

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

-----X  
 In re: : Chapter 11  
 :  
 THE SCOOTER STORE HOLDINGS, INC., *et al.*<sup>1</sup>, : Case No. 13-10904 (PJW)  
 :  
 : Jointly Administered  
 Debtors. :  
 : **Re: Docket Nos. 159 & 391**  
 -----X

**ORDER APPROVING STIPULATION AMONG DEBTORS, DIP AGENT AND DIP  
LENDERS REGARDING TERMINATION OF DIP CREDIT FACILITY**

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: The SCOOTER Store Holdings, Inc. (7246); The SCOOTER Store – Albuquerque, L.L.C. (3265); The SCOOTER Store – Atlanta, L.L.C. (9883); The SCOOTER Store–Austin, LTD. (4716); The SCOOTER Store – Baltimore, L.L.C. (9884); The SCOOTER Store – Baton Rouge, L.L.C. (9886); The SCOOTER Store – Birmingham, L.L.C. (9887); The SCOOTER Store– Boca Raton, L.L.C. (9889); The SCOOTER Store – Boston, L.L.C. (9893); The SCOOTER Store – Charleston, L.L.C. (9894); The SCOOTER Store – Charlotte, L.L.C. (9902); The SCOOTER Store–Chicago, L.L.C. (2368); The SCOOTER Store – Concord, L.L.C. (9906); The SCOOTER Store–Dallas, LTD. (4717); The SCOOTER Store – Dayton, L.L.C. (8678); The SCOOTER Store – Denver, L.L.C. (9909); The SCOOTER Store – Des Moines, L.L.C. (1260); The SCOOTER Store–Detroit, L.L.C. (2358); The SCOOTER Store–Grand Rapids, L.L.C. (1291); The SCOOTER Store – Green Bay, L.L.C. (1832); The SCOOTER Store – Greenville, L.L.C. (9911); The SCOOTER Store – Hartford, L.L.C. (9912); The SCOOTER Store–Houston, LTD. (4718); The SCOOTER Store – Indianapolis, L.L.C. (8684); The SCOOTER Store – Jackson, L.L.C. (9914); The SCOOTER Store – Jacksonville, L.L.C. (9916); The SCOOTER Store – Kansas City, L.L.C. (8655); The SCOOTER Store – Knoxville, L.L.C. (9921); The SCOOTER Store – Las Vegas, L.L.C. (0038); The SCOOTER Store – Levittown, L.L.C. (9926); The SCOOTER Store – Lincoln, L.L.C. (N/A); The SCOOTER Store – Little Rock, L.L.C. (6425); The SCOOTER Store – Los Angeles, L.L.C. (1294); The SCOOTER Store – Louisville, L.L.C. (9930); The SCOOTER Store–Lubbock, LTD. (4720); The SCOOTER Store–Madison, L.L.C. (1829); The SCOOTER Store – Minneapolis, L.L.C. (9932); The SCOOTER Store – Mobile, L.L.C. (1466); The SCOOTER Store – Nashville, L.L.C. (9939); The SCOOTER Store – Oklahoma City, L.L.C. (6430); The SCOOTER Store – Orlando, L.L.C. (9943); The SCOOTER Store – Paterson, L.L.C. (9949); The SCOOTER Store – Philadelphia, L.L.C. (9945); The SCOOTER Store – Phoenix, L.L.C. (9950); The SCOOTER Store – Pittsburgh, L.L.C. (9952); The SCOOTER Store – Portland, L.L.C. (1922); The SCOOTER Store–Raleigh Durham, L.L.C. (6134); The SCOOTER Store – Richmond, L.L.C. (8676); The SCOOTER Store – Rochester, L.L.C. (9954); The SCOOTER Store – Sacramento, L.L.C. (1298); The SCOOTER Store – Salt Lake City, L.L.C. (1921); The SCOOTER Store–San Antonio, LTD. (4724); The SCOOTER Store – San Diego, L.L.C. (1296); The SCOOTER Store – San Francisco, L.L.C. (1293); The SCOOTER Store – Schenectady, L.L.C. (9958); The SCOOTER Store – Seattle, L.L.C. (1918); The SCOOTER Store – Shreveport, L.L.C. (9961); The SCOOTER Store–Springfield, L.L.C. (1834); The SCOOTER Store – St. Louis, L.L.C. (6975); The SCOOTER Store–Toledo, L.L.C. (8681); The SCOOTER Store – Tulsa, L.L.C. (6436); The SCOOTER Store – West Virginia, L.L.C. (8672); The SCOOTER Store – Wichita, L.L.C. (N/A); The SCOOTER Store – Wilkes-Barre, L.L.C. (9962); The SCOOTER Store, Inc. (7905); The SCOOTER Store–USA, Inc. (0608); The SCOOTER Store – Development, L.L.C. (5073); The SCOOTER Store Financial Services, L.L.C. (5481); The SCOOTER Store Aviation, L.L.C. (7185); TSS Management Company, Inc. (4241); TSS Investments, Inc. (4242); and The Scooter Store, LTD. (0039). The Debtors’ mailing address is 1650 Independence Drive, New Braunfels, Texas 78132.

