

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Performance, Inc.		07/16/2010	CORPORATION: NORTH CAROLINA

RECEIVING PARTY DATA

Name:	York Street Mezzanine Partners II, L.P.
Street Address:	376 Main Street
Internal Address:	Attention: Christopher A. Layden
City:	Bedminster
State/Country:	NEW JERSEY
Postal Code:	07921
Entity Type:	LIMITED PARTNERSHIP: DELAWARE

Name:	PennantPark Investment Corporation
Street Address:	590 Madison Avenue
Internal Address:	15th Floor, Attn: Salvatore Giannetti III and Amy Gips
City:	New York
State/Country:	NEW YORK
Postal Code:	10022
Entity Type:	CORPORATION: MARYLAND

PROPERTY NUMBERS Total: 16

Property Type	Number	Word Mark
Serial Number:	77941618	ASCENT
Serial Number:	77827918	CAVALO
Serial Number:	77941656	E3 CYCLING
Serial Number:	77941633	E3 CYCLING
Serial Number:	77941679	FORTÉ
Serial Number:	85038890	NASHBAR

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Serial Number:	77696522	P
Serial Number:	77979509	P
Serial Number:	85038882	PERFORMANCE BIKE
Serial Number:	77941705	SCATTANTE
Serial Number:	77596969	SPIN DOCTOR
Registration Number:	3653847	SPIN DOCTOR
Serial Number:	77597076	SPIN DOCTOR
Serial Number:	77941715	TRANSIT
Serial Number:	77941730	TRAVEL TRAC
Serial Number:	77706252	WHERE GREAT RIDES BEGIN

CORRESPONDENCE DATA

Fax Number: (212)355-3333
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 212-813-8800
Email: NY-TM-Admin@goodwinprocter.com, jnici@goodwinprocter.com
Correspondent Name: GOODWIN PROCTER LLP
Address Line 1: 620 Eighth Avenue
Address Line 4: New York, NEW YORK 10018

ATTORNEY DOCKET NUMBER:	121931173118
NAME OF SUBMITTER:	Janis Nici
Signature:	/janis nici/
Date:	07/20/2010

Total Attachments: 8
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TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT, dated as of July 16, 2010, is made by the entity listed on the signature pages hereof (“Grantor”), in favor of York Street Mezzanine Partners II, L.P., a Delaware limited partnership, and PennantPark Investment Corporation, a Maryland corporation (together with their successors and permitted assigns, “Purchasers” and individually each a “Purchaser”). This Trademark Security Agreement supplements and is in addition to the Trademark Security Agreement entered into by Grantor and other grantors thereunder and accepted by the Purchasers on July 2, 2007 (the “2007 TSA”) in connection with the Existing Note Purchase Agreement (as defined in the Note Purchase Agreement referred to below).

WITNESSETH:

WHEREAS, pursuant to that certain Amended and Restated Note Purchase Agreement, originally dated as of July 2, 2007 and amended and restated as of July 16, 2010 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “*Note Purchase Agreement*”), among Performance, Inc. (“*Company*”), certain subsidiaries of Company party thereto as Subsidiary Issuers (“*Subsidiary Issuers*”, and together with Company, “*Issuers*”), Performance Holdings, Inc., the other Persons party thereto designated as “*Issuer Parties*” and the Purchasers, the Purchasers have severally agreed to purchase Term Notes (as defined in the Note Purchase Agreement) of the Issuers upon the terms and subject to the conditions set forth therein;

WHEREAS, Grantor has agreed, pursuant to that certain Guaranty and Security Agreement dated as of July 2, 2007 as amended by the First Amendment to Guaranty and Security Agreement dated as of July 16, 2010 in favor of the Purchasers (and as may be further amended, restated, supplemented or otherwise modified from time to time, the “*Guaranty and Security Agreement*”), to guarantee the Obligations (as defined in the Note Purchase Agreement) of each Issuer; and

WHEREAS, Grantor is party to the Guaranty and Security Agreement pursuant to which Grantor is required to execute and deliver this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Purchasers to enter into the Note Purchase Agreement and to induce the Purchasers to purchase the Term Notes of the Issuers thereunder, Grantor hereby agrees with the Purchasers as follows:

Section 1. Defined Terms. Capitalized terms used herein without definition are used as defined in the Guaranty and Security Agreement.

Section 2. Grant of Security Interest in Trademark Collateral. Grantor, as collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations of Grantor hereby mortgages, pledges and hypothecates to the Purchasers, and grants to the Purchasers a Lien on and security

interest in, all of its right, title and interest in, to and under the following Collateral of Grantor (the “*Trademark Collateral*”):

(a) all of its Trademarks and all IP Licenses providing for the grant by or to Grantor of any right under any Trademark, including, without limitation, those referred to on Schedule 1 hereto (which are in addition to, and not in replacement of, those Trademarks and IP Licenses listed in Schedule I of the 2007 TSA);

(b) all renewals and extensions of the foregoing;

(c) all goodwill of the business connected with the use of, and symbolized by, each such Trademark; and

(d) all income, royalties, proceeds and Liabilities at any time due or payable or asserted under and with respect to any of the foregoing, including, without limitation, all rights to sue and recover at law or in equity for any past, present and future infringement, misappropriation, dilution, violation or other impairment thereof.

