

Form PTO-1594 (Rev. 06/04)
OMB Collection 0651-0027 (exp. 6/30/2005)

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

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)/Execution Date(s):

Bravo Sports (CA corp.)
Variflex, Inc. (DE corp.)

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation-State
☐ Other _____

Citizenship (see guidelines) see above; USA

Execution Date(s) Oct. 26, 2004

Additional names of conveying parties attached? ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other _____

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? ☐ Yes ☒ No

Name: Bank of America, N.A., as Agent

Internal

Address: Bravo Sports Acct Officer

Street Address: 55 S. Lake Ave., Suite 900

City: Pasadena

State: CA

Country: USA

Zip: 91101

- ☐ Association Citizenship _____
☐ General Partnership Citizenship _____
☐ Limited Partnership Citizenship _____
☐ Corporation Citizenship _____

☒ Other natl bank Citizenship USA

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)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

see attached list

B. Trademark Registration No.(s)

see attached list

Additional sheet(s) attached? ☒ Yes ☐ No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

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

Name: Federal Research Co., LLC

Internal Address: _____

Street Address: 1030 15th St., NW, Suite 920

City: Washington

State: DC

Zip: 20005

Phone Number: 202-783-2700

Fax Number: 202-783-0145

Email Address: _____

6. Total number of applications and registrations involved:

48

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 1,215.00

- ☐ Authorized to be charged by credit card
☒ Authorized to be charged to deposit account
☐ Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____

Expiration Date _____

b. Deposit Account Number 50-3155

Authorized User Name Federal Research

9. Signature:

Julie Cravitz
Signature

Nov. 15, 2004

Date

Julie Cravitz

Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 24

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

American LegalNet, Inc.
www.USCourtForms.com

700131719

TRADEMARK
REEL: 002978 FRAME: 0936

CH \$1216.00 603156 78286628

Bravo Sports & Variflex, Inc.**Trademarks**

	<u>Name of Trademark</u>	<u>Application Number or Registration Number</u>
1.	Smooth Glide	78-286,528
2.	Shade Time Instant Canopy	78-247,320
3.	Shade Time	78-246,936
4.	Pooch Palace	78-227,745
5.	Hugz Baby Seat	76-542,738
6.	Maple	76-529,823
7.	Kid's Zone!	76-483,065
8.	Cycle Force	76-483,064
9.	Party Canopy	76-481,920
10.	Marketplace Instant Canopy	2,863,272
11.	Bazaar Instant Canopy	76-393,728
12.	Quik Shed Multi-Purpose Canopy	2,886,980
13.	Moto Shade	2,710,717
14.	Moto Shade Multi-Purpose Canopy	2,872,139
15.	Quik Shed	2,886,965
16.	Air Zone (image)	2,553,164
17.	Air Zone	2,553,154
18.	Quik Shade	2,151,483
19.	Static	2,012,653
20.	Variflex (image)	1,478,845
21.	Variflex	1,382,488

	<u>Name of Trademark</u>	<u>Application Number or Registration Number</u>
22.	Factory Hockey	78-253,991
23.	Hyper	78-240,517
24.	Hyper	78-213,106
25.	Adrenaline	2,136,050
26.	True	2,210,631
27.	Channel One	2,190,954
28.	Medium	2,174,691
29.	Kuzak	2,166,952
30.	Senate Wheel Co	2,168,440
31.	Senate Wheel Co	2,168,439
32.	Senate Wheel Co	2,168,438
33.	Hyper Walk	2,107,919
34.	Hyper Walk	2,105,944
35.	Diablo	2,059,138
36.	BSB Speed Bearings	2,098,320
37.	BSB Speed Bearings	2,149,711
38.	BSB Speed Bearings	2,098,316
39.	BSB Speed Bearings	2,102,246
40.	BSB Speed Bearings	2,098,315
41.	Circular Propulsion Units	1,998,294
42.	Adrenaline	2,564,826
43.	K and Design	2,115,035
44.	Hyper Air	2,112,623

	<u>Name of Trademark</u>	<u>Application Number or Registration Number</u>
45.	Bullzeye	1,880,736
46.	Hyper	1,477,002
47.	Kryptonics	1,109,423
48.	Quik Lounge	2,462,728