This Court having considered the *Certification of Counsel Regarding Order Approving Stipulation Among Debtors, DIP Agent and DIP Lenders Regarding Termination of DIP Credit Facility* (the “Certification of Counsel”) filed by the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) on July 29, 2013, pursuant to which the Debtors seek entry of an Order approving a certain Stipulation entered into by and among the Debtors, the DIP Agent<sup>2</sup> and the DIP Lenders, a copy of which is attached hereto as Exhibit A, regarding the termination of the DIP Facility; and it appearing that the Debtors, the DIP Agent and the DIP Lenders have executed, agreed to, and approved the Stipulation; and it appearing that due notice of the relief contemplated in this Order has been given; and it appearing that no further notice of the relief requested in Certification of Counsel is required; it is hereby ORDERED that:

1. The Stipulation attached hereto as Exhibit A is hereby approved in its entirety and is incorporated herein by reference as if fully set forth herein.
2. The parties to the Stipulation are authorized to take any and all steps as may be necessary to implement the terms of the Stipulation.
3. The Court shall retain jurisdiction over any and all matters arising from or related to the implementation or interpretation of this Order.
4. For clarification, the term “Loan Documents” referred to in the Payoff Letter attached to the Stipulation as Exhibit A shall mean the “DIP Financing Documents” as such term is defined in that certain *Final Order Pursuant to 11 U.S.C. Sections 105, 361, 362, 363 and 364 and Rules 2002, 4001, and 9014 of the Federal Rules of Bankruptcy Procedure (I Authorizing Incurrence by the Debtors of Postpetition Secured indebtedness with Priority Over*

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<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Stipulation.

*all Secured Indebtedness and With Administrative Superpriority, (II) Granting Liens, (III) Authorizing the Use of Cash Collateral by the Debtors Pursuant to 11 U.S.C. Section 363 and Providing for Adequate Protection, and (IV) Modifying the Automatic Stay [Docket No. 159].*

5. Notwithstanding Rule 6004(h) of the Federal Rules of Bankruptcy Procedure, this Order shall be immediately effective and enforceable upon its entry, and shall not be stayed.

Dated: July 2, 2013  
Wilmington, Delaware



Peter J. Walsh  
United States Bankruptcy Judge

**EXHIBIT A**

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

----- X
In re: : Chapter 11
:
THE SCOOTER STORE HOLDINGS, INC., et al.1, : Case No. 13-10904 (PJW)
:
: Jointly Administered
Debtors. :
: Re: D.I. 159
----- X

STIPULATION AMONG DEBTORS, DIP AGENT AND DIP LENDERS
REGARDING TERMINATION OF DIP CREDIT FACILITY

1 The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: The SCOOTER Store Holdings, Inc. (7246); The SCOOTER Store - Albuquerque, L.L.C. (3265); The SCOOTER Store - Atlanta, L.L.C. (9883); The SCOOTER Store-Austin, LTD. (4716); The SCOOTER Store - Baltimore, L.L.C. (9884); The SCOOTER Store - Baton Rouge, L.L.C. (9886); The SCOOTER Store - Birmingham, L.L.C. (9887); The SCOOTER Store- Boca Raton, L.L.C. (9889); The SCOOTER Store - Boston, L.L.C. (9893); The SCOOTER Store - Charleston, L.L.C. (9894); The SCOOTER Store - Charlotte, L.L.C. (9902); The SCOOTER Store-Chicago, L.L.C. (2368); The SCOOTER Store - Concord, L.L.C. (9906); The SCOOTER Store-Dallas, LTD. (4717); The SCOOTER Store - Dayton, L.L.C. (8678); The SCOOTER Store - Denver, L.L.C. (9909); The SCOOTER Store - Des Moines, L.L.C. (1260); The SCOOTER Store-Detroit, L.L.C. (2358); The SCOOTER Store-Grand Rapids, L.L.C. (1291); The SCOOTER Store - Green Bay, L.L.C. (1832); The SCOOTER Store - Greenville, L.L.C. (9911); The SCOOTER Store - Hartford, L.L.C. (9912); The SCOOTER Store-Houston, LTD. (4718); The SCOOTER Store - Indianapolis, L.L.C. (8684); The SCOOTER Store - Jackson, L.L.C. (9914); The SCOOTER Store - Jacksonville, L.L.C. (9916); The SCOOTER Store - Kansas City, L.L.C. (8655); The SCOOTER Store - Knoxville, L.L.C. (9921); The SCOOTER Store - Las Vegas, L.L.C. (0038); The SCOOTER Store - Levittown, L.L.C. (9926); The SCOOTER Store - Lincoln, L.L.C. (N/A); The SCOOTER Store - Little Rock, L.L.C. (6425); The SCOOTER Store - Los Angeles, L.L.C. (1294); The SCOOTER Store - Louisville, L.L.C. (9930); The SCOOTER Store-Lubbock, LTD. (4720); The SCOOTER Store-Madison, L.L.C. (1829); The SCOOTER Store - Minneapolis, L.L.C. (9932); The SCOOTER Store - Mobile, L.L.C. (1466); The SCOOTER Store - Nashville, L.L.C. (9939); The SCOOTER Store - Oklahoma City, L.L.C. (6430); The SCOOTER Store - Orlando, L.L.C. (9943); The SCOOTER Store - Paterson, L.L.C. (9949); The SCOOTER Store - Philadelphia, L.L.C. (9945); The SCOOTER Store - Phoenix, L.L.C. (9950); The SCOOTER Store - Pittsburgh, L.L.C. (9952); The SCOOTER Store - Portland, L.L.C. (1922); The SCOOTER Store-Raleigh Durham, L.L.C. (6134); The SCOOTER Store - Richmond, L.L.C. (8676); The SCOOTER Store - Rochester, L.L.C. (9954); The SCOOTER Store - Sacramento, L.L.C. (1298); The SCOOTER Store - Salt Lake City, L.L.C. (1921); The SCOOTER Store-San Antonio, LTD. (4724); The SCOOTER Store - San Diego, L.L.C. (1296); The SCOOTER Store - San Francisco, L.L.C. (1293); The SCOOTER Store - Schenectady, L.L.C. (9958); The SCOOTER Store - Seattle, L.L.C. (1918); The SCOOTER Store - Shreveport, L.L.C. (9961); The SCOOTER Store-Springfield, L.L.C. (1834); The SCOOTER Store - St. Louis, L.L.C. (6975); The SCOOTER Store-Toledo, L.L.C. (8681); The SCOOTER Store - Tulsa, L.L.C. (6436); The SCOOTER Store - West Virginia, L.L.C. (8672); The SCOOTER Store - Wichita, L.L.C. (N/A); The SCOOTER Store - Wilkes-Barre, L.L.C. (9962); The SCOOTER Store, Inc. (7905); The SCOOTER Store-USA, Inc. (0608); The SCOOTER Store - Development, L.L.C. (5073); The SCOOTER Store Financial Services, L.L.C. (5481); The SCOOTER Store Aviation, L.L.C. (7185); TSS Management Company, Inc. (4241); TSS Investments, Inc. (4242); and The Scooter Store, LTD. (0039). The Debtors' mailing address is 1650 Independence Drive, New Braunfels, Texas 78132.