Section 3. Guaranty and Security Agreement. The security interest granted pursuant to this Trademark Security Agreement (and pursuant to the 2007 TSA) is granted in conjunction with the security interest granted to the Purchasers pursuant to the Guaranty and Security Agreement and Grantor hereby acknowledges and agrees that the rights and remedies of the Purchasers with respect to the security interest in the Trademark Collateral made and granted hereby (and in the 2007 TSA) are more fully set forth in the Guaranty and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

Section 4. Grantor Remains Liable. Grantor hereby agrees that, anything herein to the contrary notwithstanding, as between Grantor and Purchasers, Grantor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with its Trademarks and IP Licenses subject to a security interest hereunder.

Section 5. Counterparts. This Trademark Security Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart.

Section 6. Governing Law. This Trademark Security Agreement and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

Section 7. Intercreditor Agreement. Notwithstanding anything to the contrary set forth herein, this Trademark Security Agreement, the Liens created hereby and the rights and remedies of Purchasers hereunder are subject to the terms and provisions of the Intercreditor Agreement. In the event of any inconsistency between the provisions of this Trademark Security Agreement

and the Intercreditor Agreement, the provisions of the Intercreditor Agreement shall supersede the provisions of this Trademark Security Agreement.

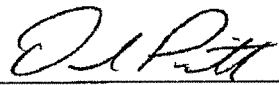
Section 8. Limited Waiver. The Purchasers hereby waive any breach, Default or Event of Default which has occurred under the Guaranty and Security Agreement solely as a result of Grantor's failure to timely comply with Section 5.7(a) of the Guaranty and Security Agreement with respect to the Trademark Collateral listed on Schedule 1 hereto; provided, this waiver shall be effective only for such specific defaults and in no event shall be deemed to be a waiver of any other Defaults or Events of Default now existing or hereafter arising.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

Very truly yours,

PERFORMANCE, INC.
as Grantor

By:  _____
David Pruitt,
President, Chief Financial Officer
and Chief Administrative Officer

ACKNOWLEDGMENT OF GRANTOR

STATE OF North Carolina)
) SS.
COUNTY OF Chatham)

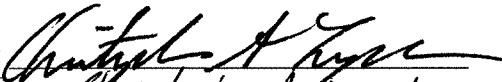
On this 14th day of July 2010 before me personally appeared David Pruitt, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of Performance, Inc., who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

Ann C Harrel
Notary Public

ACCEPTED AND AGREED
as of the date first above written:

YORK STREET MEZZANINE PARTNERS II, L.P.

By: York Street Capital Partners II, LLC,
its General Partner

By: 
Name: Christopher A. Layden
Its Duly Authorized Signatory

PENNANTPARK INVESTMENT CORPORATION

By: _____
Name: _____
Its Duly Authorized Signatory

ACCEPTED AND AGREED
as of the date first above written:

YORK STREET MEZZANINE PARTNERS II, L.P.

By: York Street Capital Partners II, LLC,
its General Partner

By: _____
Name: _____
Its Duly Authorized Signatory

PENNANTPARK INVESTMENT CORPORATION

By:  _____
Name: **Arthur Penn CEO**
Its Duly Authorized Signatory

**SCHEDULE I
TO
TRADEMARK SECURITY AGREEMENT**

TRADEMARK REGISTRATIONS

Title	Owner	Jurisdiction	Application/ Registration Number
ASCENT	Performance, Inc.	USA	77941618/(N/A)
CAVALO	Performance, Inc.	USA	77827918/(N/A)
E3 CYCLING	Performance, Inc.	USA	77941656/(N/A)
E3 CYCLING	Performance, Inc.	USA	77941633/(N/A)
FORTE	Performance, Inc.	USA	77941679/(N/A)
NASHBAR	Performance, Inc.	USA	85038890/(N/A)
Flying "P" Design	Performance, Inc.	USA	77696522/(N/A)
Flying "P" Design	Performance, Inc.	USA	77979509/(N/A)
PERFORMANCE BIKE	Performance, Inc.	USA	85038882/(N/A)
SCATTANTE	Performance, Inc.	USA	77941705/(N/A)
SPIN DOCTOR	Performance, Inc.	USA	77596969/(N/A)
SPIN DOCTOR	Performance, Inc.	USA	77596979/ 3653847
SPIN DOCTOR	Performance, Inc.	USA	77597076/(N/A)
TRANSIT	Performance, Inc.	USA	77941715/(N/A)
TRAVEL TRAC	Performance, Inc.	USA	77941730/(N/A)
WHERE GREAT RIDES BEGIN	Performance, Inc.	USA	77706252/(N/A)

Schedule I

(Second Lien Trademark Security Agreement)

RECORDED: 07/20/2010

**TRADEMARK
REEL: 004245 FRAME: 0638**