

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
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<b>NATURE OF CONVEYANCE:</b>	MERGER
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<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
Guitar Center Management Company, Inc.		11/01/1996	CORPORATION: CALIFORNIA

<b>RECEIVING PARTY DATA</b>	
<b>Name:</b>	Guitar Center, Inc.
<b>Street Address:</b>	5795 Lindero Canyon Road
<b>City:</b>	Westlake Village
<b>State/Country:</b>	CALIFORNIA
<b>Postal Code:</b>	91362
<b>Entity Type:</b>	CORPORATION: DELAWARE

<b>PROPERTY NUMBERS Total: 1</b>		
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>
Registration Number:	1290481	GUITAR CENTER

<b>CORRESPONDENCE DATA</b>	
<b>Fax Number:</b>	(312)828-9635
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
<b>Phone:</b>	312/828-9600
<b>Email:</b>	mhays@agdglaw.com
<b>Correspondent Name:</b>	Ned S. Robertson
<b>Address Line 1:</b>	One IBM Plaza, Suite 3000
<b>Address Line 4:</b>	Chicago, ILLINOIS 60611

<b>NAME OF SUBMITTER:</b>	Mary Vidal Hays
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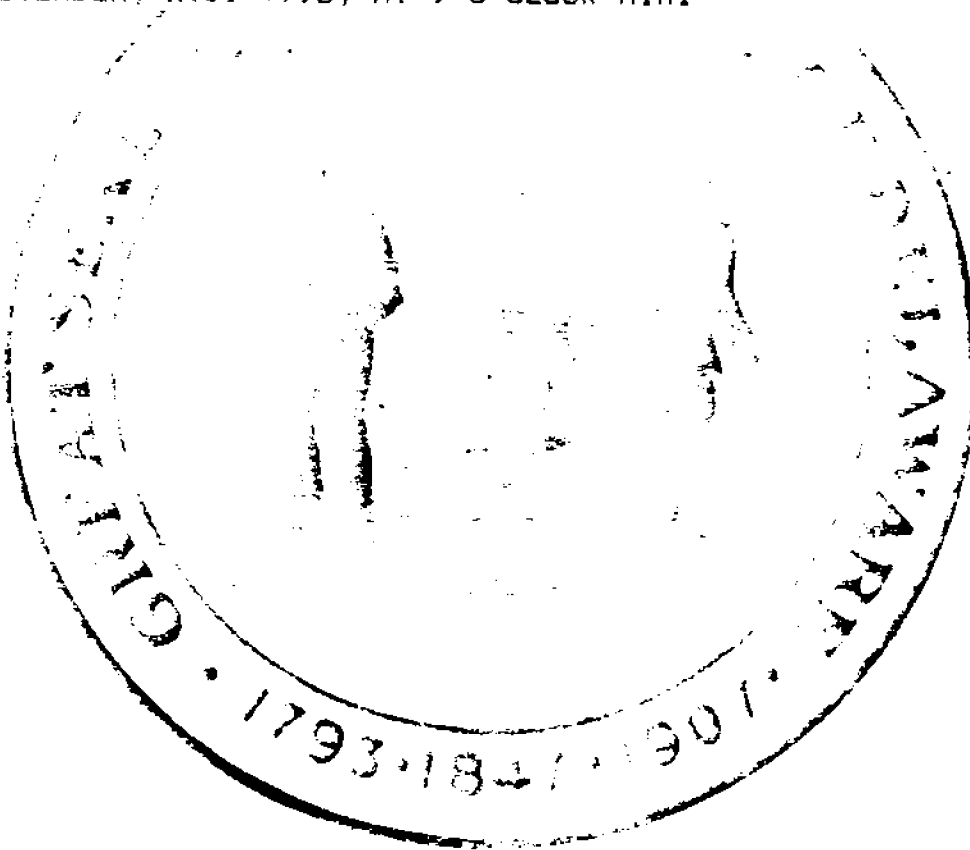
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Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AGREEMENT OF MERGER OF "GUITAR CENTER, INC.", FILED IN THIS OFFICE ON THE SIXTH DAY OF NOVEMBER, A.D. 1996, AT 9 O'CLOCK A.M.