This stipulation (the "Stipulation") is entered into as of July 29, 2013, by and among The Scooter Store – Holdings Inc. and each of the other debtors and debtors-in-possession in the above-captioned chapter 11 cases (each a "Debtor" and collectively the "Debtors"), on the one hand, and Crystal Financial LLC, as DIP Agent (as defined below) under the DIP Credit Agreement (as defined below) and the DIP Lenders (as defined below) under the DIP Credit Agreement, on the other hand (collectively, the Debtors, the DIP Agent and the DIP Lenders are hereinafter referred to as the "Parties").

RECITALS

A. On April 15, 2013 (the "Commencement Date"), each of the Debtors commenced a Chapter 11 case by filing a petition under chapter 11 of Title 11, United States Code, 11 U.S.C. §§101 *et seq.* (the "Bankruptcy Code") with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Debtors continue to operate their business and manage their properties as debtors in possession pursuant to Section 1107(a) and 1108 of the Bankruptcy Code.

B. By order of the Bankruptcy Court, the Debtors' chapter 11 cases are being jointly administered solely for procedural purposes under the above case caption. On April 25, 2013, the Office of the United States Trustee for the District of Delaware appointed an official committee of unsecured creditors (the "Committee").

C. By motion, dated April 15, 2013 [Docket No. 11], the Debtors sought authorization to obtain senior secured post-petition financing pursuant to that certain Debtor-In-Possession Loan and Security Agreement dated as of April 16, 2013 (as the same has been amended, supplemented or otherwise modified from time to time, the "DIP Credit Agreement"), by and among the Debtors, Crystal Financial LLC, as agent (the "DIP Agent") and the lenders party thereto (the "DIP Lenders").

D. On May 17, 2013, this Court entered, at Docket No. 159, its "*Final Order Pursuant to 11 U.S.C. Sections 105, 361, 362, 363 and 364 and Rules 2002, 4001, and 9014 of the Federal Rules of Bankruptcy Procedure (I) Authorizing Incurrence by the Debtors of Postpetition Secured indebtedness with Priority Over all Secured Indebtedness and With Administrative Superpriority, (II) Granting Liens,*

*(III) Authorizing the Use of Cash Collateral by the Debtors Pursuant to 11 U.S.C. Section 363 and Providing for Adequate Protection, and (IV) Modifying the Automatic Stay*” (as same has been amended or modified prior to the date hereof, the “Final DIP Order”). Capitalized terms used but not otherwise defined in this Stipulation shall have the meanings ascribed to such terms in the Final DIP Order.

E. Pursuant to the Final DIP Order, among other things, (i) the Debtors were authorized to obtain post-petition financing from the DIP Lenders pursuant to the DIP Credit Agreement and the other DIP Financing Documents, and to use the proceeds of the DIP Facility for the purposes and on the terms set forth in the DIP Credit Agreement, (ii) the DIP Agent, for the benefit of itself and the DIP Lenders, was granted first priority liens and security interests on all DIP Collateral as security for all DIP Obligations, subject only to certain specified Permitted Liens and to the Carve Out, (iii) the DIP Agent and the DIP Lenders were granted superpriority administrative claims in each of the Cases (and any Successor Cases) in respect of all DIP Obligations, subject only to the Carve Out, (iv) the Debtors were authorized to use Cash Collateral of the Adequate Protection Parties and to provide adequate protection to the Adequate Protection Parties as and to the extent specified in the Final DIP Order, and (v) the Debtors were authorized and directed to apply all collections and other proceeds of DIP Collateral first, to reduce the DIP Obligations pursuant to the terms of the DIP Credit Agreement, and second, to repay the Prepetition Senior Secured Obligations in accordance with the terms of the Prepetition Senior Secured Credit Documents.