PATENT AND TRADEMARK SECURITY AGREEMENT

THIS PATENT AND TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of October 26, 2004, is entered into by BRAVO SPORTS, a California corporation ("Bravo") and VARIFLEX, INC., a Delaware corporation ("Variflex" and, together with Bravo, "Debtors") in favor of BANK OF AMERICA, N.A., as Agent for the Lenders referred to below ("Agent"), each Lender, each other Creditor (as defined in the Loan Agreement referred to below), and their successors and assigns (Agent is also referred to herein as "Secured Party", and Secured Party, the Lenders and the other Creditors are each referred to herein as a "Beneficiary" and collectively as the "Beneficiaries").

RECITALS

A. Pursuant to the Loan and Security Agreement of even date herewith, by and among Debtors, the lenders from time to time a party thereto (collectively, the "Lenders" and individually, a "Lender") and Agent (as amended, extended, renewed, supplemented, or otherwise modified from time to time, the "Loan Agreement"), the Lenders have agreed to extend certain credit facilities to Debtors. Terms defined in the Loan Agreement and not otherwise defined in this Agreement shall have the meanings given those terms in the Loan Agreement as though set forth herein in full.

B. The Loan Agreement provides, as a condition to the availability of such credit facilities, that Debtors enter into this Agreement and grant security interests to Secured Party as herein provided.

NOW, THEREFORE, in order to induce the Lenders to extend the aforementioned credit facilities, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. SECURITY INTEREST

Each Debtor hereby grants to Secured Party, for the benefit of the Beneficiaries, a security interest in all of such Debtor's now existing or hereafter acquired right, title and interest in and to:

A. All of such Debtor's trademarks, trade names, trade dress and service marks; all applications, registrations and recordings relating to the foregoing in the United States Patent and Trademark Office or in any similar office or agency of the United States of America, any state thereof, any political subdivision thereof or in any other countries, and all reissues, extensions and renewals thereof including those trademarks, terms, designs and applications; all prints and labels on which such trademarks, trade names, trade dress and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature, all as described in Schedule A hereto (collectively, the "Trademarks");

B. The goodwill of the business symbolized by each of the Trademarks and all customer lists and other records relating to the distribution of products or services bearing the Trademarks;

C. To the extent permitted by applicable law, all of such Debtor's interests in any patents, whether foreign or domestic; all applications, registrations and recordings relating to such patents in the United States Patent and Trademark Office or in any similar governmental office or agency of the United States of America, any State thereof, any political subdivision thereof and all reissues, extensions and renewals thereof, including, without limitation, those patents, applications, registrations and recordings described in Schedule B hereto (the "Patents"); and

D. Any and all proceeds of any of the foregoing, including, without limitation, any claims by such Debtor against third parties for infringement of the Trademarks or Patents or for breach of any licenses with respect thereto (all of the foregoing in clauses (A) through (D) are collectively referred to herein as the "Collateral").

2. OBLIGATIONS SECURED

The security interests granted by Debtors to Secured Party in this Agreement for the benefit of Beneficiaries shall secure the Obligations. The secured obligations referred to in this Section 2 are collectively referred to herein as the "Secured Obligations".

3. WARRANTIES AND COVENANTS

Each Debtor hereby covenants, represents and warrants, as applicable, that (all of such covenants, representations and warranties being continuing in nature so long as any of the Secured Obligations are outstanding (other than contingent indemnity and expense reimbursement obligations for which no claim has been made)):

A. All of that portion of the existing Collateral owned by such Debtor is valid and subsisting in full force and effect to such Debtor's knowledge, and such Debtor owns sole, full, and clear title thereto, and has the right and power to grant the security interests granted hereunder. Such Debtor will, at such Debtor's expense and in accordance with reasonable business practices, perform all acts and execute all documents reasonably necessary to maintain the existence of the material registered trademarks owned by such Debtor as valid, subsisting and registered trademarks (other than any such Trademarks deemed by such Debtor in its reasonable business judgment to no longer be necessary in or material to the conduct of such Debtor's business), including, without limitation, the filing of any renewal affidavits and applications. The Collateral is not subject to any Lien, except the security interest granted hereunder, the licenses, if any, which are specifically described in Schedule C hereto and Permitted Liens.

