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Proposed Co-Counsel for Debtors and Debtors in Possession

**IN THE UNITED STATES BANKRUPTCY COURT
 FOR THE EASTERN DISTRICT OF VIRGINIA
 RICHMOND DIVISION**

)	
In re:)	Chapter 11
)	
GUITAR CENTER, INC. <i>et al.</i> , ¹)	Case No. 20-34656 (KRH)
)	
Debtors.)	(Jointly Administered)
)	

**FINAL ORDER: (I) AUTHORIZING THE DEBTORS TO
 (A) CONTINUE AND RENEW THEIR INSURANCE POLICIES
 AND HONOR OBLIGATIONS THEREUNDER, AND (B) CONTINUE
 SURETY BOND PROGRAM; AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of a final order: (a) authorizing, but not directing, the Debtors to (i) maintain prepetition insurance coverage, including renewing,

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Guitar Center Holdings, Inc. (3262); Guitar Center, Inc. (0862); Guitar Center Stores, Inc. (4340); GTRC Services, Inc. (9503); GC Business Solutions, Inc. (3928); Guitar Center Gift Card Company, LLC (3370); Music & Arts Instructor Services, LLC (7811); and AVDG, LLC (4440). The Debtors’ service address is 5795 Lindero Canyon Rd., Westlake Village, CA 91362.

² Capitalized terms used but not otherwise defined in this Final Order shall have the meanings given to them in the Motion.

supplementing, or purchasing new Insurance Policies in the ordinary course of business; (ii) pay all amounts that become due on account of the Insurance Policies, including (x) all premiums and all Insurance Broker fees, (y) all Insurance Deductibles, and (z) all Claims Administrator fees, all in the ordinary course, without regard to whether such obligations accrued or arose before or after the Petition Date; and (iii) continue their Surety Bond Program; and (b) granting certain related relief, all as more fully set forth in the Motion; and this Court having reviewed the Motion and the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Standing Order of Reference from the United States District Court for the Eastern District of Virginia*, dated August 15, 1984; and this Court having found that venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the relief sought in the Motion were appropriate under the circumstances and that no other or further notice need be provided; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted in this final order (the "Final Order"); and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY**

ORDERED THAT:

1. The Motion is granted on a final basis as set forth in this Final Order.
2. The Debtors are authorized, but not directed, to:
 - (a) maintain prepetition insurance coverage, including renewing, supplementing, or purchasing new Insurance Policies in the ordinary course of business;

- (b) pay all amounts that become due on account of the Insurance Policies, without regard to whether such Insurance Policies are listed on Exhibit C to the Motion, including but not limited to: (i) all premiums and all Insurance Broker fees; (ii) all Insurance Deductibles; and (iii) all Claims Administrator fees, all in the ordinary course, without regard to whether such obligations accrued or arose before or after the Petition Date; and
- (c) maintain the Surety Bond Program without interruption, including paying premiums and any applicable fees in connection therewith as they come due, maintaining collateral or increasing the amount of collateral to the extent required in connection with any Surety Bond issuance or renewal, renewing or acquiring additional bonding capacity, performing under any indemnity agreements (including posting collateral as security), and executing indemnity agreements, letters of credit, and other agreements in connection with the Surety Bond Program, in the ordinary course of business and in accordance with the same practices and procedures as were in effect prior to the Petition Date.

3. Notwithstanding anything to the contrary in this Final Order, any payment made or action taken by any of the Debtors pursuant to the authority granted in this Final Order must be in compliance with, and shall be subject to: (i) any interim or final order approving the Debtors' use of cash collateral and/or any postpetition financing facility (in either case, the "DIP Order"); and (ii) the documentation (including the budget) in respect of any such use of cash collateral and/or postpetition financing. To the extent there is any inconsistency between the terms of the DIP Order and this Final Order, the terms of the DIP Order shall control.

4. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved in this Final Order are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order, without any duty of further inquiry and without liability for following the Debtors' instructions.

5. The Debtors are authorized, but not directed, to issue postpetition checks, and to issue postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of the filing of these cases with respect to prepetition amounts owed in connection with the relief granted in this Final Order.

6. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against the Debtors under the Bankruptcy Code or other applicable non bankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim; (c) a promise or requirement to pay any particular claim; (d) an admission that any particular claim is of a type described in the Motion; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (g) a waiver of any claims or causes of action which may exist against any entity under the Bankruptcy Code or any other applicable law.

7. Nothing in this Final Order or the Motion shall be construed as prejudicing the rights of the Debtors to dispute or contest the amount of or basis for any claims against the Debtors in connection with or relating to the Insurance Policies or the Surety Bond Program.

8. The Motion satisfies the requirements of Bankruptcy Rule 6003(b).

9. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) are satisfied by such notice.

10. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

11. The requirement under Local Bankruptcy Rule 9013-1(G) to file a memorandum of points and authorities in connection with the Motion is waived.

12. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order.

13. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

Dated: December 11, 2020
Richmond, Virginia

/s/ Kevin R. Huennekens
THE HONORABLE KEVIN R. HUENNEKENS
UNITED STATES BANKRUPTCY JUDGE

Entered On Docket: December 11, 2020

WE ASK FOR THIS:

/s/ Jennifer E. Wuebker

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Justin F. Paget, Esq. (VSB No. 77949)

Jennifer E. Wuebker, Esq. (VSB No. 91184)

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CERTIFICATION OF ENDORSEMENT
UNDER LOCAL BANKRUPTCY RULE 9022-1(C)

Pursuant to Local Bankruptcy Rule 9022-1(C), I certify that the foregoing proposed order has been endorsed by or served upon all necessary parties.

/s/ Jennifer E. Wuebker