F. Pursuant to the Final DIP Order, all parties in interest (other than the Debtors, the Committee and the members of the Committee, each of which, pursuant to the Final DIP Order, waived its rights to assert challenges to the Prepetition Senior Secured Obligations and/or to bring claims against the Prepetition Senior Secured Parties) were required to file, prior to the expiration of the Senior Secured Challenge Period, (i) any challenges to the Debtors’ Senior Secured Stipulations or the Prepetition Senior Secured Obligations, and/or (ii) any claims against the Prepetition Senior Secured Parties. The Debtors confirm and acknowledge that no such challenges or claims were filed prior to the expiration of the

Senior Secured Challenge Period and therefore the Senior Secured Challenge Termination Date has occurred.

G. The Debtors have informed the DIP Lenders that in light of the cash balances maintained in the Debtors' accounts they believe it is in the best interests of their estates to (i) repay in full all outstanding DIP Obligations and terminate the DIP Facility provided by the DIP Credit Agreement, and (ii) fund their operations and chapter 11 expenses through the use of Cash Collateral in which junior secured creditors may have an interest and/or through alternative financing.

H. To facilitate the termination of the DIP Facilities and the orderly transition to the Debtors' use of Cash Collateral thereafter, the Parties have entered into this Stipulation.

**NOW, THEREFORE**, it is hereby stipulated and agreed by and between the Parties hereto, by and through their respective attorneys, and subject only to Bankruptcy Court approval, as follows:

1. Incorporation of Recitals. The foregoing Recitals are incorporated by reference.
2. Termination of DIP Facility; Repayment of DIP Obligations. Subject to and upon the satisfaction of all conditions set forth in clauses (i), (ii) and (iii) of paragraph 2(a) of that certain payoff letter, dated July 26, 2013, attached hereto as Exhibit A (the "Payoff Letter"), including, without limitation, the payment in full of the Payoff Amount on or prior to the Required Payoff Time (each as defined in the Payoff Letter) (the first date upon which all of the conditions set forth in clauses (i), (ii) and (iii) of paragraph 2(a) of the Payoff Letter shall have been satisfied, hereinafter the "Effective Date"), the DIP Facility shall be terminated, any and all Commitments under the DIP Credit Agreement or any other DIP Financing Documents shall be reduced to zero and terminated, in each case effective as of the Effective Date. Without in any manner limiting the foregoing, and notwithstanding anything to the contrary contained in the Final DIP Order, on the Effective Date, any and all obligations of the DIP Agent and the DIP Lenders under the DIP Financing Documents and/or the Final DIP Order, including, without limitation, all obligations under or in respect of the Carve Out, shall be deemed satisfied and released, and



neither the DIP Agent nor the DIP Lenders shall have any further or ongoing obligations to the Debtors or their estates under the DIP Financing Documents or the Final DIP Order.

3. Release of DIP Liens. On the Effective Date, the DIP Liens and the DIP Superpriority Claim shall be terminated and released as set forth in the Payoff Letter; provided, however, that, in accordance with the DIP Financing Documents and the Final DIP Order, the Debtors are not released from, and shall remain liable to the DIP Agent and the DIP Lenders for, any Continuing Obligations (as defined in the Payoff Letter) and, for the avoidance of doubt, the protections of the DIP Liens and the Superpriority Claim in respect of any such Continuing Obligations shall survive any termination of the DIP Facility.

4. Release of DIP Agent and DIP Lenders. On the Effective Date, the releases in favor of the Released Parties (as defined in the Payoff Letter) contained in the Payoff Letter shall be effective and shall be binding on the Debtors, all creditors and all other parties in interest (including, without limitation, the Committee (and its members) and any Chapter 11 or Chapter 7 trustee appointed in the Cases or any Successor Cases). Nothing herein shall limit, modify or alter the effectiveness of any releases otherwise granted pursuant to the Final DIP Order or otherwise.

5. Escrow of Estimated Carve Out Pending Finality of Approval Order. From the cash to be remitted to the Debtors in accordance with the Payoff Letter, the Debtors shall, on the Effective Date, deposit \$2,836,000 (representing the estimated maximum unused portion of the Carve Out pursuant to the Final DIP Order) into a segregated account (the "Reserve") and shall provide evidence of same to the DIP Agent and any other party in interest that specifically requests same in a writing provided to the Debtors' counsel. Unless otherwise specifically authorized by order of the Bankruptcy Court obtained following notice to the DIP Agent and a hearing, the funds in the Reserve shall not be invaded by the Debtors until the Approval Order (as defined below) shall have become final and non-appealable.

6. Continued Effectiveness of Final DIP Order. Except to the extent specifically set forth herein, nothing herein alters or amends the Final DIP Order and such order remains in full force and effect.

7. Approval of this Stipulation. The Debtors shall, within one business day following the execution and delivery of this Stipulation by all Parties, seek (on an emergency and expedited basis) entry of an order of the Bankruptcy Court approving this Stipulation in its entirety. Any such order entered by the Bankruptcy Court shall be in form and substance acceptable to the DIP Agent and the DIP Parties.

8. Effectiveness of this Stipulation. This Stipulation shall become effective immediately upon the date of entry of an order of the Bankruptcy Court approving this Stipulation (the "Approval Order"), failing which (i) this Stipulation shall be null and void and shall not be used for any purpose in any action, litigation or proceeding, and (ii) the Parties' rights shall be restored to the *status quo ante*. The Approval Order shall be in form and substance acceptable to the DIP Agent and the DIP Lenders.