B. Except as otherwise permitted by the Loan Agreement, such Debtor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or Lien upon, encumber, grant an exclusive license relating to that portion of the material Collateral owned by such Debtor, except to Secured Party, or otherwise dispose of any of that portion of the material Collateral owned by such Debtor without the prior written consent of Secured Party (which consent shall not be unreasonably withheld or delayed), except that such Debtor may grant non-exclusive licenses relating to that portion of the material Collateral owned by such Debtor.

C. Such Debtor hereby authorizes Secured Party to have this Agreement filed with the Commissioner of Patents and Trademarks or other appropriate federal, state or government office.

D. Such Debtor will, concurrently with the execution and delivery of this Agreement, execute and deliver to Secured Party five (5) originals of a Power of Attorney in the form of Exhibit 1 annexed hereto solely for the implementation of the assignment, sale or other disposition of the Collateral upon the occurrence and during the continuation of an Event of Default pursuant to Secured Party's exercise of the rights and remedies granted to Secured Party hereunder. Secured Party agrees it will only exercise the Power of Attorney upon the occurrence and during the continuation of an Event of Default.

E. Secured Party may, to the extent permitted by the Loan Agreement, pay any amount or do any act which such Debtor fails to pay or do as required hereunder or as reasonably

requested by Secured Party to maintain and preserve the Collateral, defend, protect, record, amend or enforce the Secured Obligations, the Collateral, or the security interest granted hereunder (except with respect to any Collateral deemed by such Debtor in its reasonable business judgment to no longer be necessary in or material to the conduct of such Debtor's business), including but not limited to, all filing or recording fees, court costs, collection charges and reasonable attorneys' fees. Such Debtor will be liable to Secured Party for any such payment, and such payment shall be payable promptly upon receiving written demand from Secured Party, together with interest at the rate set forth in the Loan Documents, and shall be part of the applicable Secured Obligations; provided, that Debtors shall not be responsible for such expenses to the extent incurred because of the negligence or willful misconduct of any Beneficiary or any of their respective representatives.

F. As of the date hereof, such Debtor does not have any material Trademarks or Patents that are registered, or are the subject of pending applications, in the United States Patent and Trademark Office or any similar governmental office or agency in the United States other than those described in Schedule A and B annexed hereto.

G. Such Debtor shall notify Secured Party in writing of the filing by such Debtor of any application for the registration of a Trademark or Patent with the United States Patent and Trademark Office or any similar governmental office or agency in the United States of America or any state therein within forty-five (45) days after such filing. Upon written request of Secured Party, such Debtor shall execute and deliver to Secured Party any and all amendments to this Agreement as may be reasonably requested by Secured Party and reasonably necessary to evidence the security interests of Secured Party for the benefit of the Beneficiaries in such Trademark.

H. Such Debtor (1) has not abandoned any of the Trademarks or Patents and such Debtor will not, without Secured Party's consent, knowingly do any act, nor knowingly omit to do any act, whereby the material Trademarks or Patents may become abandoned, canceled, invalidated, unenforceable, avoided, or avoidable, and (2) shall notify Secured Party promptly if such Debtor knows of any reason why any application, registration or recording for any material Trademarks or Patents may become or should be abandoned, canceled, invalidated, unenforceable, avoided, or avoidable, except in the cases of clauses (1) and (2) where such abandonment, cancellation, invalidation or unenforceability (a) would not reasonably be expected to have a Material Adverse Effect or (b) pertains to any Trademark or Patent deemed by such Debtor in its reasonable business judgment to no longer be necessary in or material to the conduct of such Debtor's business.

I. Such Debtor will take such actions in any proceeding before the United States Patent and Trademark Office, any federal or state court or any similar governmental office or agency in the United States of America or any state therein or any other country as are reasonably necessary to maintain the application and registration of the material Trademarks or Patents owned by such Debtor as such Debtor's exclusive property and to protect Secured Party's interest therein (other than with respect to applications and registrations deemed by such Debtor in its reasonable business judgment to no longer be necessary in or material to the conduct of such Debtor's business), including, without limitation, filing of renewals, affidavits of use and affidavits of incontestability and opposition, interference and cancellation proceedings.