*Edward J. Freel*

Edward J. Freel, Secretary of State

2659725 8100

960323354

AUTHENTICATION:

8179936

DATE:

11-06-96

TRADEMARK  
REEL: 002923 FRAME: 0266

## AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (the "Reincorporation Merger Agreement") is made as of the first day of November, 1996 by and between GUITAR CENTER MANAGEMENT COMPANY, INC., a California corporation ("GCMC"), and GUITAR CENTER, INC. ("GCI"), a Delaware corporation and a wholly-owned subsidiary of GCMC.

WHEREAS, GCMC is a corporation duly organized and existing under the laws of the State of California;

WHEREAS, GCI is a corporation duly organized and existing under the laws of the State of Delaware;

WHEREAS, on the date hereof, GCMC's authorized capital stock consists of (i) 10,000,000 shares of common stock, no par value ("Common Stock"), of which 1,400,000 shares are issued and outstanding as of the date hereof ("GCMC Common Shares"); (ii) 10,000,000 shares of preferred stock of which (a) 4,250,000 shares of Preferred Stock are designated as 14% Senior Preferred Stock ("GCMC Senior Preferred Shares") and of which 800,000 are issued and outstanding as of the date hereof, and (b) 1,500,000 shares of Preferred Stock are designated as 8% Junior Preferred Stock ("GCMC Junior Preferred Shares") and of which 1,386,000 are issued and outstanding;

WHEREAS, on the date hereof, GCI's authorized capital stock consists of (i) 10,000,000 shares of common stock, par value \$.01 per share ("GCI Common Stock"), of which 1,000 shares are issued and outstanding and owned by GCMC, and (ii) 10,000,000 shares of preferred stock, par value \$.01, of which 4,250,000 shares are designated as 14% Senior Preferred Stock ("GCI Senior Preferred Shares") and none are issued and outstanding as of the date hereof and 1,765,000 shares are designated as 8% Junior Preferred Stock ("GCI Junior Preferred Shares") and none are issued and outstanding as of the date hereof;

WHEREAS, the respective Boards of Directors of GCMC and GCI have determined that it is advisable and in the best interests of the two corporations that GCMC merge into GCI upon the terms and conditions provided herein for the purpose of effecting the reincorporation of GCMC in the State of Delaware;

WHEREAS, GCMC and GCI intend that the merger contemplated hereby qualify as a tax-free reorganization within the meaning of Section 368 of the Internal Revenue Code of 1986;

NOW, THEREFORE, in consideration of the mutual agreements and covenants set forth herein, GCMC and GCI hereby agree to merge in accordance with the following plan:

1. *Merger.* GCMC shall be merged with and into GCI and GCI shall survive the merger herein contemplated and shall continue to be governed by the laws of the State of Delaware, but the corporate existence of GCMC shall cease forthwith upon the Effective Time (as defined below). GCI is sometimes hereinafter referred to as the "Surviving Corporation."

2. *Effective Time.* This Reincorporation Merger Agreement shall become effective immediately upon compliance with the laws of the States of California and Delaware, the time of such effectiveness being hereinafter Effective Time.

3. *Certificate of Incorporation.* The Certificate of Incorporation of GCI shall be the Certificate of Incorporation of the Surviving Corporation following the Effective Time unless and until the same shall be amended or repealed in accordance with the provisions thereof, which power to amend or repeal is hereby expressly reserved, and all rights or powers of whatsoever nature conferred in such Certificate of Incorporation or herein upon any stockholder or director or officer of GCI or upon any other persons whomsoever are subject to the reserve power.

4. *Bylaws.* The Bylaws of GCI as they exist at the Effective Time shall be the Bylaws of the Surviving Corporation following the Effective Time unless and until the same shall be amended or repealed in accordance with the provisions thereof.

5. *Board of Directors and Officers.* The members of the Board of Directors and the officers of the Surviving Corporation immediately after the Effective Time of the merger shall be those persons who were the members of the Board of Directors and the officers, respectively, of GCI immediately prior to the Effective Time, and such persons shall serve in such offices, respectively, for the terms provided by law or in the Bylaws, or until their respective successors are elected and qualified.