9. Authorization, Etc. Each person executing this Stipulation on behalf of a Party or Parties represents that such person is duly authorized and empowered to execute this Stipulation on behalf of such Party or Parties. This Stipulation shall be binding upon and inure to the benefit of the Parties and their respective representatives, successors and assigns (including, without limitation, any chapter 11 trustee or chapter 7 trustee appointed in the Cases or any Successor Cases. Except as expressly provided in this Stipulation, this Stipulation is not intended for and will not be construed or enforced for the benefit of any other individual or entity. The Parties and their respective attorneys each have reviewed and participated in the drafting of this Stipulation such that this Stipulation should be construed as having been equally written by each of the Parties.

10. Amendment of Stipulation. This Stipulation may not be altered, amended or modified, excepting in writing signed by each of the Parties. Further, the Debtors shall not alter, amend or modify in any way any of the terms of this Stipulation through a plan of reorganization or otherwise.

11. Jurisdiction. The Parties agree that the Bankruptcy Court shall retain jurisdiction over any matters pertaining to the terms of this Stipulation.

12. Counterparts. This Stipulation may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation to present any copy, copies, pdfs or facsimiles signed by the parties hereto to be charged.

[signature page follows]

Dated: July 29, 2013

YOUNG CONAWAY STARGATT  
& TAYLOR, LLP

Michael R. Nestor

Robert S. Brady (No. 2847)  
Michael R. Nestor (No. 3526)  
Kenneth J. Enos (No. 4544)  
Andrew L. Magaziner (No. 5426)  
Rodney Square  
1000 North King Street  
Wilmington, DE 19801  
Telephone: (302) 571-6600  
Facsimile: (302) 571-1253

-and-

MORGAN LEWIS & BOCKIUS

Neil E. Herman  
101 Park Avenue  
New York, NY 10178-0060  
Telephone: (212) 309-6000  
Facsimile: (212) 309-6001

**Counsel to the Debtors and  
Debtors in Possession**

RICHARDS, LAYTON & FINGER, P.A.

Jason M. Madron

Mark D. Collins (No. 2981)  
Jason M. Madron (No. 4431)  
One Rodney Square  
920 North King Street  
Wilmington, DE 19801  
Telephone: (302) 651-7700  
Facsimile: (302) 651-7701

-and-

PROSKAUER ROSE LLP

Scott K. Rutsky  
Eleven Times Square  
New York, NY 10036-8299  
Telephone: (212) 969-3000  
Facsimile: (212) 969-2900

**Counsel to DIP Agent and DIP Lenders**

**EXHIBIT A**

**DIP PAYOFF LETTER**

July 29, 2013

The Scooter Store  
 1650 Independence Drive  
 New Braunfels, TX 78132  
 Attention: Jason Cone  
 Facsimile No.: (830) 627-8035

RE: Reference is made to that certain Debtor In Possession Loan and Security Agreement (as the same has been amended, supplemented or otherwise modified from time to time, the "DIP Loan Agreement"), dated of as of April 16, 2013, by and among The Scooter Store Holdings, Inc., The Scooter Store, Inc., The Scooter Store – USA, Inc., each of the other entities listed as "Borrowers" on the signature pages attached thereto (collectively, the "Borrowers"), the lenders from time to time party thereto (the "Lenders") and Crystal Financial LLC, as agent for the Lenders (the "Agent").

Ladies and Gentlemen:

Borrowers, Lenders and Agent are parties to the certain DIP Loan Agreement described above. Agent understands that, on the Payoff Date (as hereinafter defined), Borrowers expect to repay in full all of the Obligations and terminate the credit facilities provided under the DIP Loan Agreement. Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the DIP Loan Agreement.

In consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the undersigned agree as follows:

1. Payoff Amount Instructions. If paid on July 29, 2013 (the "Payoff Date"), the total amount necessary to pay in full the outstanding Obligations under the DIP Loan Agreement (other than the Continuing Obligations, as defined in Section 2(b) below), is as follows:

(i) Aggregate outstanding principal balance of the Revolving Loans as of the Payoff Date:	\$0.00
(ii) Unused line fee payable pursuant to Section 4.5(b) of the DIP Loan Agreement	\$4,027.78
(iii) Accrued but unpaid collateral management fee payable pursuant to Section 4.5(c) of the DIP Loan Agreement	\$0.00
(iv) Accrued but unpaid Out-of-Pocket Expenses (including fees and expenses of legal counsel):	\$138,000.00
(v) Total payoff amount on the Obligations other than the Continuing Obligations (as defined in Section 2(b) below) (sum of (i) through (iv)):	\$142,027.78

The parties hereto acknowledge and agree that the Agent may continue to incur Out-of-Pocket Expenses (including fees and expenses of legal counsel) after the Payoff Date and on or before the Actual Payoff Date (as defined below), and agree that the amount in clause 1(iv) above (and as a result, the amount in clause 1(v) above) may be increased by the amount of any such additional Out-of-Pocket Expenses during such period. The sum of the amount set forth in clause 1(v) above plus any additional Out-of-Pocket Expenses incurred after the date of this

The Scooter Store

letter agreement and on or before the Actual Payoff Date shall be referred to as the "Adjusted Outstanding Amount".