J. Such Debtor will promptly notify Secured Party if such Debtor learns of any use by any person of any term or design likely to cause confusion with any material Trademark or of any use by any person of any product that infringes upon any material Trademark. If requested by Secured Party, such Debtor, at such Debtor's expense, shall take reasonable action in accordance with reasonable business practices for the protection of Secured Party's interest in and to the material Trademarks.

K. Such Debtor will maintain the quality of the products associated with the material Trademarks at a level consistent with the quality at the time of this Agreement. Such Debtor hereby grants to Secured Party the right to visit such Debtor's plant and facilities which manufacture or store products sold under any of the material Trademarks and to inspect the products and quality-control records relating thereto at such times as permitted in the Loan Agreement.

4. RIGHTS AND REMEDIES

Upon the occurrence and during the continuation of an Event of Default, in addition to all other rights and remedies of Secured Party, whether provided under applicable law, the Loan Documents or otherwise, and after expiration of any grace period, Secured Party shall have the following rights and remedies which may be exercised without notice to, or consent by, Debtors, except as such notice or consent is expressly provided for hereunder or under the Loan Documents.

A. To the extent not prohibited by any contractual agreement with any licensee of the Trademarks or Patents, Secured Party may make use of any Trademarks or Patents for the sale of goods or rendering of services in connection with enforcing any other security interest granted to Secured Party for the benefit of Beneficiaries by Debtors or any subsidiary of Debtors.

B. To the extent not prohibited by any contractual agreement with any licensee of the Trademarks or Patents, Secured Party may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner as Secured Party shall in good faith deem reasonably appropriate, subject to any existing licenses or rights relating to the Collateral that were granted by a Debtor prior to the date of this Agreement or, if granted during the term of this Agreement, in accordance with this Agreement. Such license or licenses may be general, special, or otherwise and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

C. Secured Party may assign, sell, or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations, except that Secured Party agrees to provide Debtors with ten (10) days prior written notice of any proposed disposition of the Collateral. Secured Party shall have the power to buy the Collateral or any part thereof, and Secured Party shall also have the power to execute assurances and perform all other acts which Secured Party may, in Secured Party's sole discretion, deem appropriate or proper to complete such assignment, sale or disposition. In any such event, Debtors shall be liable for any deficiency.

D. In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to subparagraph 4C hereof, Secured Party may at any time execute and deliver on behalf of Debtors, pursuant to the authority granted in the Powers of Attorney described in Section 3.D. hereof, one or more instruments of assignment of the Trademarks or Patents (or any application, registration, or recording relating thereto), in form suitable for filing, recording or registration with the United States Patent and Trademark Office or any similar governmental office or agency in the United States of America, any state therein or relevant foreign country. Each Debtor agrees to pay Secured Party on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and reasonable attorneys' fees.

E. Secured Party shall apply the proceeds actually received from any such license, assignment, sale or other disposition of Collateral in the manner generally provided for in the Loan Agreement with regards to collateral.

F. In the event that any such license, assignment, sale or disposition of the Collateral (or any part thereof) is made after the occurrence of an Event of Default, Debtors shall supply to Secured Party or Secured Party's designee Debtors' knowledge and expertise relating to the manufacture and sale of the products and services bearing the Trademarks and Debtors' customer lists and other records relating to the Trademarks and Patents and the distribution thereof with the United States Patent and Trademark Office or any similar governmental office or agency in the United States of America, any state therein or relevant foreign country.

Nothing contained herein shall be construed as requiring Secured Party to take any such action at any time. All of Secured Party's rights and remedies, whether provided under law, the Loan Documents, this Agreement, or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

5. MISCELLANEOUS

A. Any failure or delay by Secured Party to require strict performance by Debtors of any of the provisions, warranties, terms and conditions contained herein or in any other agreement, document, or instrument, shall not affect Secured Party's right to demand strict compliance and performance therewith, and any waiver of any Event of Default shall not waive or affect any other Event of Default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the warranties, conditions, provisions, and terms contained herein or in any other agreement, document, or instrument shall be deemed to have been waived by any act or knowledge of Beneficiaries, their agents, officers, or employees, but only by an instrument in writing, signed by an officer of Secured Party and directed to Debtors, specifying such waiver.

