6:00
 Open 77 Hours

Museum Company # 88

1151 Galleria Blvd, Suite 169
 Roseville, CA 95678
 Phone: (916) 788-4340 Fax: (916) 788-4346
 Manager: Georgia Fulli
 Assistants: Palge Johnson
 Assistants: Karen Valstrino
 Assistants:
 Opened: 8/25/00 2619SF
 Mon-Sat 10:00-9:00
 Sun 10:00-6:00

The Museum Company
695 Route 46 West, Suite 400, Fairfield, NJ 07004

Museum Company # 91

1100 Willowbrook Mall
 Wayne, NJ 07470
 Phone: (973) 237-9805 Fax: (973) 237-9808
 Manager: Jaime DeVault
 Assistants: Toiga Onkaya
 Assistants:
 Assistants:
 Opened: 11/18/00 2965SF
 Mon-Sat 10:00-9:30
 Sun - 11:00-7:00
 Open 77 Hours

Museum Company # 102

International Plaza
 2223 North West Shore Blvd., Space 183
 Tampa, FL 33607
 Phone: (813) 348-9087 Fax: (813) 348-9072
 Manager: Timothy Juhl
 Assistants: Jaime Babb
 Assistants:
 Assistants:
 Opened: 9/14/01
 Mon-Sat 10:00-9:00
 Sun 12:00-6:00
 Open 72 Hours

Museum Company # 104

Paseo Colorado
 340 East Colorado Blvd., Space 113
 Pasadena, CA 91101
 Phone: (626) 564-8577 Fax: (626) 564-9474
 Manager: Claudina Villaruel
 Assistants: Julie Flores
 Assistants: Alexander Bogner
 Assistants:
 Opened: 9/28/01 2799SF
 Mon-Sat 10:00-9:00
 Sunday 11:00-7:00
 Open 74 hours

Museum Company # 106

Pittsburgh Intl Airport
 PO Box 12297
 Pittsburgh, PA 15231-0297
 Phone: (412) 472-0883 Fax: (412) 472-0864
 Manager: Cathy Mullenax
 Assistants: Shayna Pickens
 Assistants:
 Assistants:
 Opened: 4/13/01 13605F
 Mon-Sun 6:30-10:00
 Open 108.5 Hours

Museum Company # 106

Fed Ex, UPS & other shipping:
 Pittsburgh International Airport
 Central Service Bldg. C/O Genco
 Pittsburgh, PA 15231

Museum Company # 213

The Avenue at Tower City
 230 Huron Road Northwest
 Cleveland, OH 44113
 Phone: (216) 861-7000 Fax: (216) 861-0002
 Manager: Ingrid Jannsohn
 Assistants: Christine Malluja
 Assistants:
 Assistants:
 Opened: 7/19/02 36145F
 M-S 10:00-8:00
 Sun 12:00-6:00
 Open 66 Hours

The Museum Company
695 Route 46 West, Suite 400, Fairfield, NJ 07004

Museum Company # 216

The Court at King of Prussia
302 Goddard Blvd.
King of Prussia, PA 19406
Phone: (610) 992-9249 Fax: (610) 992-9257
Manager: Chris Price
Assistants: Patricia Breitenbach
Assistants: Marjorie Moser
Assistants:
Opened: 7/26/02 3000SF
Mon-Sat 10:00-9:30
Sun 11:00-6:00
Open 76 Hours

Museum Company # 237

545 Downtown Plaza
Suite 1051
Sacramento, CA 95814
Phone: (916) 443-9266 Fax: (916) 443-0755
Manager: Angelica Louie
Assistants: Nicole Bull
Assistants: Gina Torres
Assistants:
Opened: 7/19/02 2990SF
Mon-Sat 10:00-9:00
Sun 11:00-6:00
Open 73 Hours

Distribution Center 414-382-4140
P.O. Box 3111, Milwaukee WI 53201
Store Operations 800-223-4783

The San Francisco Music Box Company
890 N. Market Lane, Suite 200 - Walnut Creek CA 94598
Telephone: 925-939-1800 FAX: 925-927-2888



Revised 8/21/03

PERMANENT STORE DIRECTORY Revised 03-21-2003 98 Stores.

- 38021 SAN FRANCISCO/PIEKE
SPACE #1
SAN FRANCISCO, CA 94133
Opened: 1978-10-01 - Sq Ft 1274
District: 788
Mgr. Beverly K Hayden
- 38023 PLASANTON/STONERIDGE MALL
1000 STONERIDGE MALL SPACE A-110
PLASANTON, CA 94516
Opened: 1981-09-01 - Sq Ft 1818
District: 788
Mgr. Jacquelin L Niles
- 38025 CONCORD/SUN VALLEY MALL
408 SUN VALLEY MALL
CONCORD, CA 94520
Opened: 1981-10-01 - Sq Ft 1063
District: 782
Mgr. Angela C Hortley
- 38028 FRESNO/FASHION FAIR MALL
619 E SHAW AVE
FRESNO, CA 93710
(509) 222-4837
Opened: 1985-10-01 - Sq Ft 1000
District: 784
Mgr. Catherine A Clark
- 38029 MONTCLAIR/MONTCLAIR PLAZA
2078 MONTCLAIR PLAZA LANE
MONTCLAIR, CA 91763
(909) 025-0875
Opened: 1985-10-01 - Sq Ft 1300
District: 784
Mgr. Lori C Silsbee
- 38031 ESCONDIDO/NORTH COUNTY FAIR
2008 VIA RANCHO PAVY SPACE #210
ESCONDIDO, CA 92026
(760) 745-7705
Opened: 1988-04-01 - Sq Ft 687
District: 784
Mgr. Jill J Syla
- 38032 LAS VEGAS/FASHION SHOW MALL
3200 LAS VEGAS BLVD B, SUITE 2100
LAS VEGAS, NV 89108
(702) 785-7700
Opened: 1988-05-31 - Sq Ft 1133
District: 787
Mgr. Linda M Rogers
- 38034 BAKERSFIELD/VALLEY PLAZA SHOP
CENTER
2701 MINE AVE BOX 808
BAKERSFIELD, CA 93304
(805) 831-4381
Opened: 1988-10-01 - Sq Ft 1864
District: 784
Mgr. Charissa J Daniels
- 38035 WESTMINSTER/WESTMINSTER MALL
3423 W 88TH AVE SPACE #73
WESTMINSTER, CO 80031
(303) 930-0100
Opened: 1985-10-01 - Sq Ft 1113
District: 707
Mgr. Brandie J Kohn
- 38041 VOORHEES/ECKELON MALL
1285 ECKELON MALL SPACE 1203
VOORHEES, NJ 08843
(856) 770-8216
Opened: 1977-11-07 - Sq Ft 1014
District: 789
Mgr. Julie A Mordina
- 38044 PORTLAND/CLACKAMAS TOWNE CENTER
12000 SE 28TH AVE SPACE #2004
PORTLAND, OR 97286
(503) 853-2289
Opened: 1987-10-31 - Sq Ft 1604
District: 732
Mgr. Laura K Busby
- 38046 ALBUQUERQUE/CORONADO CENTER
6880 URINAL BLVD NE SPACE 118
ALBUQUERQUE, NM 87110
(505) 831-5288
Opened: 1987-11-04 - Sq Ft 2010
District: 797
Mgr. Pavee Briggs

The San Francisco Multi-Bos Company
390 N. Highland Lane, Suite 200 - Walnut Creek, CA 94598
Telephone: 925-950-4800 FAX: 925-927-2959

- 31070 ROSELVILLE/MADOCKS MALL
3278 GREAT AVE. SPACE 610
ROSELVILLE, VA 48068
(806) 214-8240
Opened: 1987-11-27 - Sq Ft 838
District: 795
Mgr. Maria E. Laadman
- 31055 JERMESANY TOWN CENTER AT COBB
400 ERNEST BARRETT FRANKY SUITE #189
KEMESAW, GA 30144
(770) 422-8338
Opened: 1983-11-27 - Sq Ft 1038
District: 790
Mgr. Jane K. Scheiser
- 31052 INDUSTRY TWELVE OAKS MALL
21848 NOV ROAD SPACE D-183
NOVI, MI 48377
(248) 947-2740
Opened: 1988-04-28 - Sq Ft 1488
District: 795
Mgr. Shyam M. Bhatn
- 32053 ANNAPOLIS/ANNAPOLIS MALL
100 ANNAPOLIS MALL
ANNAPOLIS, MD 21401
(410) 295-8272
Opened: 1987-11-01 - Sq Ft 804
District: 793
Mgr. Michael A. Walter
- 32070 FORT WAYNE / BLUEBLOOM SQUARE
4201 COLDWATER ROAD SPACE C4
FORT WAYNE, IN 46805
(317) 483-8755
Opened: 1988-08-31 - Sq Ft 1128
District: 785
Mgr. Heesher M. Hymanien
- 32059 HERSHOUTE/TOWN EAST MALL
1184 TOWN EAST MALL
WESLITTLE, TX 75160
(872) 228-3768
Opened: 1987-11-10 - Sq Ft 1078
District: 797
Mgr. Carolyn A. Jacobs
- 32071 SAN JOSE / PARKSIDE MALL
181 CALIFORNIA MALL
SAN JOSE, CA 95128
(408) 224-8044
Opened: 1985-10-27 - Sq Ft 870
District: 782
Mgr. Mihaya M. Orla
- 32054 MERRILLVILLE / WESTFIELD
3100 MERRILLVILLE SOUTH AVE
1872 SOUTHWEST MALL SPACE AL-140
MERRILLVILLE, IN 46410
(219) 739-7717
Opened: 1987-11-27 - Sq Ft 871
District: 799
Mgr. Thomas A. Puchop
- 32075 DANBURY/DANBURY FAIR MALL
7 BACKUS AVENUE
DANBURY, CT 06810
(203) 787-1118
Opened: 1985-05-30 - Sq Ft 1045
District: 781
Mgr. Ann M. Franzen
- 32076 BRIDGEWATER / BRIDGEWATER COMMONS
400 COMMONS WAY SPACE #202
BRIDGEWATER, NJ 08807
(908) 231-8023
Opened: 1988-02-24 - Sq Ft 880
District: 788
Mgr. Christine Y. Terentibus
- 32077 ARLINGTON / PARKS AT ARLINGTON
3811 E. COOPER STREET SPACE #1084
ARLINGTON, TX 76015
(817) 472-8281
Opened: 1989-02-24 - Sq Ft 773
District: 797
Mgr. Ritaaida R. Key
- 32078 AURORA/AURORA MALL
1420 E ALAMEDA AVE
AURORA, CO 80012
(303) 344-8880
Opened: 1987-11-10 - Sq Ft 1036
District: 707
Mgr. David H. A. Colmanne