If the Actual Payoff Date takes place after the Payoff Date, the Adjusted Outstanding Amount shall increase by \$138.89 each day for the unused line fee (the "Per Diem Amount"), which represents the unused line fee accruing daily under Section 4.5(b) of the DIP Loan Agreement. In addition, if the Actual Payoff Date takes place after July 31, 2013, the Adjusted Outstanding Amount shall be increased by \$6,250 (the "July Collateral Management Amount"), which represents the collateral management fee with respect to the month of July, 2013, payable under Section 4.5(c) of the DIP Loan Agreement.

The parties hereto acknowledge and agree that on date of this payoff letter, the Agent is holding approximately \$3,979,000 of Borrowers' cash. It is understood and agreed that the amount of Borrowers' cash that Agent holds will change from time to time, and that the Agent and Borrowers will agree on the amount held by Agent on the Actual Payoff Date (such agreed upon amount, the "Offset Amount").

On the Actual Payoff Date (as defined below), the Agent shall calculate and notify the Borrowers of the amount equal to (w) Adjusted Outstanding Amount plus (x) any applicable Per Diem Amount plus (y) if applicable, the July Collateral Management Amount minus (z) the Offset Amount (the sum of clauses (w), (x), (y) and (z), the "Payoff Amount").

If the Payoff Amount is greater than \$0.00, the Borrowers shall pay the Payoff Amount by way of wire transfer in immediately available funds in such amounts as set forth on Exhibit A (as may be updated in accordance with the terms hereof) and to such accounts as set forth on Exhibit A. If the Payoff Amount is less than \$0.00, the Agent shall transfer the Payoff Amount to the Borrowers by way of wire transfer in immediately available funds as set forth on Exhibit B.

If the Payoff Amount is not received by the Agent on or before 1:00 p.m. (E.D.T.) on July 31, 2013 (the "Required Payoff Time"), please contact the Agent for an updated Payoff Amount.

## 2. Releases.

(a) Agent hereby agrees that, upon (i) receipt of the Payoff Amount in immediately available funds in accordance with Section 1 on or prior to the Required Payoff Time (such date of receipt, the "Actual Payoff Date") (confirmation of receipt of which the Agent hereby agrees to provide to Borrowers by facsimile on the date of the receipt of the Payoff Amount), (ii) receipt by Agent of an original (or facsimile or other electronic version) of this letter agreement executed by each of the parties hereto, and (iii) entry of an order of the Bankruptcy Court, in form and substance acceptable to Agent and Lenders and which shall not be subject to any appeal, stay, motion for stay or motion for reconsideration or rehearing, releasing the Agent and the Lenders from any and all claims, causes of action, obligations or other liabilities by or on behalf of the Debtors (as defined in the Final Order) and their estates, including, without limitation, the release of all obligations or liabilities of Agent and Lenders under the DIP Loan Agreement, any other Loan Document and/or the Final Order, then (A) all Loans shall have been repaid in full and all other liabilities and obligations (including, without limitation, the Obligations (other than the Continuing Obligations)) of the Borrowers and the Guarantors (as defined below) shall have been satisfied in full and released and discharged, and the Borrowers and the Guarantors will not be indebted to the Lenders or the Agent for any reason under any of the Loan Documents or for any of the Obligations (other than with respect to the Continuing Obligations) and any and all Commitments under the Loan Documents shall be reduced automatically to zero and terminated, (B) the DIP Loan Agreement (other than with respect to the Continuing Obligations) and each of the other Loan Documents, and all mortgages and account control agreements, and all of Lenders' and Agent's security interests in, security titles to, pledges of, and other Liens of any kind, nature or description, whenever and however arising on, the real and personal property of any of the Borrowers and the Guarantors granted under the DIP Loan Agreement or under any of the other Loan Documents will be

## The Scooter Store

automatically, and without the need for any further action, terminated, discharged and released (without recourse and without representation or warranty), (C) all guarantors of the Obligations (the "Guarantors") will be automatically, and without the need for any further action, released from their obligations to the Lenders and the Agent, (D) at the Borrowers' sole expense, the Borrowers may prepare, and the Agent hereby authorizes the Borrowers (or their counsel or designee, which may include an agent under any new credit facility or counsel to such agent) to file, any necessary or desirable financing statement terminations, mortgage releases and other lien release documents (including any necessary release documents required to be filed at the U.S. Patent and Trademark Office or U.S. Copyright Office), in connection with the collateral terminations and releases necessary to terminate all security interests in, security titles to and other liens of public record on the real and personal property of the Borrowers or any of the Guarantors, which may be filed in any Agent's or any Lender's name, with or without the signature of such Agent or such Lender (and Agent and any such Lender agrees to execute any such document to the extent reasonably necessary and in form and substance reasonably satisfactory to Agent or such Lender), provided, for the avoidance of doubt, that any and all such termination statements, mortgage releases and other such documents shall be prepared and recorded at the Borrowers' expense and (E) the Agent shall execute and deliver all further instruments and documents, and take any other actions, which are reasonably required to evidence the consummation of the payoff and other termination of the security interests contemplated hereby, in each case at the request and expense of the Borrowers.

(b) Notwithstanding anything to the contrary contained herein, the Borrowers are not released from, and each hereby ratifies and confirms its continuing liability to Lenders and Agent for the payment and satisfaction in full of the following (collectively, "Continuing Obligations"):

(i) any and all indemnity obligations under any of the Loan Documents which by the express terms of the DIP Loan Agreement survive the termination of the Loan Documents, including, without limitation, those provided in Section 11.5 of the DIP Loan Agreement; and

(ii) any other obligations which by the express terms of the DIP Loan Agreement or other Loan Documents survive the repayment of the Loans and the termination of the Loan Documents.