B. All notices, requests and demands are to be given or made to the respective parties at the address set forth in the Loan Agreement.

C. In the event that any term or provision of this Agreement conflicts with any term or provision of the Loan Agreement, the term or provision of the Loan Agreement shall control.

D. In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Agreement.

E. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns. No provision hereof shall be modified, altered or limited except by a written instrument expressly referring to this Agreement signed by all parties hereto.

F. GOVERNING LAW; CONSENT TO FORUM. THIS AGREEMENT HAS BEEN NEGOTIATED, EXECUTED AND DELIVERED IN AND SHALL BE DEEMED TO HAVE BEEN MADE IN LOS ANGELES, CALIFORNIA. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA; PROVIDED, HOWEVER, THAT IF ANY OF THE COLLATERAL SHALL BE LOCATED IN ANY JURISDICTION OTHER THAN CALIFORNIA, THE LAWS OF SUCH JURISDICTION SHALL GOVERN THE METHOD, MANNER AND PROCEDURE FOR FORECLOSURE OF AGENT'S LIEN UPON SUCH COLLATERAL AND THE ENFORCEMENT OF AGENT'S OTHER REMEDIES IN RESPECT OF SUCH COLLATERAL TO THE EXTENT THAT THE LAWS OF SUCH JURISDICTION ARE DIFFERENT FROM OR INCONSISTENT WITH THE LAWS OF CALIFORNIA. AS PART OF THE CONSIDERATION FOR NEW VALUE RECEIVED, AND REGARDLESS OF ANY PRESENT OR FUTURE DOMICILE OR PRINCIPAL PLACE OF

BUSINESS OF EITHER OF DEBTORS, AGENT OR ANY BENEFICIARY, DEBTORS HEREBY CONSENT AND AGREE THAT THE SUPERIOR COURT OF LOS ANGELES COUNTY, CALIFORNIA, OR, AT AGENT'S OPTION, THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA, SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN DEBTORS ON THE ONE HAND AND AGENT OR ANY LENDER ON THE OTHER HAND PERTAINING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATED TO THIS AGREEMENT. DEBTORS EXPRESSLY SUBMIT AND CONSENT IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND DEBTORS HEREBY WAIVE ANY OBJECTION WHICH DEBTORS MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENT TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. DEBTORS HEREBY WAIVE PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREE THAT SERVICE OF SUCH SUMMONS, COMPLAINT AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO DEBTORS AT THE ADDRESS SET FORTH IN THIS AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF DEBTORS' ACTUAL RECEIPT THEREOF OR 3 DAYS AFTER DEPOSIT IN THE U.S. MAILED, PROPER POSTAGE PREPAID. NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO AFFECT THE RIGHT OF AGENT OR ANY LENDER TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW, OR TO PRECLUDE THE ENFORCEMENT BY AGENT OR ANY LENDER OF ANY JUDGMENT OR ORDER OBTAINED IN SUCH FORUM OR THE TAKING OF ANY ACTION UNDER THIS AGREEMENT TO ENFORCE SAME IN ANY OTHER APPROPRIATE FORUM OR JURISDICTION.