The San Francisco Music Box Company
 280 Al West Lane, Suite 200 - Walnut Creek CA 94598
 Telephone: 925-939-4900 FAX: 925-927-2999

30076	CLAY / GREAT NORTHERN MALL 4168 ROUTE 81 SPACE #109 CLAY, NY 13041 (315) 822-4099 Opened: 1988-10-06 - Sq Ft: 887 District: 791 Mgr: _____	28087	ST. LOUIS / WESTFIELD SHOPPINGTOWN SOUTH COUNTY 83 S COUNTY CENTER WAY ST. LOUIS, MO 63129 (314) 487-1110 Opened: 1988-08-29 - Sq Ft: 1434 District: 706 Mgr: Laura A Holland	36983	DES PERES / WESTFIELD SHOPPINGTOWN WEST COUNTY CENTER 44 WEST COUNTY CENTER WAY, SPACE 2030 DES PERES, MO 63131 (314) 866-2178 Opened: 8/29/02 - Sq Ft: 1300 District: 706 Mgr: Devin M Stevens
30077	SANTA ANA / MAIN PLAZA 2800 N MAIN STREET SPACE #666 SANTA ANA, CA 92705 (714) 867-6455 Opened: 1988-06-23 - Sq Ft: 1022 District: 784 Mgr: Lorena J Felsa	38988	DAYTON / DAYTON MALL 2700 NIMMISBURG CENTERVILLE SPACE #99 DAYTON, OH 45489 (607) 438-2188 Opened: 1988-11-17 - Sq Ft: 1008 District: 705 Mgr: Jeff Alpie	38101	PARMA / PARKWOOD MALL 8055 W RIDGEWOOD DR UNIT 42 PARMA, OH 44120 (440) 842-7370 Opened: 1989-04-08 - Sq Ft: 1850 District: 703 Mgr: Rodney R Scott
30078	WOODBRIDGE / WOODBRIDGE CENTER 123 WOODBRIDGE CENTER DR WOODBRIDGE, NJ 07095 (732) 934-8888 Opened: 1989-06-23 - Sq Ft: 1945 District: 709 Mgr: Rickie M Mission	31050	BIRMINGHAM / RIVERCHASE GALLERIA 2000 RIVERCHASE GALLERIA SPACE 282 BIRMINGHAM, AL 35244 (205) 853-1283 Opened: 1988-08-18 - Sq Ft: 989 District: 700 Mgr: Fredie J Palmer	36102	ROCKAWAY / ROCKAWAY MALL RT 80 & MT HOPE AVE ROCKAWAY, NJ 07866 (973) 391-5877 Opened: 1989-04-21 - Sq Ft: 837 District: 789 Mgr: Margaret A Braun
30085	BOISE / BOISE TOWN SQUARE 380 N MILWAUKEE SPACE #2005 BOISE, ID 83704 (208) 378-8183 Opened: 1988-10-18 - Sq Ft: 815 District: 792 Mgr: Clark L Evans	36081	TOMB RIVER / OCEAN COUNTY MALL 1201 HUNTER AVE SPACE #217 TOMB RIVER, NJ 08753 (732) 805-8832 Opened: 1988-12-05 - Sq Ft: 939 District: 795 Mgr: Julie T Cyrolisero	38104	PHOENIX / METRO CENTER 8817 N METRO PARKWAY WEST SPACE #1074 PHOENIX, AZ 85051 (602) 949-0899 Opened: 1988-03-18 - Sq Ft: 2280 District: 797 Mgr: Joseph R Prestoon

The San Francisco Music Box Company
380 N. Wight Lane, Suite 200 - Walnut Creek, CA 94590
Telephone: 925-939-4100 FAX: 925-927-2999

- 38105 **BUFFALO/WALDEN GALLERY MALL**
2800 WALDEN AVENUE SPACE #B-101
BUFFALO, NY 14220
(716) 881-2877
Opened: 1989-05-01 - Sq Ft: 1020
District: 781
Mgr: Susan M Chmielecki
- 38106 **FLORIDA/FLORIDA SQUARE**
1301 S TAURANT TRAIL, UNIT A7
SARASOTA, FL 34230-2871
(813) 924-0618
Opened: 1989-11-01 - Sq Ft: 1560
District: 780
Mgr: Elizabeth A Hill
- 38107 **COLUMBUS/COLUMBUS CITY CENTERS**
223 COLUMBUS CITY CIR DR
COLUMBUS, OH 43216
(614) 271-4410
Opened: 1989-08-16 - Sq Ft: 1588
District: 785
Mgr: Maureen P Nixon
- 38109 **ST. ANN/WESTFIELD SHOPPING CENTER**
791 NORTHWEST PLAZA
ST. ANN, MD 20774
(314) 739-6206
Opened: 1989-05-01 - Sq Ft: 1588
District: 788
Mgr: Abigail L Sandler
- 38110 **BUFFALO/WALDEN GALLERY MALL**
2800 WALDEN AVENUE SPACE #B-101
BUFFALO, NY 14220
(716) 881-2877
Opened: 1989-05-01 - Sq Ft: 1020
District: 781
Mgr: Susan M Chmielecki
- 38111 **FLORIDA/FLORIDA SQUARE**
1301 S TAURANT TRAIL, UNIT A7
SARASOTA, FL 34230-2871
(813) 924-0618
Opened: 1989-11-01 - Sq Ft: 1560
District: 780
Mgr: Elizabeth A Hill
- 38113 **COLUMBUS/COLUMBUS CITY CENTERS**
223 COLUMBUS CITY CIR DR
COLUMBUS, OH 43216
(614) 271-4410
Opened: 1989-08-16 - Sq Ft: 1588
District: 785
Mgr: Maureen P Nixon
- 38116 **ST. ANN/WESTFIELD SHOPPING CENTER**
791 NORTHWEST PLAZA
ST. ANN, MD 20774
(314) 739-6206
Opened: 1989-05-01 - Sq Ft: 1588
District: 788
Mgr: Abigail L Sandler
- 38125 **FREEDHOLD/FREEDHOLD RASEWAY MALL**
3710 ROUTE 9 SPACE #2316
FREEDHOLD, NJ 07728
(732) 303-1820
Opened: 1986-01-01 - Sq Ft: 682
District: 769
Mgr: Eranneels R Norman
- 38128 **EL CAJON/PARKWAY PLAZA**
799 PARKWAY PLAZA
EL CAJON, CA 92020
(619) 693-1010
Opened: 1990-11-01 - Sq Ft: 1347
District: 784
Mgr: Luciana J Engaco
- 38130 **SYRACUSE/CAROUSEL CENTERS**
548 CAROUSEL CENTER DR, 300 W
HAWTHA BLVD
SYRACUSE, NY 13200
(315) 469-3806
Opened: 1990-10-15 - Sq Ft: 1427
District: 781
Mgr: Elaine Galvin
- 38135 **GLEN BURNIE/IMARLEY STATION**
7600 RICHIE HWY
GLEN BURNIE, MD 21091
(410) 794-8835
Opened: 1991-06-01 - Sq Ft: 1310
District: 783
Mgr: Lynn L Sellers
- 38136 **VERNON HILLS/HAWTHORN CENTERS**
807 HAWTHORN CENTER
VERNON HILLS, IL 60061
(847) 814-8877
Opened: 1989-08-23 - Sq Ft: 642
District: 769
Mgr: Theodore
- 38138 **ORLANDO/REBELZ FACTORY OL MALL**
8401 WEST DAVIDRIDGE RD SPACE #6
ORLANDO, FL 32818
(407) 383-5601
Opened: 1989-08-23 - Sq Ft: 1657
District: 789
Mgr: Barbara J Ruizio
- 38139 **NORTH ATTLEBORO/BERNARD SQUARE**
MALL
337 BERNARD SQUARE
NORTH ATTLEBORO, MA 01760
(508) 898-0812
Opened: 1993-08-10 - Sq Ft: 1112
District: 781
Mgr: Christine F Williams
- 38139 **PARAMUS/GARDEN STATE PLAZA**
1083 GARDEN STATE PLAZA
PARAMUS, NJ 07652
(201) 843-6640
Opened: 1989-12-02 - Sq Ft: 1163
District: 788
Mgr: Lenora S Carubetta

The San Francisco Marine Box Company
 390 N. Wood Lane, Suite 200 - Walnut Creek CA 94598
 Telephone: 925-938-4800 FAX: 925-927-2008