(c) For and in consideration of the Agent's agreements contained herein, the Borrowers hereby forever releases and discharges Lenders and Agent, and each of their officers, directors, employees, agents, affiliates, representatives, successors and assigns (collectively, the "Released Parties") from any and all claims, causes of action, damages and liabilities of any nature whatsoever, known or unknown, which such Person ever had, now has or might hereafter have against the Released Parties which relates, directly or indirectly, to any of the Loan Documents, the Final Order, or the transactions relating thereto to the extent that any such claim, cause of action, damage or liability shall be based in whole or in part upon facts, circumstances, actions or events existing on or prior to the date hereof. Borrowers agrees that the Payoff Amount and the Continuing Obligations are payable without any deduction, offset, defenses or counterclaim.

3. Reinstatement. Notwithstanding anything to the contrary contained herein, in the event any payment made to, or other amount or value received by, Lenders or Agent from or for the account of the Borrowers is avoided, rescinded, set aside or must otherwise be returned or repaid by any Lender or Agent whether in any bankruptcy, reorganization, insolvency or similar proceeding involving Borrowers, any of its subsidiaries or otherwise, the indebtedness intended to be repaid thereby shall be reinstated (without any further action by any party) and shall be enforceable against Borrowers and any of their successors or assigns. In such event, the Borrowers shall be and remain liable to Lenders and Agent for the amount so repaid or recovered to the same extent as if such amount had never originally been received by Lenders or Agent, with interest accruing thereon from and after the date such amount is so repaid or recovered.



The Scooter Store


4. Counterparts; etc. This letter agreement may be executed in any number of counterparts, each of which shall be deemed to be an original hereof and submissible into evidence and all of which together shall be deemed to be a single instrument. This letter agreement may be delivered by telecopier or other electronic image scan transmission (e.g., "PDF" via e-mail) with the same force and effect as if it were a manually executed and delivered counterpart.

5. Governing Law. The validity, construction and effect of this letter agreement shall be governed by the internal laws of the State of New York.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

The Agent hereby requests that each of the Borrowers acknowledge its receipt and acceptance of and agreement to the terms and conditions set forth in this letter agreement by signing a copy of it in the appropriate spaces indicated below and returning it to the Agent.

Very truly yours,

	<p><b><u>AGENT:</u></b></p> <p><b>CRYSTAL FINANCIAL LLC,</b> as Agent</p> <p>By: </p> <p>Name: _____</p> <p>Title: <b>Evren Ozargun</b> <b>Managing Director</b></p>
--	--

The undersigned hereby acknowledges its receipt and acceptance of and agreement to the terms and conditions of this letter agreement:

**BORROWERS:**

THE SCOOTER STORE, INC.

By:   
Its:


THE SCOOTER STORE – USA, INC.

By:   
Its:

TSS INVESTMENTS, INC.

By:   
Its:

TSS MANAGEMENT COMPANY, INC.

By:   
Its:

THE SCOOTER STORE AVIATION, L.L.C.

By:   
Its:

The Scooter Store

THE SCOOTER STORE – ALBUQUERQUE, L.L.C.  
(f/k/a The Scooter Store – Duluth, L.L.C.);  
THE SCOOTER STORE – ATLANTA, L.L.C.;  
THE SCOOTER STORE – BALTIMORE, L.L.C.;  
THE SCOOTER STORE – BATON ROUGE, L.L.C.;  
THE SCOOTER STORE – BIRMINGHAM, L.L.C.;  
THE SCOOTER STORE – BOCA RATON, L.L.C.;  
THE SCOOTER STORE – BOSTON, L.L.C.;  
THE SCOOTER STORE – CHARLESTON, L.L.C.;  
THE SCOOTER STORE – CHARLOTTE, L.L.C.;  
THE SCOOTER STORE – CHICAGO, L.L.C.;  
THE SCOOTER STORE – CONCORD, L.L.C.;  
THE SCOOTER STORE – DAYTON, L.L.C.;  
THE SCOOTER STORE – DENVER, L.L.C.;  
THE SCOOTER STORE – DES MOINES, L.L.C.;  
THE SCOOTER STORE – DETROIT, L.L.C.;  
THE SCOOTER STORE – GRAND RAPIDS, L.L.C.;  
THE SCOOTER STORE – GREEN BAY, L.L.C.;  
THE SCOOTER STORE – GREENVILLE, L.L.C.;  
THE SCOOTER STORE – HARTFORD, L.L.C.;  
THE SCOOTER STORE – INDIANAPOLIS, L.L.C.;  
THE SCOOTER STORE – JACKSON, L.L.C.;  
THE SCOOTER STORE – JACKSONVILLE, L.L.C.;  
THE SCOOTER STORE – KANSAS CITY, L.L.C.;  
THE SCOOTER STORE – KNOXVILLE, L.L.C.;  
THE SCOOTER STORE – LAS VEGAS, L.L.C.;  
THE SCOOTER STORE – LEVITTOWN, L.L.C.;  
THE SCOOTER STORE – LINCOLN, L.L.C.;  
THE SCOOTER STORE – LITTLE ROCK, L.L.C.;  
THE SCOOTER STORE – LOS ANGELES, L.L.C.;  
THE SCOOTER STORE – LOUISVILLE, L.L.C.;  
THE SCOOTER STORE – MADISON, L.L.C.;  
THE SCOOTER STORE – MINNEAPOLIS, L.L.C.;  
THE SCOOTER STORE – MOBILE, L.L.C.;  
THE SCOOTER STORE – NASHVILLE, L.L.C.;  
THE SCOOTER STORE – OKLAHOMA CITY, L.L.C.;  
THE SCOOTER STORE – ORLANDO, L.L.C.;  
THE SCOOTER STORE – PATERSON, L.L.C.;  
THE SCOOTER STORE – PHILADELPHIA, L.L.C.;  
THE SCOOTER STORE – PHOENIX, L.L.C.;  
THE SCOOTER STORE – PITTSBURGH, L.L.C.;  
THE SCOOTER STORE – PORTLAND, L.L.C.;  
THE SCOOTER STORE – RALEIGH DURHAM, L.L.C.;  
THE SCOOTER STORE – RICHMOND, L.L.C.;  
THE SCOOTER STORE – ROCHESTER, L.L.C.;  
THE SCOOTER STORE – SACRAMENTO, L.L.C.;  
THE SCOOTER STORE – SALT LAKE CITY, L.L.C.;  
THE SCOOTER STORE – SAN DIEGO, L.L.C.  
THE SCOOTER STORE – SAN FRANCISCO, L.L.C.;