6. *Further Assurances.* From time to time, as and when required by GCI or by its successors and assigns, there shall be executed and delivered on behalf of GCMC such deeds and other instruments, and there shall be taken or caused to be taken by it all such further and other action, as shall be appropriate or necessary in order to vest, perfect or confirm, of record or otherwise in the Surviving Corporation the title to and possession of all property, interests, assets, rights, privileges, immunities, powers, franchises and authority of GCMC, and otherwise to carry out the purposes of this Reincorporation Merger Agreement, and the officers and directors of the Surviving Corporation are fully authorized in the name and on behalf of GCMC or otherwise to take any and all such action and to execute and deliver any and all such deeds and other instruments.

7. *Common Stock of GCMC.* Upon the Effective Time, without any action on the part of the holder thereof, each GCMC Common Share outstanding immediately prior thereto

shall be changed and converted into and shall be one fully paid and nonassessable share of GCI Common Stock.

8. *Capital Stock of GCI.* Upon the Effective Time, without any action on the part of the holder thereof, each share of outstanding GCI Common Stock held by GCMC immediately prior thereto shall be cancelled and retired and shall resume the status of an authorized and unissued GCI Common Stock. No share of GCI Common Stock or other securities of GCI shall be issued in respect thereof, and no amount shall be paid or other property delivered in respect thereof.

9. *GCMC Senior Preferred Stock.* Upon the Effective Time, without any action on the part of the holder thereof, each GCMC Senior Preferred Share outstanding immediately prior thereto shall be changed and converted into and shall be one fully paid and nonassessable GCI Senior Preferred Share.

10. *GCMC Junior Preferred Stock.* Upon the Effective Time, without any action on the part of the holder thereof, each GCMC Junior Preferred Share outstanding immediately prior thereto shall be changed and converted into and shall be one fully paid and nonassessable GCI Junior Preferred Share.

11. *Common Stock Certificates.* On and after the Effective Time, all of the outstanding certificates which, prior to that time, represented GCMC Common Shares shall be deemed for all purposes to evidence ownership of and to represent an equal number of GCI Common Stock and shall be so registered on the books and records of GCI. The registered owner of any such outstanding stock certificate shall, until such certificate shall have been surrendered for transfer or conversion or otherwise accounted for to GCI, have and be entitled to exercise any and all voting and other rights with respect to, and to receive any dividends and other distributions upon, the shares of GCI Common Stock evidenced by such outstanding certificate as provided above. After the Effective Time, whenever certificates which formerly represented GCMC Common Shares are presented for exchange or registration of transfer, certificates representing an equal number of shares of GCI Common Stock shall be issued in respect thereof.

12. *Senior Preferred Stock Certificates.* On and after the Effective Time, all of the outstanding certificates which prior to that time represented GCMC Senior Preferred Shares shall be deemed for all purposes to evidence ownership of and to represent an equal number of shares of GCI Senior Preferred Shares and shall be so registered on the books and records of GCI. The registered owner of any such outstanding preferred stock certificate shall, until such certificate shall have been surrendered for transfer or conversion or otherwise accounted for to GCI have and be entitled to exercise any and all rights with respect to, and to receive any dividends and other distributions upon, the shares of GCI Senior Preferred Shares evidenced by such outstanding certificate as provided above. After the Effective Time, whenever certificates which formerly represented GCMC Senior Preferred Shares are

presented for exchange or registration of transfer, certificates representing an equal number of GCI Senior Preferred Shares shall be issued in respect thereof.

13. *Junior Preferred Stock Certificates.* On and after the Effective Time, all of the outstanding certificates which prior to that time represented GCMC Junior Preferred Shares shall be deemed for all purposes to evidence ownership of and to represent an equal number of GCI Junior Preferred Shares and shall be so registered on the books and records of GCI. The registered owner of any such outstanding preferred stock certificate shall, until such certificate shall have been surrendered for transfer or conversion or otherwise accounted for to GCI have and be entitled to exercise any and all rights with respect to, and to receive any dividends and other distributions upon, the shares of GCI Junior Preferred Shares evidenced by such outstanding certificate as provided above. After the Effective Time, whenever certificates which formerly represented GCMC Junior Preferred Shares are presented for exchange or registration of transfer, certificates representing an equal number of shares of GCI Junior Preferred Shares shall be issued in respect thereof.