- | | | | | | |
|-------|--|-------|--|-------|--|
| 38139 | ALTERSIDE / GALLERIA AT TYLER
2828 GALLERIA AT TYLER
RIVERSIDE, CA 92503
(951) 316-3776
Opened: 1991-11-16 - Sq Ft: 1063
District: 794
Mgr. Debbie E. Seitzer | 38142 | BLOOMINGTON / HALL OF AMERICA
189 SOUTH AVENUE
BLOOMINGTON, MN 55425
(612) 853-2882
Opened: 1982-08-11 - Sq Ft: 1609
District: 798
Mgr. Regina A. Timm | 38151 | EUCHEE / VALLEY RIVER CENTER
527 VALLEY RIVER CENTER SPACE #14-S
EUGENE, OR 97401
(541) 887-1616
Opened: 1992-09-21 - Sq Ft: 907
District: 792
Mgr. Jacqueline S. Cardona |
| 38137 | FAIRFAX / FAIR OAKS HALL
11724 L FAIR OAKS
FAIRFAX, VA 22033
(703) 362-8865
Opened: 1981-10-04 - Sq Ft: 1200
District: 793
Mgr. David A. Danks | 38145 | SAN FRANCISCO / SAN FRANCISCO CENTER
887 MARKET STREET SPACE #220
SAN FRANCISCO, CA 94103
(415) 849-8143
Opened: 2000-02-02 - Sq Ft: 1003
District: 798
Mgr. Anthony G. Laughness | 38158 | WINSTON SALEM / HANER MALL
3320 SILAS CREEK PARKWAY SUITE #340
WINSTON SALEM, NC 27108
(888) 700-8661
Opened: 1973-08-13 - Sq Ft: 1512
District: 793
Mgr. Robin C. Harris |
| 38138 | SILVERDALE / POTSPAC MALL
10316 SILVERDALE WAY NW PO BOX 2243
SILVERDALE, WA 98305
(866) 888-7780
Opened: 1991-11-27 - Sq Ft: 1005
District: 792
Mgr. Denise D. Alvarez | 38147 | STATEN ISLAND / STATEN ISLAND MALL
2865 RICHMOND AVE SPACE #112
STATEN ISLAND, NY 10314
(718) 982-0384
Opened: 1993-10-30 - Sq Ft: 1075
District: 798
Mgr. Elizabeth A. Gestard | 38160 | TAYLOR / BENTONLAND MALL
23000 EUREKA ROAD SPACE # C-9
TAYLOR, MI 48180
(734) 287-2771
Opened: 1992-09-18 - Sq Ft: 1350
District: 785
Mgr. Wendy S. Hopkins |
| 38140 | BAITERSBURG / LAKE FOREST MALL
701 RUSSELL AVE SPACE 125
BAITERSBURG, MD 20877
(301) 316-3575
Opened: 1992-04-01 - Sq Ft: 1820
District: 793
Mgr. Beverly J. Jubels | 38148 | THOUSAND OAKS / THE OAKS MALL
244 WINDLETT DRIVE SPACE #F-18
THOUSAND OAKS, CA 91320
(805) 373-6598
Opened: 1992-09-15 - Sq Ft: 1160
District: 794
Mgr. Yvette N. Stadenburg | 38163 | VALENCIA / VALENCIA TOWN CENTER
24201 W VALENCIA BLVD SUITE #2209
VALENCIA, CA 91385
(661) 287-3194
Opened: 1993-05-20 - Sq Ft: 1070
District: 784
Mgr. David M. Boudreau |

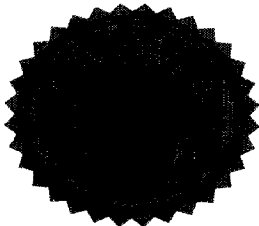
Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "SANBOX LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SECOND DAY OF DECEMBER, A.D. 2003.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.



Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

2949056 8300

030769951

AUTHENTICATION: 2780678

DATE: 12-02-03

TRADEMARK
REEL: 002959 FRAME: 0160

Delaware

PAGE 1

The First State

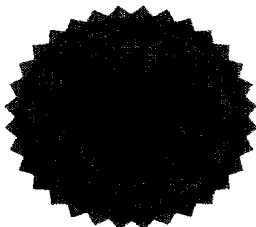
I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS ON FILE OF "SANBOX LLC" AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

CERTIFICATE OF FORMATION, FILED THE TWENTY-EIGHTH DAY OF SEPTEMBER, A.D. 1998, AT 12:30 O'CLOCK P.M.

CERTIFICATE OF AMENDMENT, CHANGING ITS NAME FROM "CALENDAR CLUB SA, L.L.C." TO "SANBOX LLC", FILED THE NINTH DAY OF JULY, A.D. 2003, AT 2:41 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE AFORESAID LIMITED LIABILITY COMPANY.



Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

2949056 8100H

AUTHENTICATION: 2780677

030769951

DATE: 12-02-03

TRADEMARK
REEL: 002959 FRAME: 0161

CERTIFICATE OF FORMATION

OF

CALENDAR CLUB SA, L.L.C.

1. The name of the limited liability company is Calendar Club SA, L.L.C.
2. The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation of Calendar Club SA, L.L.C. as of September 25, 1998.

CALENDAR CLUB L.L.C.

Member

By:

Barry Silverman

Its:

CHAIRMAN

0583036.01

CALEN/GAME

CERTIFICATE OF AMENDMENT

OF

CALENDAR CLUB SA, L.L.C.

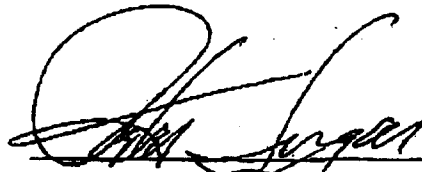
1. The name of the limited liability company is
Calendar Club SA, L.L.C.
2. The Certificate of Formation of the limited liability company is hereby amended as follows:

(set forth amendment(s)) The name of the limited liability company is Sanbox LLC.

Note: (Use the following paragraph if this Certificate is to be effective at a date or time (which must be a date or time certain) later than filing)

3. This Certificate of Amendment shall be effective on _____.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment of Calendar Club SA, L.L.C. this 7th day of July, 2003.



Peter Sugar as Attorney-In-Fact for
Calendar Club L.L.C., Sole Member

The San Francisco Music Box Company
580 N. Milpitas Lane, Suite 209 - Walnut Creek, CA 94590
Telephone: 925-839-4800 FAX: 925-827-2888

- 36164 **AURORA / FOX VALLEY CENTER**
1410 FOX VALLEY CENTER
AURORA, IL 60504
(630) 899-8700
Opened: 1993-11-19 - Sq Ft: 900
District: 795
Mgr: Patricia L. Scanlon
- 36165 **WEST MIFFLIN / CENTURY III MALL**
3076 CLAIRTON RD SPACE #204
WEST MIFFLIN, PA 15123
(412) 653-8760
Opened: 1993-02-19 - Sq Ft: 1099
District: 793
Mgr: Wendy J. Spiller
- 36166 **ANTIOCH / HICKORY HOLLOW MALL**
5232 HICKORY HOLLOW PKWY SPACE #1021
ANTIOCH, TN 37013
(615) 734-7726
Opened: 1993-11-19 - Sq Ft: 1133
District: 793
Mgr: Kelly Henderson
- 36167 **ROCHESTER / MARSHFIELD MALL**
800 MIRACLE HOLE DRIVE
ROCHESTER, NY 14623
(585) 427-4210
Opened: 1992-10-17 - Sq Ft: 1200
District: 791
Mgr: Deborah W. Kramer
- 36168 **MELGORNE / MELBOURNE SQUARE**
1700 W. NEW HAVEN AVE SPACE #301
MELGORNE, FL 32804
(321) 722-0480
Opened: 1993-09-29 - Sq Ft: 1039
District: 780
Mgr: Cara J. Woodhull
- 36169 **FRIENDWOOD / LEYSBROOK MALL**
1304 BAYBROOK MALL
FRIENDWOOD, TX 77841
(281) 486-9968
Opened: 1992-11-14 - Sq Ft: 1173
District: 787
Mgr: Enrique Lk
Temp. Mgr: 292-4009 Temp Closure
- 36170 **LOUISVILLE / JEFFERSON MALL**
4801 W 822 OUTLET LOOP ROAD
LOUISVILLE, KY 40218
(502) 983-9335
Opened: 1992-11-19 - Sq Ft: 1278
District: 795
Mgr: Michael A. Guntler
- 36171 **AVON / SPANIEL HILL MALL**
2002 BRITTAN ROAD SUITE #371
AVON, OH 44310
(330) 630-0181
Opened: 1992-11-05 - Sq Ft: 1280
District: 795
Mgr: Tracey M. Colaschi
- 36172 **SPOKANE / NORTH TOWN MALL**
4700 N. DIVISION ST SPACE # N207
SPOKANE, WA 99207
(509) 462-1878
Opened: 1993-04-02 - Sq Ft: 1479
District: 792
Mgr: Teresa D. Evans
- 36184 **AUSTIN / BANTON CREEK SQUARE**
2081 CAPITOL TEXAS HWY SPACE # L-1
AUSTIN, TX 78748
(512) 369-8780
Opened: 1993-04-23 - Sq Ft: 1194
District: 787
Mgr: Jeffrey J. Minnitt
- 36185 **PLANO / COLLIN CREEK MALL**
5111 N. CENTRAL EXP. SPACE #1210
PLANO, TX 75075
(972) 429-8888
Opened: 1993-04-30 - Sq Ft: 949
District: 787
Mgr: Thil Y. Jones
- 36186 **PITTSBURGH / ROBEY PARK MALL**
1000 ROSES PARK MALL DIR SPACE # A5 & 7
PITTSBURGH, PA 15227
(412) 369-8833
Opened: 1993-04-20 - Sq Ft: 1223
District: 793
Mgr: Tracy L. Churns

The San Francisco Music Box Company
350 N. Market Lane, Suite 209 - Walnut Creek, CA 94598
Telephone: 925-939-0869 FAX: 925-937-2909