G. WAIVER OF TRIAL BY JURY. DEBTORS WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, (i) THE RIGHT TO TRIAL BY JURY (WHICH AGENT AND EACH LENDER HEREBY ALSO WAIVES) IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATED TO ANY OF THE LOAN DOCUMENTS, THE OBLIGATIONS OR THE COLLATERAL; (ii) PRESENTMENT, DEMAND AND PROTEST AND NOTICE OF PRESENTMENT, PROTEST, DEFAULT, NON PAYMENT, MATURITY, RELEASE, COMPROMISE, SETTLEMENT, EXTENSION OR RENEWAL OF ANY OR ALL COMMERCIAL PAPER, ACCOUNTS, CONTRACT RIGHTS, DOCUMENTS, INSTRUMENTS, CHATTEL PAPER AND GUARANTIES AT ANY TIME HELD BY AGENT OR ANY LENDER ON WHICH DEBTORS MAY IN ANY WAY BE LIABLE AND HEREBY RATIFY AND CONFIRM WHATEVER AGENT OR ANY LENDER MAY DO IN THIS REGARD; (iii) NOTICE PRIOR TO AGENT'S TAKING POSSESSION OR CONTROL OF THE COLLATERAL OR ANY BOND OR SECURITY WHICH MIGHT BE REQUIRED BY ANY COURT PRIOR TO ALLOWING AGENT TO EXERCISE ANY OF AGENT'S REMEDIES; (iv) THE BENEFIT OF ALL VALUATION, APPRAISEMENT AND EXEMPTION LAWS; (v) NOTICE OF ACCEPTANCE HEREOF AND (vi) EXCEPT AS PROHIBITED BY LAW, ANY RIGHT TO CLAIM OR RECOVER ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. DEBTORS ACKNOWLEDGE THAT THE FOREGOING WAIVERS ARE A MATERIAL INDUCEMENT TO AGENT'S AND EACH LENDER'S ENTERING INTO THIS AGREEMENT AND THAT AGENT AND EACH LENDER IS RELYING UPON THE FOREGOING WAIVERS IN ITS FUTURE DEALINGS WITH DEBTORS. DEBTORS WARRANT AND REPRESENT THAT THEY HAVE REVIEWED THE FOREGOING WAIVERS WITH THEIR LEGAL COUNSEL AND HAVE KNOWINGLY AND VOLUNTARILY WAIVED THEIR JURY TRIAL RIGHTS FOLLOWING

CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

H. Termination/Release of Collateral.

(1) When all Secured Obligations (other than contingent indemnity and expense reimbursement obligations for which no claim has been made) shall have been paid in full and the commitments of the Lenders under the Loan Agreement shall have expired or been terminated, all Liens created under this Agreement shall terminate, and the Secured Party shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect thereof, to or on the order of the respective Debtor or any other person legally entitled thereto, and to be released, cancelled and terminated all licenses and rights referred to herein or in the Loan Agreement. Subject to the terms of the Loan Agreement, Secured Party shall also deliver to the respective Debtor promptly upon such termination but in any case not later than 10 days following a request therefore from the applicable Debtor such Uniform Commercial Code termination statements and such other documentation as shall be reasonably requested by the respective Debtor to effect the termination and release of the security interests in the Collateral and to effect the termination of all licenses and rights to the Collateral granted by or on behalf of Secured Party. In addition, the Power of Attorney granted by Debtors pursuant to Section 3.D. above shall be immediately revoked.

(2) Upon any disposition of property constituting Collateral that is permitted under the Loan Agreement, upon the request of Debtors, Secured Party shall execute and deliver to the respective Debtor such Uniform Commercial Code partial releases and such other documentation as shall be reasonably requested by the Debtor to effect the termination and release of the Liens on such Collateral.

I. No Conflicts. To the extent of any conflict or inconsistency between this Agreement and the Loan Agreement, the terms of the Loan Agreement shall prevail.

[signature pages follow]

IN WITNESS WHEREOF, each Debtor and Secured Party have executed this Agreement as of the day and year first above written.

DEBTORS:

BRAVO SPORTS,
a California corporation

By: 

Name: Anthony E. Armand

Title: President, Chief Operating Officer + Secretary

VARIFLEX, INC.,
a Delaware corporation

By: 

Name: Anthony E. Armand

Title: Chief Executive Officer

SECURED PARTY:

BANK OF AMERICA, N.A.,
as Agent

By:


Matthew R. Van Steenhuyse
Senior Vice President

EXHIBIT 1SPECIAL POWER OF ATTORNEY

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES) ss.:

KNOW ALL MEN BY THESE PRESENTS, each of BRAVO SPORTS, a California corporation ("Bravo") and VARIFLEX, INC., a Delaware corporation ("Variflex" and, together with Bravo, "Debtors") hereby appoints and constitutes BANK OF AMERICA, N.A., in its capacity as Agent for the Lenders identified in the Security Agreement referred to below ("Secured Party"), and each officer thereof, its true and lawful attorney, with full power of substitution and with full power and authority to perform the following acts on behalf of such Debtor:

1. Execution and delivery of any and all agreements, documents, instruments of assignment, or other papers which Secured Party, in its reasonable discretion, deems reasonably necessary or advisable for the purpose of assigning, selling, or otherwise disposing of all of the right, title, and interest of such Debtor in and to any trademarks or patents and all registrations, recordings, reissues, extensions, and renewals thereof, or for the purpose of recording, registering and filing of, or accomplishing any other formality with respect to, the foregoing.