14. *Outstanding Options Under Employee Plan.* Upon the Effective Time, each outstanding option to purchase Units consisting of GCMC Common Shares and GCMC Junior Preferred Shares as provided under the 1996 Performance Employee Stock Option Plan (the "Plan") shall be converted into and become an option to purchase a Unit consisting of the same number of shares of GCI Common Stock and GCI Junior Preferred Shares at the same exercise price per Unit, and upon the same terms and subject to the same conditions as set forth in the Plan, as in effect on the Effective Time. The same number of shares of GCI Common Stock and GCI Junior Preferred Shares shall be reserved for purposes of the Plan as is equal to the number of shares of GCMC Common Shares and GCMC Junior Preferred Shares so reserved as of the Effective Time. As of the Effective Time, GCI shall assume all of the obligations of GCMC under the Plan and the outstanding options or portions thereof granted pursuant to the Plan.

15. *Outstanding Options Under Management Plan.* Upon the Effective Time, each outstanding option to purchase Units consisting of GCMC Common Shares and GCMC Junior Preferred Shares as provided under its existing management agreements ("Management Agreements") shall be converted into and become an option to purchase Units consisting of the same number of shares of GCI Common Stock and GCI Junior Preferred Shares at the same exercise price per Unit, and upon the same terms and subject to the same conditions as set forth in the Management Agreement, as in effect on the Effective Time. The same number of shares of GCI Common Stock and GCI Junior Preferred Stock shall be reserved for purposes of the Management Agreements as is equal to the number of shares of GCMC Common Shares and GCMC Junior Preferred Shares so reserved as of the Effective Time. As of the Effective Time, GCI shall assume all of the obligations of GCMC under the Management Agreements and the outstanding options or portions thereof granted pursuant to the Management Agreements.

16. *Warrants.* Upon the Effective Time, each outstanding GCMC Warrant to purchase GCMC Common Shares and GCMC Junior Preferred Shares shall be converted into and become a warrant to purchase the same number of shares of GCI Common Stock and GCI Junior Preferred Shares at the same exercise price, and upon the same terms and subject to the same conditions as set forth in the GCMC Warrant as in effect on the Effective Time. The same number of shares of GCI Common Stock and GCI Junior Preferred Shares shall be reserved for purposes of the Warrants as is equal to the number of shares of GCMC Common Shares and GCMC Junior Preferred Shares so reserved as of the Effective Time. As of the Effective Time GCI shall assume all of the obligations of GCMC under the GCMC Warrants.

17. *Other Employee Benefit Plans.* As of the Effective Time, GCI hereby assumes all obligations of GCMC under any and all employee benefit plans in effect as of such time or with respect to which employee rights or accrued benefits are outstanding as of such time.

18. *Covenants of GCI.* GCI covenants and agrees that it shall, on or before the Effective Time, qualify to do business as a foreign corporation in such states and take such other actions in connection therewith, as the Board of Directors of GCMC may deem necessary for the conduct by GCI of the business previously conducted by GCMC.

19. *Book Entries.* As of the Effective Time, entries shall be made upon the books of GCI in respect of the Reincorporation Merger in accordance with the following:

a. The assets and liabilities of GCMC immediately prior to the Effective Time shall be recorded on the books of GCI immediately prior to the Effective Time, with appropriate adjustments to reflect the retirement of the outstanding shares of GCI Common Stock issued to and held by GCMC and such other adjustments as may be deemed appropriate by the Board of Directors of GCI.

b. There shall be credited as stated capital in respect of the GCI Common Stock the aggregate amount of the par value of all shares of GCI Common Stock issued as a result of the conversion of the outstanding GCMC Common Shares into shares GCI Common Stock pursuant to the Reincorporation Merger.

c. There shall be credited as surplus in respect of the capital account of GCI the excess of (i) the amount of the capital of GCMC in respect of the GCMC Common Shares plus the amount carried in the capital surplus account of GCMC immediately prior to the Effective Time over (ii) the amount credited as stated capital in respect of the GCI Common Stock pursuant to paragraph (b) of this Section 20.

d. There shall be credited as surplus in respect of retained earnings of GCI the aggregate of the amount carried in the retained earnings account of GCMC prior to the Effective Time.