- 36190 **MILPITAS / GREAT BAY AREA MALL**
430 GREAT MALL DRIVE
MILPITAS, CA 95035
(408) 954-8127
Opened: 1994-08-22 - Sq Ft: 1283
District: 702
Mgr: Suzanne Vargas
- 36195 **MOOREVILLE / WEST TOWN MALL**
7606 KINGSTON PIKE SPACE #1032
MOOREVILLE, TN 37038
(603) 981-4747
Opened: 1983-07-31 - Sq Ft: 1176
District: 703
Mgr: Shelley R Tindal
- 36185 **NORTH OLMSTED / GREAT NORTHERN SQ**
124 GREAT NORTHERN MALL
NORTH OLMSTED, OH 44070
(440) 777-0889
Opened: 1993-11-14 - Sq Ft: 1378
District: 705
Mgr: Carol Kozminskiak
- 36188 **NORWICH / HARLEM URBIC PLAZA**
4708 N HARLEM AVE
NORWICH, IL 60786
(708) 463-8150
Opened: 1993-04-30 - Sq Ft: 862
District: 708
Mgr: Allison Reitz
- 36189 **MILWAUKEE / MILWAUKEE DIST CENTER**
6133 N GRANVILLE WOODS RD PO BOX 3111
MILWAUKEE, WI 53223
(414) 382-1148
Opened: 2002-04-22 - Sq Ft: 68
District: 796
Mgr: Jodi Lund
- 36201 **MERIDEN / WESTFIELD SHOPPING TOWN**
MERIDEN SQUARE
470 LEWIS AVENUE SPACE #2212
MERIDEN, CT 06451
(203) 634-0638
Opened: 1993-03-03 - Sq Ft: 1026
District: 781
Mgr: Mary C O'Hara
- 36202 **TUMWILA / SOUTH CENTER MALL**
720 SOUTH CENTER
TUMWILA, WA 98186
(206) 246-2786
Opened: 1989-08-08 - Sq Ft: 1452
District: 782
Mgr: Jennifer N Dwyer
- 36203 **CINCINNATI / TRULOCKY MALL**
11700 PINECREST PARK SPACE 9 E-203
CINCINNATI, OH 45240
(513) 971-1473
Opened: 1993-08-28 - Sq Ft: 1040
District: 783
Mgr: Shannon M Day
- 36204 **SPRINGFIELD / BATTLEFIELD MALL**
2828 S GLENTON AVE SPACE 303
SPRINGFIELD, MO 65804
(417) 882-7882
Opened: 1993-06-20 - Sq Ft: 1085
District: 788
Mgr: Carolyn C Fay
- 36205 **LAKEWOOD / LAKEWOOD CENTER**
38 LAKEWOOD CENTER
LAKEWOOD, CA 90718
(562) 634-8898
Opened: 1988-11-24 - Sq Ft: 1287
District: 784
Mgr: Deborah J Powell
- 36206 **CHICAGO RIDGE / CHICAGO RIDGE MALL**
837 CHICAGO RIDGE MALL
CHICAGO RIDGE, IL 60415
(708) 423-6488
Opened: 1988-08-28 - Sq Ft: 1088
District: 789
Mgr: Louise M Sandoch
- 36207 **SACRAMENTO / DOWNTOWN PLAZA**
2401 J STREET SUITE 101
SACRAMENTO, CA 95814
(916) 444-8148
Opened: 1993-10-20 - Sq Ft: 1127
District: 782
Mgr: James J Foka

The San Francisco Music Box Company
370 N. Waver Lane, Suite 200 - Walnut Creek, CA 94590
Telephone: 925-836-4800 FAX: 925-927-3888

39447 CONCORD/CONCORD MILLS
8177 CONCORD MILLS SPACE 533
CONCORD, NC 28027
(704) 876-3018
Opened: 2008-02-04 - Sq Ft: 5383
District: 783
Mgr. Jessene D Fluy

38441 ST. LOUIS/ST. LOUIS UNION STATION
1826 MARKET STREET SPACE #128
ST. LOUIS, MO 63103
(314) 241-4288
Opened: 1988-06-16 - Sq Ft: 1351
District: 788
Mgr. Geraldine A Struchtmann

Museum Company Distribution Center
320 Stewart Road, Hartover Industrial Park
Wilkes-Barre, PA 18706

SFMB Distribution Center
8155 N. Granville Woods Road
Milwaukee, WI 53201-3111

**EXHIBIT 3.3(b)
TO BE PROVIDED**

**EXHIBIT 3.3(b)(1)
TO BE PROVIDED**

Exhibit 4.1(a) to TMC/SFMB Agency Agreement
TMC Stores

Landlord Occupancy- This includes rent, CAM and may or may not include real estate and use taxes, HVAC, Utilities, telephone charges, personal property leases and taxes, Repairs and Maintenance (equipment, systems and building), building insurance relating to stores, merchants liability and casualty insurance, security and trash removal costs.

Other Occupancy - This includes the following expenses to the extent that they are not included in landlord occupancy: real estate and use taxes, HVAC, Utilities, telephone charges, personal property leases and taxes, Repairs and Maintenance (equipment, systems and building), building insurance relating to stores, merchants liability and casualty insurance, security and trash removal.

Store #	Location	City	State	Zip Code	Monthly			Total Occupancy Cost Per Day
					Landlord Occupancy	Other Occupancy	Total Occupancy	
1	Fashion Center at Pentagon City	Arlington	VA	22202	\$ 22,378	3,220	\$ 25,598	\$ 835
7	Montgomery Mall	Bethesda	MD	20817	\$ 20,671	2,070	\$ 22,741	\$ 742
8	Carousel Center	Syracuse	NY	13290	\$ 23,107	3,900	\$ 27,007	\$ 881
14	St. Louis Galleria	St. Louis	MO	63117	\$ 19,633	3,520	\$ 23,153	\$ 755
21	Forum Shops at Caesar's	Las Vegas	NV	89109	\$ 42,000	4,090	\$ 46,090	\$ 1,503
22	Stanford Shopping Center	Palo Alto	CA	94304	\$ 17,437	4,350	\$ 21,787	\$ 710
26	Fashion Valley Center	San Diego	CA	92108	\$ 22,575	4,110	\$ 26,685	\$ 870
28	Walt Whitman Mall	Huntington Station	NY	11746	\$ 11,516	5,870	\$ 17,386	\$ 567
31	South Shore Plaza	Braintree	MA	2184	\$ 4,000	4,280	\$ 8,280	\$ 270
34	Roosevelt Field	Garden City	NY	11530	\$ 33,802	6,100	\$ 39,902	\$ 1,301
36	Prudential Center	Boston	MA	2199	\$ 18,137	3,295	\$ 21,432	\$ 699
39	Valley Fair	Santa Clara	CA	95050	\$ 17,031	3,280	\$ 20,311	\$ 682
40	Bellevue Square	Seattle	WA	98004	\$ 16,788	2,970	\$ 19,758	\$ 644
41	Bridgewater Commons	Bridgewater	NJ	8807	\$ 15,555	3,800	\$ 19,355	\$ 631
44	Annapolis Mall	Annapolis	MD	21401	\$ 15,663	3,675	\$ 19,338	\$ 631
45	Rockaway Town Square	Rockaway	NJ	7886	\$ 12,824	5,205	\$ 18,029	\$ 588
47	Topanga Plaza	Canoga Park	CA	91303	\$ 12,497	4,320	\$ 16,817	\$ 548
48	Mayfair Mall	Milwaukee	WI	53226	\$ 14,897	2,505	\$ 17,402	\$ 567
51	University Town Center	San Diego	CA	92122	\$ 13,987	5,380	\$ 19,367	\$ 632
52	Old Orchard Center	Skokie	IL	60077	\$ 23,608	4,400	\$ 28,008	\$ 913
53	Crossgates Mall	Albany	NY	12203	\$ 13,892	5,695	\$ 19,587	\$ 639
54	Hillsdale Shopping Center	San Mateo	CA	94403	\$ 12,501	4,580	\$ 17,081	\$ 557
55	Mall of America	Bloomington	MN	55425	\$ 16,387	2,810	\$ 19,197	\$ 626
56	Glendale Galleria	Glendale	CA	91210	\$ 17,120	3,500	\$ 20,620	\$ 672
57	Natick Mall	Natick	MA	1760	\$ 14,338	3,760	\$ 17,708	\$ 577
58	The Westchester	White Plains	NY	10601	\$ 24,008	3,688	\$ 27,676	\$ 902
59	Crabtree Valley Mall	Raleigh	NC	27612	\$ 11,166	2,325	\$ 13,491	\$ 440
60	South Hills Village	Pittsburgh	PA	15241	\$ 13,169	3,236	\$ 16,405	\$ 535
64	Circle Center	Indianapolis	IN	46204	\$ 15,220	5,449	\$ 20,669	\$ 674
66	Eastview Mall	Victor	NY	14554	\$ 9,222	3,443	\$ 12,665	\$ 413
67	BWI Airport	Baltimore	MD	21240	\$ 10,939	1,285	\$ 12,224	\$ 399
69	Hartsfield Int'l Airport	Atlanta	GA	30320	\$ 18,170	2,650	\$ 20,820	\$ 679
70	Washington Square	Tigard	OR	97223	\$ 13,678	2,670	\$ 16,348	\$ 533
75	Danbury Fair Mall	Danbury	CT	6810	\$ 12,885	3,045	\$ 15,930	\$ 519
78	McCarran Int'l Airport	Las Vegas	NV	89119	\$ 20,405	3,253	\$ 23,658	\$ 771
79	Tampa Int'l Airport	Tampa	FL	33607	\$ 16,793	2,123	\$ 18,916	\$ 617
81	Minneapolis Airport	St. Paul	MN	55111	\$ 18,165	3,428	\$ 21,593	\$ 704
82	Newark Int'l Airport	Newark	NJ	7114	\$ 10,486	3,844	\$ 14,329	\$ 467
83	Providence Place	Providence	RI	2903	\$ 15,087	6,137	\$ 21,224	\$ 692
86	Fair Oaks Mall	Fairfax	VA	22033	\$ 15,568	2,600	\$ 18,168	\$ 592
88	Galleria at Roseville	Roseville	CA	95678	\$ 14,134	2,005	\$ 16,139	\$ 526
91	Willowbrook Mall	Wayne	NJ	7470	\$ 15,557	2,533	\$ 18,090	\$ 590
102	International Plaza	Tampa	FL	33607	\$ 23,543	1,691	\$ 25,234	\$ 823
104	Paseo Colorado	Pasadena	CA	91101	\$ 13,054	1,951	\$ 15,005	\$ 489
106	Pittsburgh Airport	Pittsburgh	PA	15231	\$ 12,715	2,721	\$ 15,436	\$ 503
213	The Avenue at Tower City	Cleveland	OH	44113	\$ 22,065	2,119	\$ 24,184	\$ 789
218	The Court at King of Prussia	King of Prussia	PA	19406	\$ 16,493	3,136	\$ 19,629	\$ 640
237	Downtown Plaza Sacramento	Sacramento	CA	95814	\$ 12,189	4,298	\$ 16,487	\$ 538
					\$ 807,054	169,905	\$ 976,959	\$ 31,857

**Exhibit 4.1(a) to TMC/SFMB Agency Agreement
SFMB Stores**

Landlord Occupancy- This includes rent, CAM and may or may not include real estate and use taxes, HVAC, Utilities, telephone charges, personal property leases and taxes, Repairs and Maintenance (equipment, systems and building), building insurance relating to stores, merchants liability and casualty insurance, security and trash removal costs.