The Scooter Store

THE SCOOTER STORE – SCHENECTADY, L.L.C.;  
THE SCOOTER STORE – SEATTLE, L.L.C.;  
THE SCOOTER STORE – SHREVEPORT, L.L.C.;  
THE SCOOTER STORE – SPRINGFIELD, L.L.C.;  
THE SCOOTER STORE – ST. LOUIS, L.L.C.;  
THE SCOOTER STORE – TOLEDO, L.L.C.;  
THE SCOOTER STORE – TULSA, L.L.C.;  
THE SCOOTER STORE – WEST VIRGINIA, L.L.C.;  
THE SCOOTER STORE – WICHITA, L.L.C.;  
THE SCOOTER STORE – WILKES-BARRE, L.L.C.

By:   
Its:

THE SCOOTER STORE – AUSTIN, LTD.;  
THE SCOOTER STORE – DALLAS, LTD.;  
THE SCOOTER STORE – HOUSTON, LTD.;  
THE SCOOTER STORE – LUBBOCK, LTD.;  
THE SCOOTER STORE – SAN ANTONIO, LTD.

By: TSS MANAGEMENT COMPANY, INC.,  
sole general partner of each above-listed entity

By:   
Its:

THE SCOOTER STORE, LTD.

By: TSS MANAGEMENT COMPANY, INC.,  
its sole general partner

By:   
Its:


THE SCOOTER STORE – DEVELOPMENT, LLC

By: THE SCOOTER STORE, INC., its sole member

By:   
Its:

The Scooter Store

THE SCOOTER STORE FINANCIAL SERVICES, L.L.C.

By:   
Its:

THE SCOOTER STORE HOLDINGS, INC.

By:   
Its:

The undersigned hereby acknowledges its receipt and acceptance of and agreement to the terms and conditions of this letter agreement:

**BORROWERS:**

THE SCOOTER STORE, INC.

By: \_\_\_\_\_  
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By: \_\_\_\_\_  
Its:

TSS INVESTMENTS, INC.

By: \_\_\_\_\_  
Its:

TSS MANAGEMENT COMPANY, INC.

By: \_\_\_\_\_  
Its:

THE SCOOTER STORE AVIATION, L.L.C.

By: \_\_\_\_\_  
Its:

The Scooter Store

THE SCOOTER STORE – ALBUQUERQUE, L.L.C.  
(f/k/a The Scooter Store – Duluth, L.L.C.);  
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The Scooter Store

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By: \_\_\_\_\_  
Its:

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By: TSS MANAGEMENT COMPANY, INC.,  
sole general partner of each above-listed entity

By: \_\_\_\_\_  
Its:

THE SCOOTER STORE, LTD.

By: TSS MANAGEMENT COMPANY, INC.,  
its sole general partner

By: \_\_\_\_\_  
Its:

THE SCOOTER STORE – DEVELOPMENT, LLC

By: THE SCOOTER STORE, INC., its sole member

By: \_\_\_\_\_  
Its:

The Scooter Store

THE SCOOTER STORE FINANCIAL SERVICES, L.L.C.

By: \_\_\_\_\_  
Its:

THE SCOOTER STORE HOLDINGS, INC.

By: \_\_\_\_\_  
Its:

**EXHIBIT A**  
**PAYOFF AMOUNTS AND WIRE TRANSFER INSTRUCTIONS**

CRYSTAL FINANCIAL LLC, as Agent	\$4,027.78  By wire transfer to:  Citibank, N.A. 666 Fifth Avenue New York, NY 10043 ABA: 021 000 089 Account: 9977665971 Account Name: Crystal Financial LLC
PROSKAUER ROSE LLP	\$138,000.00  By wire transfer to:  CITIBANK, N.A. 111 WALL STREET NEW YORK, N.Y. 10005 ABA # 021000089 ACCT.# 02838341 PROSKAUER ROSE LLP Client Code 21798.011

The Scooter Store

**EXHIBIT B**  
**WIRE TRANSFER INSTRUCTIONS**

Borrowers:	Bank Name: JP Morgan Chase, N.A. (TX) ABA / Routing Number: 021000021 Account #: 5800272583 Account Name: THE SCOOTER STORE Ref: Crystal Transfer
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