20. *Amendment.* At any time before or after approval and adoption of this Reincorporation Merger Agreement by the shareholders of GCMC and prior to the Effective Time, this Reincorporation Merger Agreement may be amended in any manner as may be determined in the judgment of the respective Boards of Directors of GCMC and GCI to be necessary, desirable or expedient; provided, however, that, after the approval of this Reincorporation Merger Agreement by the shareholders of GCMC, such amendment may not materially adversely affect the rights and interests of the shareholders of GCMC.

21. *Abandonment.* At any time before the Effective Time, this Reincorporation Merger Agreement may be terminated and the merger provided for herein may be abandoned, by the Board of Directors of either GCMC or GCI or both, notwithstanding the approval of this Reincorporation Merger Agreement by the shareholders of GCMC or GCI or both.

22. *Counterparts.* In order to facilitate the filing and recording of this Reincorporation Merger Agreement, the same may be executed in two or more counterparts, each of which shall be deemed to be an original and the same agreement.

IN WITNESS WHEREOF, this Reincorporation Merger Agreement, having first been duly approved by resolution of the Boards of Directors of GCMC and GCI, is hereby executed on behalf of GCMC and GCI by their respective officers thereunto duly authorized, as of the date first above written.

Attest:

"GCMC"  
GUITAR CENTER MANAGEMENT  
COMPANY, INC.  
a California corporation

  
\_\_\_\_\_  
Bruce L. Ross

By:   
\_\_\_\_\_  
Marty Albertson

Attest:

"GCI"  
GUITAR CENTER, INC.  
a Delaware corporation

  
\_\_\_\_\_  
Bruce L. Ross

By:   
\_\_\_\_\_  
Marty Albertson

I, Bruce L. Ross, Secretary of Guitar Center, Inc., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certify, as such Secretary, that the Agreement of Merger to which this Certificate is attached, after having been first duly signed on behalf of the Corporation and after being signed on behalf of Guitar Center Management Company, Inc., a corporation organized and existing under the laws of the State of California, was duly approved and adopted pursuant to Section 228 of the General Corporation Law of Delaware, by unanimous written consent dated as of October 23, 1996 of the stockholder holding 1,000 shares of the Common Stock of the Corporation, being all of the shares issued and outstanding, which Agreement of Merger was thereby adopted as the act of the stockholder of the Corporation, and the duly adopted agreement and act of the Corporation.

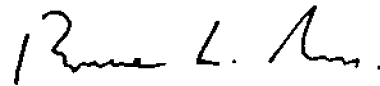
IN WITNESS WHEREOF, I have duly executed this Agreement of Merger this 23<sup>rd</sup> day of October, 1996.



Bruce L. Ross

I, Bruce L. Ross, Secretary of Guitar Center Management Company, Inc., a corporation organized and existing under the laws of the State of California (the "Corporation"), hereby certify, as such Secretary, that the Agreement of Merger to which this Certificate is attached, after having been first duly signed on behalf of the Corporation and after being signed on behalf of Guitar Center, Inc., a corporation organized and existing under the laws of the State of Delaware, was duly approved and adopted pursuant to Section 603 of the General Corporation Law of California, by the written consent of the shareholders holding a majority of the outstanding Shares of each of the Common Stock, the 14% Senior Preferred Stock and the 8% Junior Preferred Stock of the Corporation, which Agreement of Merger, upon such approval was thereby adopted as the act of the shareholders of the Corporation, and the duly adopted agreement and act of the Corporation.

IN WITNESS WHEREOF, I have duly executed this Agreement of Merger this 23<sup>rd</sup> day of October, 1996.



Bruce L. Ross