2. Execution and delivery of any and all documents, statements, certificates or other papers which Secured Party, in its reasonable discretion, deems reasonably necessary or advisable to further the purposes described in paragraph 1 hereof.

This Power of Attorney is made pursuant to a Patent and Trademark Security Agreement of even date herewith between Debtors and Secured Party (as amended or supplemented, the "Security Agreement") and may not be revoked until indefeasible payment in full of all of the "Secured Obligations", as such term is defined in the Security Agreement. Secured Party agrees that it will exercise its rights with respect to this Special Power of Attorney only after the occurrence and during the continuation of an Event of Default (as defined in the Loan Agreement referred to in the Security Agreement).

October 26, 2004

DEBTORS:

BRAVO SPORTS,
a California corporation

By: Anthony E. Armand
Name: Anthony E. Armand
Title: President, Chief Executive Officer + Secretary

VARIFLEX, INC.,
a Delaware corporation

By: Anthony E. Armand
Name: Anthony E. Armand
Title: President, Chief Executive Officer + Secretary

SCHEDULE A

to

TRADEMARK AGREEMENT

Trademarks/Service Marks

(see attached)

Bravo Sports & Variflex, Inc.**Trademarks**

	<u>Name of Trademark</u>	<u>Serial Number</u>
1.	Smooth Glide	78-286,528
2.	Shade Time Instant Canopy	78-247,320
3.	Shade Time	78-246,936
4.	Pooch Palace	78-227,745
5.	Hugz Baby Seat	76-542,738
6.	Maple	76-529,823
7.	Kid's Zone!	76-483,065
8.	Cycle Force	76-483,064
9.	Party Canopy	76-481,920
10.	Marketplace Instant Canopy	2,863,272
11.	Bazaar Instant Canopy	76-393,728
12.	Quik Shed Multi-Purpose Canopy	2,886,980
13.	Moto Shade	2,710,717
14.	Moto Shade Multi-Purpose Canopy	2,872,139
15.	Quik Shed	2,886,965
16.	Air Zone (image)	2,553,164
17.	Air Zone	2,553,154
18.	Quik Shade	2,151,483
19.	Static	2,012,653
20.	Variflex (image)	1,478,845
21.	Variflex	1,382,488
22.	Factory Hockey	78-253,991

23.	Hyper	78-240,517
24.	Hyper	78-213,106
25.	Adrenaline	2,136,050
26.	True	2,210,631
27.	Channel One	2,190,954
28.	Medium	2,174,691
29.	Kuzak	2,166,952
30.	Senate Wheel Co	2,168,440
31.	Senate Wheel Co	2,168,439
32.	Senate Wheel Co	2,168,438
33.	Hyper Walk	2,107,919
34.	Hyper Walk	2,105,944
35.	Diablo	2,059,138
36.	BSB Speed Bearings	2,098,320
37.	BSB Speed Bearings	2,149,711
38.	BSB Speed Bearings	2,098,316
39.	BSB Speed Bearings	2,102,246
40.	BSB Speed Bearings	2,098,315
41.	Circular Propulsion Units	1,998,294
42.	Adrenaline	2,564,826
43.	K and Design	2,115,035
44.	Hyper Air	2,112,623
45.	Bullzeye	1,880,736
46.	Hyper	1,477,002
47.	Kryptonics	1,109,423

48.	Quik Lounge	2,462,728
49.	Crown Royal	Unfiled
50.	Dubbs	Unfiled
51.	Formula (bearings for in-line skate wheels)	Unfiled
52.	Light Speed Matrix	Unfiled
53.	Hyper (Scooters)	Unfiled

SCHEDULE B
to
PATENT AND TRADEMARK SECURITY AGREEMENT

Patents and Patent Applications

(see attached)