Other Occupancy- This includes the following expenses to the extent that they are not included in landlord occupancy: real estate and use taxes, HVAC, Utilities, telephone charges, personal property leases and taxes, Repairs and Maintenance (equipment, systems and building), building insurance relating to stores, merchants liability and casualty insurance, security and trash removal.

Store #	Store Name	Store Address 1	City	State	Zip	Monthly			Total Occupancy Cost Per Day
						Landlord Occupancy	Other Occupancy	Total Occupancy	
36021	Flair 3P	Space #P-1	San Francisco	CA	94133	\$ 18,188	\$ 4,840	\$ 21,028	\$ 688
36023	Stoneridge Mall	1038 Stoneridge Mall	Pleasanton	CA	94588	\$ 13,448	\$ 507	\$ 13,955	\$ 455
36025	Sun Valley Mall	408 Sun Valley Mall	Concord	CA	94520	\$ 9,211	\$ 1,243	\$ 10,455	\$ 341
36029	Fashion Fair Mall	618 E Shaw Ave	Fresno	CA	93710	\$ 7,155	\$ 151	\$ 7,305	\$ 238
36030	Montclair Plaza	2079 Montclair Plaza Lane	Montclair	CA	91783	\$ 9,223	\$ 1,303	\$ 10,527	\$ 343
36031	North County Fair	200 E Via Rancho Pkwy	Escondido	CA	92025	\$ 5,283	\$ 634	\$ 5,926	\$ 194
36032	Fashion Show Mall	3200 Las Vegas Blvd S.	Las Vegas	NV	89109	\$ 9,206	\$ 358	\$ 9,565	\$ 312
36034	Valley Plaza Shopping Center	2701 Ming Ave	Bakersfield	CA	93304	\$ 6,873	\$ 1,810	\$ 8,583	\$ 280
36035	Westminster Mall	5423 W 85Th Ave	Westminster	CO	80031	\$ 6,770	\$ 979	\$ 7,749	\$ 253
36041	Echelon Mall	1285 Echelon Mall	Voorhees	NJ	08043	\$ 8,826	\$ 403	\$ 9,228	\$ 293
36044	Clackamas Towne Center	12000 Se 82Nd Ave	Portland	OR	97268	\$ 8,388	\$ 1,572	\$ 9,958	\$ 325
36048	Coronado Center	6600 Maraval Blvd Ne	Albuquerque	NM	87110	\$ 8,759	\$ 2,636	\$ 11,395	\$ 372
36050	Macomb Mall	32375 Gratiot Ave	Roseville	MI	48068	\$ 6,820	\$ 721	\$ 7,541	\$ 243
36062	Annapolis Mall	100 Annapolis Mall	Annapolis	MD	21401	\$ 6,618	\$ 150	\$ 6,768	\$ 221
36064	Woodfield Shopping Town-S. Lake	1972 Southlake Mall	Merrillville	IN	46410	\$ 6,643	\$ 140	\$ 6,783	\$ 219
36065	Town Center At Cobb	400 Ernest Barrett Pkwy	Kennesaw	GA	30144	\$ 7,828	\$ 156	\$ 7,984	\$ 260
36066	Aurora Mall	14200 E Alameda Ave	Aurora	CO	80012	\$ 4,828	\$ 1,002	\$ 5,828	\$ 193
36068	Bridgewater Commons	400 Commons Way	Bridgewater	NJ	08807	\$ 9,971	\$ 915	\$ 10,886	\$ 355
36069	Twickenham Mall	27348 Nowi Road	Novi	MI	48377	\$ 13,964	\$ 909	\$ 14,873	\$ 485
36070	Greenbush Square	4201 Colowater Road	Fort Wayne	IN	46805	\$ 6,104	\$ 1,173	\$ 7,278	\$ 237
36071	Outridge Mall	151 Outridge Mall	San Jose	CA	95123	\$ 5,206	\$ 1,829	\$ 7,235	\$ 236
36075	Danbury Fair Mall	7 Backus Avenue	Danbury	CT	06810	\$ 8,919	\$ 933	\$ 9,852	\$ 321
36076	Great Southern Mall	4155 Route 31	Clay	NY	13041	\$ 4,988	\$ 141	\$ 5,128	\$ 167
36077	Mole Plaza	2800 N Main Street	Santa Ana	CA	92705	\$ 8,402	\$ 751	\$ 9,153	\$ 298
36078	Woodbridge Center	125 Woodbridge Center Dr	Woodbridge	NJ	07095	\$ 6,835	\$ 154	\$ 7,009	\$ 231
36085	Boise Towne Square	350 N Milwaukee	Boise	ID	83704	\$ 3,812	\$ 495	\$ 4,307	\$ 140
36087	Woodfield Shopping Town-S County	53 S County Center Way	St. Louis	MO	63129	\$ 9,486	\$ 186	\$ 9,652	\$ 315
36098	Dayton Mall	2700 Miamiburg/Canterville	Dayton	OH	45459	\$ 6,395	\$ 827	\$ 7,222	\$ 235
36099	Riverside Galleria	2000 Riverchase Galleria	Birmingham	AL	35244	\$ 7,304	\$ 1,109	\$ 8,412	\$ 274
36101	Ocean County Mall	1201 Hooper Ave	Toms River	NJ	08759	\$ 8,364	\$ 1,465	\$ 9,829	\$ 321
36109	West County Mall	44 West County Center	Des Peres	MO	63131	\$ 7,780	\$ 912	\$ 8,672	\$ 283
36101	Pennation Mall	8055 W Ridgewood Dr	Parma	OH	44129	\$ 6,660	\$ 3,840	\$ 10,500	\$ 342
36102	Rockaway Mall	Rt 80 & Mt Hope Ave	Rockaway	NJ	07866	\$ 6,820	\$ 1,518	\$ 11,138	\$ 363
36104	Metro Center	9817 N Metro Parkway West	Phoenix	AZ	85051	\$ 3,791	\$ 521	\$ 4,312	\$ 141
36105	Walden Galleria Mall	2800 Walden Avenue	Buffalo	NY	14225	\$ 8,843	\$ 198	\$ 9,041	\$ 298
36106	Sarasota Square	8201 S Tamiami Trail	Sarasota	FL	3423829	\$ 8,798	\$ 198	\$ 8,994	\$ 283
36107	Columbus City Center	233 Columbus City Cir Dr	Columbus	OH	43215	\$ 11,374	\$ 199	\$ 11,572	\$ 377
36109	Westfield Shopping Town-Nw Plaza	731 Northwest Plaza	St. Ann	MO	63074	\$ 6,677	\$ 309	\$ 6,986	\$ 228
36110	Hawthorn Center	607 Hawthorn Center	Vernon Hills	IL	60061	\$ 6,388	\$ 819	\$ 7,185	\$ 234
36111	Belt Factory Ctr Mall	5401 West Oakridge Rd	Orlando	FL	32819	\$ 6,200	\$ 1,871	\$ 7,772	\$ 253
36113	Emerald Square Mall	337 Emerald Square	North Attleboro	MA	02780	\$ 9,410	\$ 650	\$ 10,259	\$ 335
36115	Garden State Plaza	1053 Garden State Plaza	Paramus	NJ	07652	\$ 11,184	\$ 734	\$ 11,917	\$ 389
36125	Freemont/Stateway Mall	3710 Route 9	Freehold	NJ	07728	\$ 8,208	\$ 149	\$ 8,357	\$ 272
36129	Parkway Plaza	733 Parkway Plaza	El Cajon	CA	92020	\$ 7,178	\$ 2,052	\$ 9,230	\$ 301
36130	Carousel Center	9548 Carousel Center Dr	Syracuse	NY	13290	\$ 11,782	\$ 185	\$ 11,967	\$ 390
36135	Market Station	7900 Richie Hwy	Glen Burnie	MD	21061	\$ 8,334	\$ 751	\$ 9,084	\$ 298
36136	Galleria At Tyler	2126 Galleria At Tyler	Riverside	CA	92503	\$ 6,802	\$ 578	\$ 7,378	\$ 241
36137	Fair Oaks Mall	11733-L Fair Oaks	Fairfax	VA	22033	\$ 9,777	\$ 167	\$ 9,944	\$ 324
36139	Kingsmill Mall	10315 Silverdale Way Nw	Silverdale	WA	98383	\$ 6,470	\$ 1,225	\$ 7,695	\$ 248
36140	Lakewood Mall	701 Russell Ave	Gaithersburg	MD	20877	\$ 8,988	\$ 192	\$ 9,178	\$ 299
36142	Mall Of America	158 South Avenue	Bloomington	MN	55425	\$ 9,481	\$ 2,005	\$ 11,486	\$ 374
36145	San Francisco Center	665 Market Street	San Francisco	CA	94103	\$ 9,151	\$ 494	\$ 9,645	\$ 315
36147	Staten Island Mall	2655 Richmond Ave	Staten Island	NY	10314	\$ 8,617	\$ 1,809	\$ 10,427	\$ 340
36148	The Oaks Mall	544 W Hillcrest Drive	Thousand Oaks	CA	91380	\$ 9,838	\$ 183	\$ 10,001	\$ 326
36151	Valley River Center	527 Valley River Center	Eugene	OR	97401	\$ 4,816	\$ 198	\$ 5,014	\$ 164
36158	Hance Mall	3320 Siba Creek Parkway	Winston Salem	NC	27183	\$ 5,811	\$ 810	\$ 6,621	\$ 219
36160	Southland Mall	23000 Eureka Road	Taylor	MI	48180	\$ 7,843	\$ 1,722	\$ 9,385	\$ 305
36183	Valencia Town Center	24201 W Valencia Blvd	Valencia	CA	91355	\$ 7,150	\$ 356	\$ 7,506	\$ 245
36184	Fox Valley Center	1410 Fox Valley Center	Aurora	IL	60504	\$ 6,014	\$ 500	\$ 6,517	\$ 213
36185	Century II Mall	3075 Clairton Rd	West Mifflin	PA	15123	\$ 4,884	\$ 1,616	\$ 6,501	\$ 212
36187	Hickory Hollow Mall	5252 Hickory Hollow Pkwy	Antioch	TN	37013	\$ 6,824	\$ 181	\$ 6,788	\$ 221
36188	Marketplace Mall	690 Miracle Mile Drive	Rocky Hill	NY	14823	\$ 6,522	\$ 544	\$ 7,065	\$ 230
36170	Melbourne Square	1700 W New Haven Ave	Melbourne	FL	32904	\$ 5,125	\$ 633	\$ 6,758	\$ 218
36171	Baybrook Mall	1143 Baybrook Mall	Friendswood	TX	77548	\$ 6,168	\$ 284	\$ 6,450	\$ 210
36174	Jellison Mall	4801/A272 Outer Loop Road	Louisville	KY	40219	\$ 5,805	\$ 670	\$ 6,274	\$ 205
36175	Crossett Mall	2000 Brittan Road	Alyon	OH	44310	\$ 5,321	\$ 313	\$ 5,634	\$ 184
36182	Northgate Mall	4750 N Division St	Spokane	WA	99207	\$ 5,856	\$ 189	\$ 6,045	\$ 197
36184	Barton Creek Square	2901 Capitol Texas Hwy	Austin	TX	78748	\$ 6,492	\$ 542	\$ 7,034	\$ 229