Bravo Sports & Variflex, Inc.**Patents**

	<u>Patent</u>	<u>U.S. Patent Number</u>
1.	In-line Roller Skate Wheel	6,655,747
2.	Not Available	6,102,091
3.	Not Available	6,085,815
4.	Not Available	5,922,151
5.	Not Available	5,908,519
6.	Not Available	D398,691
7.	Not Available	D398,690
8.	Not Available	5,733,015
9.	Not Available	5,641,365
10.	Not Available	5,632,829
11.	Not Available	5,630,891
12.	Not Available	D339,320
13.	Not Available	D330,884
14.	Not Available	D330,883
15.	D/In-line Skate	D372,949
16.	D/Safety Helmet	D371,868
17.	D/Safety Helmet	D371,867
18.	D/In-line Skate	D369,396
19.	D/In-line Skate	D368,507
20.	D/Skate Chassis	D367,510
21.	D/Safety Helmet	D367,341
22.	D/Safety Helmet	D358,004

23.	D/Toddler Safety Helmet	D358,003
24.	D/Roller Skate Chassis	D346,841
25.	Collapsible Canopy with Telescoping Roof Support Structure	4,779,635
26.	Portable Shelter with Rolling Element Bearings	10/783,464
27.	Trampoline with Elastic Frame Attachments System	09/013,469
28.	In-line Roller Skate Assembly	5,470,086
29.	Polyurethane Skate Wheel with Shaped Foam Core	5,922,151
30.	Divisional - In-line Roller Skate Wheel	10/656,429
31.	Not Available	5,701,923

SCHEDULE C
to
PATENT AND TRADEMARK SECURITY AGREEMENT

Permitted Licenses

(see attached)

SCHEDULE 1

Exclusive License Agreement between Skateboard World Industries, Inc. and its parent, Globe International LTD (Licensor) and Variflex, Inc. (Licensee)
Exclusive License Agreement between Hay-Hip, LLC (Licensor) and Variflex, Inc. (Licensee)
Agreement between Variflex, Inc (Licensee) and Alan Losi (AL)
"Shrek 2" Merchandise License Agreement #005324 between Dreamworks L.L.C. (Licensor) and Variflex Inc. (Licensee)
License Agreement between Hatteras Enterprises, Inc. (dba SolarActive International) (Licensor) and Variflex, Inc. (Licensee).
Merchandise License Agreement between MTV Networks (Licensor) and Variflex, Inc. (Licensee)
License Agreement between KD Kanopy, Inc. (Licensor) and Variflex, Inc. (Licensee)
Exclusive License Agreement between Magnatron Inc. and Bob Jacobs (collectively, Licensor) and Variflex, Inc. (Licensee)
Agreement between MTV Networks (Licensor) and Variflex, Inc. (Licensee)
Exclusive License Agreement between Product Resource & Development Inc. and Rolland Wayne Rich (collectively, Licensor) and Variflex, Inc. (Licensee), as amended on October 6, 2000.
License Agreement between NASCAR (Licensor) and Variflex, Inc. (Licensee)
License Agreement between R&S Trading Company (Licensor) and Variflex, Inc. (Licensee)
Exclusive License Agreement between Procom Distribution, Inc. and Gary Bishop (collectively, Licensor) and Variflex, Inc. (Licensee)
Agreement between Robert Lee Churchill (Licensor) and Variflex, Inc. (Licensee)
Agreement between International Sales Inc. (Licensor) and Variflex, Inc. (Licensee)
Agreement between Rotary International, Inc. (Licensor) and Variflex, Inc. (Licensee)
Sponsorship and License Agreement between SiNeramics Incorporated (Licensor) and Variflex, Inc. (Licensee)
License Agreement between Skatebrake, Inc. (Licensor) and Variflex, Inc. (Licensee)
Merchandise Agreement between MTV Network (Licensor) and Variflex, Inc. (Licensee)
License Agreement #14887-BA5*, dated as of July 29, 2004, by and between DC Comics, c/o Warner Bros. Consumer Products Inc., and Variflex, Inc.
[Trademark License Agreement between Shopko Stores and Variflex]