**Exhibit 4.1(a) to TMC/SFMB Agency Agreement
SFMB Stores**

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Store #	Store Name	Store Address 1	City	State	Zip	Monthly			Total Occupancy Cost Per Day
						Landlord Occupancy	Other Occupancy	Total Occupancy	
36185	Collin Creek Mall	811 N Central Exp	Piano	TX	75075	\$ 5,865	\$ 363	\$ 6,228	\$ 203
36188	Ross Park Mall	1000 Ross Park Mall Dr	Pittsburgh	PA	15237	\$ 6,378	\$ 189	\$ 6,567	\$ 213
36190	Great Bay Plaza Mall	536 Great Mall Drive	Milpitas	CA	95035	\$ 8,753	\$ 1,229	\$ 7,963	\$ 260
36195	West Town Mall	7600 Kingston Pike	Knoxville	TN	37919	\$ 6,094	\$ 1,181	\$ 7,275	\$ 237
36196	Great Northern Sq.	124 Great Northern Blvd	North Olmsted	OH	44070	\$ 8,870	\$ 1,415	\$ 8,265	\$ 270
36198	Huffman Living Plaza	4208 N Harlow Ave	Norridge	IL	60706	\$ 4,971	\$ 1,581	\$ 6,532	\$ 214
36201	Westfield Newlin Square	470 Lewis Avenue	Meriden	CT	06451	\$ 8,321	\$ 1,057	\$ 7,379	\$ 241
36202	Southcenter Mall	729 Southcenter	Tukwila	WA	98188	\$ 6,737	\$ 881	\$ 7,618	\$ 248
36203	Tri County Mall	11700 Princeton Pike	Cincinnati	OH	45248	\$ 5,828	\$ 452	\$ 6,279	\$ 205
36204	Southview Mall	2825 S Glenstone Ave	Springfield	MO	65804	\$ 5,498	\$ 103	\$ 5,591	\$ 186
36205	Lakewood Center	38 Lakewood Center	Lakewood	CA	90712	\$ 6,800	\$ 1,588	\$ 8,388	\$ 274
36206	Chicago Ridge Mall	531 Chicago Ridge Mall	Chicago Ridge	IL	60415	\$ 6,575	\$ 1,161	\$ 7,736	\$ 252
36207	Downtown Plaza	547 L Street	Sacramento	CA	95814	\$ 8,828	\$ 906	\$ 7,532	\$ 248
36210	Stratford Square Mall	410 Stratford Square	Bloomington	IL	60108	\$ 5,388	\$ 402	\$ 5,790	\$ 189
36212	Fashion Square Mall	4883 Fashion Square Mall	Saginaw	MI	48804	\$ 4,829	\$ 518	\$ 5,448	\$ 178
36219	Roosevelt Field Mall	830 Old Country Rd	Garden City	NY	11530	\$ 17,458	\$ 1,822	\$ 19,280	\$ 629
36222	Burnsville Center	2047 Burnsville Center	Burnsville	MN	55306	\$ 6,088	\$ 285	\$ 6,353	\$ 207
36223	Owensboro Mall	7900 Shelbyville Road	Louisville	KY	40222	\$ 8,708	\$ 326	\$ 9,033	\$ 285
36224	Greenwood Plaza Mall	4251 Us 31 North	Greenwood	IN	46142	\$ 6,483	\$ 235	\$ 6,718	\$ 219
36225	Galleria At Crystal Run	One Galleria Drive	Middletown	NY	10941	\$ 5,987	\$ 152	\$ 5,720	\$ 187
36228	Natick Mall	1246 Worcester Street	Natick	MA	01760	\$ 7,833	\$ 1,222	\$ 9,074	\$ 296
36229	Crystal Mall	850 Hartford Turnpike	Waterford	CT	06385	\$ 7,219	\$ 601	\$ 7,720	\$ 252
36230	Mall Of New Hampshire	1500 S Willow Street	Manchester	NH	03103	\$ 7,801	\$ 902	\$ 8,503	\$ 277
36231	Village Fair Mall	3401 Dale Rd	Modesto	CA	95356	\$ 5,045	\$ 821	\$ 5,866	\$ 185
36234	Orland Park Square	808 Orland Square	Orland Park	IL	60462	\$ 6,537	\$ 1,166	\$ 7,725	\$ 252
36487	Concord Mills	8111 Concord Mills	Concord	NC	28027	\$ 3,875	\$ 504	\$ 4,379	\$ 143
36801	St Louis Union Station	1620 Market Street	St. Louis	MO	63103	\$ 4,300	\$ 1,179	\$ 5,679	\$ 185
						\$ 700,742	\$ 81,528	\$ 782,270	\$ 25,509

**EXHIBIT 4.2(a)
TO BE PROVIDED**

**EXHIBIT 4.2(a)(1)
TO BE PROVIDED**

**EXHIBIT 5.1
TO BE PROVIDED**

SCHEDULE 8.1

GUIDELINES FOR CONDUCT OF THE SALES

1. The Sale shall be conducted so that the subject Closing Store remains open during that Closing Store's normal hours of operation.
2. The Sale shall be conducted in accordance with applicable state and local "Blue Laws."
3. Agent shall not use flashing lights or any type of amplified sound on the leased premises or on any common areas to advertise the Sales or solicit customers for the Sale at that Store
4. With respect to the advertising of the Sales, Agent shall be permitted to promote and advertise the Sale in accordance with the Agency Agreement and applicable law, including, without limitation, by means of electronic and print media advertising and in-store and exterior signage; provided that all signage shall be professionally lettered, and all banners and hanging signs shall be hung in a professional manner.
5. Conspicuous signs shall be posted at the stores to the effect that all sales are "final."
6. Agent shall not make any alterations to the storefront or exterior walls of any of the stores (including the removal of store signs).
7. Agent shall not make any alterations to interior or exterior store lighting.
8. Agent shall not remove from any store any property so affixed to the real estate that an interest therein arises under real estate law (i.e., "fixtures" within the meaning of the Uniform Commercial Code).
9. No exterior signs or signs in common areas of a mall shall be used. Signs will be limited to 3'x5' signs indicating "Store Closing" with no more than seven (7) signs per 1000 square feet of retail space. In addition, one interior banner sign of 3'x10' may be placed in the rear of the store.
10. Furniture, fixtures and equipment may be sold but may not be removed prior to the closing of the store and removal may not be through public areas of the mall. No auction of such items will be conducted.
11. Landlords will receive at least seven (7) days notice of the termination of a GOB sale at each location. All stores will be left in broom clean condition and all goods and inventory will be removed from the store.
12. Agent may augment inventory during the GOB sale, but all additional goods shall be of like kind and nature and will be limited to 20 percent of inventory at current cost.

**EXHIBIT 10
TO BE PROVIDED**

San Francisco Music Box / The Museum Company
Exhibit 11.1(I)

Merchandise Threshold Exhibit

San Francisco Music Box

For every \$100,000 below \$15,000,000 at the Retail Price the Guaranteed Amount will reduce by .20%

<u>Retail Price</u>	<u>Guaranteed Amount</u>
15,000,000	15.000 %
14,900,000	14.800 %
14,800,000	14.600 %
14,700,000	14.400 %
14,600,000	14.200 %
14,500,000	14.000 %
14,400,000	13.800 %
14,300,000	13.600 %
14,200,000	13.400 %
14,100,000	13.200 %

Adjustments between the \$100,000 increments shall be on a pro rata basis.
For example, if the Retail Price of the Merchandise was \$14,700,000 then the Guaranteed Amount would be 14.40%

The Museum Company

For every \$100,000 below \$13,400,000 at the Retail Price the Guaranteed Amount will reduce by .22%

<u>Retail Price</u>	<u>Guaranteed Amount</u>
13,400,000	33.480 %
13,300,000	33.260 %
13,200,000	33.040 %
13,100,000	32.820 %
13,000,000	32.600 %
12,900,000	32.380 %
12,800,000	32.160 %
12,700,000	31.940 %
12,600,000	31.720 %
12,500,000	31.500 %

Adjustments between the \$100,000 increments shall be on a pro rata basis.
For example, if the Retail Price of the Merchandise was \$12,900,000 then the Guaranteed Amount would be 32.38%

Hilco Merchant Resources, LLC

Exhibit 16.12(b)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
SFMB ACQUISITION CORP., et al.,) Case No. 03-11524 (PJW)
)
Debtors.) Jointly Administered
)
) Re Docket No.47 & 104

**ORDER PURSUANT TO BANKRUPTCY CODE SECTIONS 105 AND 363:
(A) APPROVING ASSET PURCHASE AGREEMENT (B) APPROVING AGENCY
AND LICENSE AGREEMENT; (C) APPROVING AGENCY AGREEMENT (BACK-UP
BID); (D) APPROVING THE PAYMENT OF BID PROTECTIONS IN CONNECTIONS
THEREWITH; (E) AUTHORIZING THE
DEBTORS AND/OR THEIR AGENT TO CONDUCT GOING OUT OF BUSINESS SALES
AND TO SELL CERTAIN ASSETS FREE AND CLEAR OF LIENS, INTERESTS, AND
ENCUMBRANCES; AND (F) GRANTING ANCILLARY RELIEF RELATED THERETO**

Upon the Motion of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), for an Order: (1) Establishing Bidding Procedures With Respect To The Disposition of Debtors' Assets; (2) Approving The Form And Manner Of Notice Of Bidding Procedures To Potential Bidders And Other Parties In Interest; (3) Scheduling A Hearing To Consider Approval Of The Highest And Best Offer For Debtors' Merchandise or Assets, (4) Approving either (a) Agency Agreement In Connection With Retaining Exclusive Agent To Conduct Closing Sale or (b) Asset Purchase Agreement for the Sale of Some or All of the Debtors' Assets; (5) Authorizing the Sale of Certain Assets Free and Clear Of Liens, Interests, and Encumbrances; and (6) Granting Relief Related Thereto (the "Motion")¹ [see Docket No. 47], all as more fully set forth in the Motion; and the Amended Notice of (A) Amendment to Sale Procedures; (B) Revised Agency Agreement; (C) Proposed Asset Purchase Sale of San Francisco Music Box; (D) Revised Auction and Bid Procedures; and (E) Establishing New Auction Date (the "Amended Notice," and together with the Motion, the "Amended Motion")

[see Docket No. 104]; and an auction having been conducted in accordance with the terms set forth in the Amended Motion on June 10, 2003 (the "June 10th Auction"); and the Debtors, in consultation with proposed counsel to the Official Committee of Unsecured Creditors appointed in these cases (the "Committee") and Fleet Retail Finance, Inc. ("Fleet"), GB Retail Funding LLC ("GB Retail," and together with Fleet, the "Lenders"), the Debtors' pre- and post-petition lenders having entered into that certain Asset Purchase Agreement (the "APA") by and among San Francisco Music Box Company, Inc. ("SFMB") and Calendar Club SA, L.L.C. ("Calendar Club") and Great American Group ("Great American," and together with Calendar Club, "Purchaser") dated June 10, 2003 for the sale of certain assets or the right to liquidate certain assets of SFMB, pursuant to the terms of the APA (the "Sale"), that certain Agency and License Agreement dated June 10, 2003 by and among SFMB and the Purchaser in connection with the Agreement (the "Agency Agreement") and that certain Agency Agreement (Back-up Bid) (the "Back-up Bid") dated as of June 10, 2003 by and among Great American and SFMB and The Music Company ("TMC"); and a hearing to consider the relief requested in the Amended Motion (the "Hearing") having been held on June 11, 2003; and due and sufficient notice of the Amended Motion having been given to all parties-in-interest; and any objections to the Amended Motion having been overruled or withdrawn; and it appearing that entry into the APA and Agency Agreement is in the best interests of the Debtors, their estates, creditors and other parties in interest; and sufficient cause appearing therefor,

IT IS HEREBY FOUND AND DETERMINED that:

A. This Court has jurisdiction over the Amended Motion and the transactions contemplated therein pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding

¹ Capitalized terms not otherwise defined herein, shall have the meaning ascribed to them in the Motion, as modified by the Amended Notice.

pursuant to 28 U.S.C. § 157(b)(2)(M). Venue of these cases and the Amended Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

B. The statutory predicates for the relief requested in the Amended Motion are sections 363(b), 363(f) and 363(m) of the Bankruptcy Code and Rule 6004 of the Federal Rules of Bankruptcy Procedure.

C. Notice of the Amended Motion, the June 10th Auction, and the Hearing has been provided. Such notice was reasonable and sufficient under the circumstances and no other or further notice of the Amended Motion, the June 10th Auction or the Hearing is required.

D. A reasonable opportunity to object or be heard with respect to the Amended Motion and the relief requested therein has been afforded to all interested persons and entities.

E. Based upon the testimony of the Debtors, and representations of Debtors' counsel, counsel to the Lenders, and counsel to the Committee at the Hearing, the Debtors have demonstrated sound business justifications for the Sale and entry into the APA, the Agency Agreement and the transactions related thereto pursuant to section 363(b) of the Bankruptcy Code.

F. It appears from the record that the Sale, the APA and the Agency Agreement were negotiated, proposed and agreed to by SFMB and the Purchasers as parties thereto without collusion, in good faith, and from arm's-length bargaining positions. Neither SFMB nor the Purchasers have engaged in any conduct that would cause or permit the Sale to be avoided under section 363(n) of the Bankruptcy Code. The Purchasers are good faith purchasers under section 363(m) of the Bankruptcy Code and, as such, are entitled to all of the protections afforded thereby.

G. The consideration provided by the Purchasers (i) is fair and reasonable, (ii) is the highest and best offer for the Acquired Assets (as defined in the APA), (iii) will provide a

greater recovery for SFMB's creditors and other interested parties than would be provided by any other practically available alternative, and (iv) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia.

H. The Sale under the terms of the APA will be a legal, valid, and effective transfer, and will vest in the Purchasers all right, title and interest of SFMB to the Acquired Assets free and clear of all Encumbrances (as defined in the APA) except Assumed Liabilities (as defined in the APA) including, but not limited to, those (i) that purport to give to any party a right or option to give any of the foregoing in the future, any sale or contingent sale or title retention agreement or lease, or termination of SFMB's interest in the Acquired Assets, or any similar rights, and (ii) relating to taxes arising under or out of, in connection with, or in any way relating to the operation of SFMB's businesses prior to the date (the "Closing Date") of the consummation of the Sale (the "Closing").

I. The Purchasers may sell the Acquired Assets free and clear of all Encumbrances (as defined in the APA) of any kind or nature whatsoever because, in each case, one or more of the standards set forth in section 363(f) of the Bankruptcy Code has been satisfied. Those (i) holders of interests and (ii) non-debtor parties who did not object, or who withdrew their objections, to the Sale or the Motion are deemed to have consented pursuant to Bankruptcy Code section 363(f)(2). Those holders of interests, who fall within one or more of the other subsections of Bankruptcy Code section 363(f), are adequately protected by having their interests, if any, attach to the proceeds of the Sale ultimately attributable to the property against or in which they claim or may claim an interest.

J. Approval and consummation of the Sale at this time is in the best interests of the Debtors, their creditors, estates and other parties in interest.

K. The Purchasers would not consummate the transactions contemplated by the Sale, thus adversely affecting the Debtors, their estates, and their creditors, if the Sale were not free and clear of all interests of any kind or nature whatsoever, or if the Purchasers would, or in the future could, be liable for any such interests and if the transfer could not be made under section 363 of the Bankruptcy Code.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion as amended is granted set forth herein;
2. The Debtors shall be, and hereby are, authorized and directed to file within five (5) days of the entry of this Order a motion seeking an order or orders permitting the assumption and assignment of the Assumed and Assigned Leases, Assumed and Assigned Licenses and Assumed and Assigned Contracts in accordance with section 9A of the APA ("Assumption Motions"). The Debtors are further authorized, without further order of this Court, to schedule any such Assumption Motions for the June 24, 2003 omnibus hearing scheduled in these cases, and any objections to any such Assumption Motions shall be June ____, 2003 at 4:00 p.m. (ET).
3. In accordance with the Amended Motion, the Debtors are hereby authorized to conduct an auction (the "June 23rd Auction") on June 23, 2003 at 9:00 a.m. the offices of Crossroads, LLC, 400 Madison Avenue, 3rd Floor, New York, New York to consider bids for the assets of TMC on a going-concern basis and are further authorized to seek approval of the highest and best bid received at the second auction for the TMC assets at the hearing scheduled for June 24, 2003 at 4:00 p.m. (ET) (the "June 24th Hearing").
4. Bidding, if any, at the June 23rd Auction shall be conducted in accordance with the bid procedures set forth in the Amended Motion (the "TMC Bidding Procedures"). Any Going Concern Buyer (as defined in the "Amended Motion") wishing to submit an offer with

respect to the TMC Assets must submit such offer, writing, no later than 5:00 p.m. on June 18, 2003, to San Francisco Music Box Company and The Museum Company, Inc., 695 Route 46 West, Fairfield, New Jersey 07004 (or by facsimile to 212-610-5601); Attn: Holly Felder Etlin and Craig Boucher, with copies to (i) Debtors' counsel, Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17 Floor, Wilmington, Delaware 19801 (or by facsimile to 302-571-1253), Attn: M. Blake Cleary, Esq.; (ii) counsel for Fleet Retail Finance, Inc., Brown Rudnick Berlack Israels LLP, One Financial Center, Boston, Massachusetts 02111 (or by facsimile to 617-856-8201), Attn: Peter Antoszyk, Esq.; and (iii) counsel for GB Retail, Riemer & Braunstein LLP, Three Center Plaza, Boston, Massachusetts 02108 (or by facsimile to 617-880-3456), Attn: Jonathan D. Yellin, Esq.; and (iv) counsel for the Official Committee of Unsecured Creditors (the "Committee"), Traub Bonacquist & Fox LLP, 655 Third Avenue, 21st Floor, New York, NY 10017, Attn: Michael Fox, Esq. Any objections to the sale of the TMC Assets shall be filed with the Bankruptcy Court on or before June 18, 2003 and shall be served upon counsel to the Debtors, counsel to the Committee, counsel to the Lenders, the Office of the United States Trustee and any parties having filed requests for notice pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure.

5. All objections to the Amended Motion relating to SFMB or the relief requested therein that have not been withdrawn, waived, resolved or settled, and all reservations of rights included therein other than those set forth in the record at the Hearing, are overruled on the merits.

6. The APA in the form attached hereto as Exhibit A, and all of the terms and conditions thereof and attachments thereto, are hereby approved.

7. The Agency Agreement in the form attached hereto as Exhibit B, and all of the terms and conditions thereof and attachments thereto, are hereby approved.

8. Pursuant to section 363(b) of the Bankruptcy Code, SFMB is authorized and directed to consummate the Sale, pursuant to and in accordance with the terms and conditions of the APA.

9. SFMB is authorized and directed to execute and deliver, and is empowered to perform under, consummate and implement, the APA, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the APA, including, but not limited to the Agency Agreement, and to take all further actions as may be requested by the Purchasers for the purpose of assigning, transferring, granting, conveying and conferring to the Purchasers or reducing to possession, the Acquired Assets, or as may be necessary or appropriate to the performance of the obligations as contemplated by the APA.

10. The Purchase Price to be paid by the Purchasers for the sale and transfer of the Acquired Assets under the terms of the APA constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession or the District of Columbia. The sale of Acquired Assets and other transactions contemplated by the APA may not be avoided under Sections 363(k) or (m) of the Bankruptcy Code.

11. The transactions contemplated by the APA are undertaken by the Purchasers in good faith, as that term is used in Section 363(m) of the Bankruptcy Code, and, accordingly, the reversal or modification on appeal of this Order shall not affect the validity of the sale of Acquired Assets to the Purchasers, unless such sale and this Order are duly stayed pending appeal. The Purchasers are purchasers in good faith of the Acquired Assets for all purposes.

12. All of SFMB's interests in the Acquired Assets shall be, as of the Closing Date, transferred to and vested in the Purchasers. Upon the Closing Date, this Order shall be considered and constitute for any and all purposes a full and complete general assignment,

conveyance and transfer of the Acquired Assets and any assets acquired by the Purchasers under the APA and/or a bill of sale or assignment transferring good and marketable, indefeasible title and interest in the assets acquired by the Purchasers under the APA. As of the Closing Date (and earlier should SFMB so permit), the Purchasers shall be hereby granted immediate and unfettered access to the Acquired Assets.

13. Except as expressly permitted or otherwise specifically provided for in the APA or this Order, as of the Closing Date and pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, the Acquired Assets shall be transferred to the Purchasers pursuant to the APA free and clear of all interests of any kind or nature whatsoever, with all such interests of any kind or nature whatsoever to attach to the net proceeds of the Sale in the order of their priority, with the same validity, force and effect which they now have as against such assets, subject to any claims and defenses that the Debtors and other parties may possess with respect thereto.

14. Except as expressly permitted or otherwise specifically provided for in the APA or this Order, all persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax and other regulatory authorities, lenders, trade and other creditors holding interests of any kind or nature whatsoever against or in the Acquired Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, liquidated or unliquidated, senior or subordinated), arising under or out of, in connection with, or in any way relating to the Acquired Assets, the operation of SFMB's businesses prior to the Closing Date of the Sale, or the Sale are hereby forever barred, estopped, and permanently enjoined from asserting against the Purchasers, their successors or assigns (to the extent allowed by law) and their property and officers, and any directors and shareholders, such persons' or entities' interest. All holders or beneficiaries of the interests are hereby directed

to reasonably cooperate with the Purchasers in delivering such documents reasonably requested by the Purchasers, which may be necessary to evidence and effectuate the extinguishment of any interest from or against the Acquired Assets.

15. If any person or entity that has filed financing statements, mortgages, mechanics' liens, assignments, security agreements, lis pendens, or other documents or agreements evidencing interests in any Acquired Assets shall not have delivered to the Debtors prior to the Closing Date under the APA, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, and releases of all interests which the person or entity has with respect to the Debtors or otherwise, then (a) the Debtors hereby authorized and directed to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Acquired Assets and (b) the Purchasers are hereby authorized to file, register, or otherwise record a certified copy of this Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all interests in the Acquired Assets and its assets of any kind or nature whatsoever.

16. This Order (a) shall be effective as a determination that, on the Closing Date under the APA, all interests of any kind or nature whatsoever existing prior to such Closing as to the Acquired Assets sold pursuant to the APA, have been unconditionally released, discharged and terminated, and that the conveyances described herein have been effected, and (b) shall be binding upon and shall govern the act of all entities, including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record

or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Acquired Asscts.

17. Each and every federal, state and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the APA, as if submitted by the seller.

18. This Court retains jurisdiction to endorse and implement the terms and provisions of the APA, the Agency Agreement, all amendments thereto, any waivers and consents thereunder.

19. The Purchasers shall have no liability or responsibility for any liability or other obligation of the Debtors arising under or related to the Acquired Assets other than those expressly assumed under or set forth in the APA and/or the Agency Agreement. Without limiting the generality of the foregoing and except as otherwise specifically provided herein or in the APA and/or the Agency Agreement, the Purchasers shall not be liable for any claims against the Debtors or any of their predecessors or affiliates, and the Purchasers shall have no successor or vicarious liabilities of any kind or character whether known or unknown as of the Closing Date, now existing or hereafter arising, whether fixed or contingent, with respect to SFMB or any obligations of SFMB arising prior to the Closing Date.

20. In accordance with the Agency Agreement, SFMB and Purchasers are authorized to conduct going-out-of-business, store closing or other similarly themed sales (a "GOB Sale") at each of the Designated Locations (as defined in the Agency Agreement) notwithstanding any provisions in contracts or leases that otherwise may restrict or prevent a GOB Sale in accordance with the provisions of the Agency Agreement or require further consents, and notwithstanding provisions of state or federal law or applicable regulations that would otherwise govern the conduct of a GOB Sale.

21. The sale by the Purchaser, as Agent under the Agency Agreement, of the Merchandise, such sale to be free and clear of all liens, claims, interests, or encumbrances thereon and any presently existing liens.

22. The Purchasers, as Agent under the Agency Agreement, are granted the unencumbered right to use and occupy the Designated Locations and all services, furniture, fixtures, equipment and other assets of SFMB related thereto, as designated under the Agency Agreement, for the purpose of conducting a GOB Sale, free of any interference from any entity or person.

23. The Purchasers, as Agent under the Agency Agreement, are authorized to conduct, advertise, post signs and otherwise promote any and all of the Sale as a "store closing," "going out of business" or similar type sale without further consent of any person (other than the Debtors), in accordance with the Sale Guidelines attached to the Agency Agreement as Exhibit 8.1 or as otherwise agreed to by and between the Purchasers and such landlord, without further compliance with state and local laws and regulations imposing licensing requirements, waiting periods and time limits, bulk sales and other restrictions upon the conduct of a GOB Sale; provided, however, that the Debtors and the Purchasers, as Agent under the Agency Agreement, will continue to be bound by and must comply with state and local health, safety, and tax laws and state consumer protection laws relative to false and deceptive advertising with respect to the conduct of a GOB Sale at the Designated Locations.

24. Each and every federal, state or local agency, department or governmental authority with regulatory authority over a GOB Sale are directed to accept this Order and to allow the Debtors and the Purchasers, as Agent under the Agency Agreement, to consummate the transactions provided for in the Agency Agreement, including, without limitation, conducting and advertising of a GOB Sale in the manner contemplated by the Agency Agreement.

25. All utilities, lessors, creditors, and all persons acting for or on their behalf are directed not to interfere with or otherwise impede the conduct of any GOB Sale, institute in any court (other than in the Court) or before any administrative body any action that in any way directly or indirectly interferes with or obstructs or impedes the conduct of a GOB Sale in the manner contemplated by the Agency Agreement.

26. The Purchasers, as Agent under the Agency Agreement, are relieved from liability for any claims against the Debtors other than as expressly provided for in the Agency Agreement.

27. Implementation of an employee retention program under the terms detailed in Section 4.1(c) of the Agency Agreement in connection with and as a consequence of the Sale is authorized in an aggregate amount up to the Benefits Cap (as defined in the Agency Agreement), which amount shall be the Purchasers' (as Agent under the Agency Agreement) Expense (as defined in the Agency Agreement) of the GOB Sale, without prejudice to the Debtors' right to seek Court authority for additional sums for an employee retention program as the Purchasers' Expense of the GOB Sale and the Committee's right to object to authorization and payment of such additional sums.

28. This Order shall be without prejudice to Debtors' right to seek an extension of time to assume or reject its nonresidential real property leases pursuant to 11 U.S.C. § 365(d)(4) and the respective landlords' right to object to such extension request.

29. The Proceeds from the Sale shall be paid directly to Fleet Retail Finance, Inc., as agent, and treated in accordance with the terms and conditions of the Final Order (A) Authorizing Debtors in Possession to Obtain Interim Secured Post-Petition Financing with Priority Over all Other Indebtedness; (B) Approving Agreements Relating to the Foregoing; and

(C) Granting Related Relief (the "Final Order"). Nothing contained in this Order is intended to ~~or shall~~ supercede the Final Order.

30. The Debtors are authorized and directed to pay to the Joint Venture of Hilco Merchant Resources, LLC and The Ozer Group LLC ("Hilco/Ozer") on demand the sum of \$50,000 for each of SFMB and TMC to compensate Hilco/Ozer for the benefits which Hilco/Ozer bestowed upon the Debtors' estates in evaluating each of TMC and SFMB, entering into the Revised Agency Agreement (as defined in the Amended Notice), providing a base bid, and participating in the Auction, plus up to an additional \$25,000 for each of SFMB and TMC in payment of Hilco/Ozer's actual expenses incurred in the conduct of due diligence, analysis, negotiation and implementation of the Revised Agency Agreement and participation in the Auction.

31. To the extent not otherwise prohibited by applicable law, the transfer of the Acquired Assets pursuant to the APA shall not be taxed under any stamp tax or similar tax pursuant to 11 U.S.C. § 1146(c).

32. The terms and provisions of the Purchase Agreement and this Order shall be binding in all respects upon, and shall inure to the benefit of, the Debtors, their estates, creditors, the Purchasers, and their respective affiliates, successors and assigns and any affected third parties (including, but not limited to, all persons asserting interests in Acquired Assets), notwithstanding any subsequent appointment of any trustees under any chapter, upon which trustee such terms and provisions likewise shall be binding.

33. The failure specifically to include any particular provisions of the APA or the Agency Agreement in this Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the APA and the Agency Agreement be authorized and approved in its entirety.

34. The APA, the Agency Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties, and in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment or supplement does not have a material adverse effect on the Debtors' estates.

35. This Order shall be effective immediately upon its entry. The stays provided under Bankruptcy Rules 6004(g) and 6006(d) are both hereby waived and no stay shall apply to the Sale or any transaction contemplated under the APA.

Dated: Wilmington, Delaware
June ____, 2003

Peter J. Walsh
Chief United States Bankruptcy Judge