

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
Aldila Golf Corp.		10/22/2012	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	MILFAM I, L.P.
Street Address:	222 Lakeview, Suite 160-365
City:	West Palm Beach
State/Country:	FLORIDA
Postal Code:	33401
Entity Type:	LIMITED PARTNERSHIP: GEORGIA

PROPERTY NUMBERS Total: 16

Property Type	Number	Word Mark
Serial Number:	85477282	VICTORY ARMOUR PIERCING
Serial Number:	85114065	PENETRATOR
Registration Number:	4109862	VAP
Serial Number:	85182765	VICTORY ARMOR PIERCING
Serial Number:	77862379	X-RINGER HV
Serial Number:	77862394	VX-22 HV
Registration Number:	4099481	X-BOLT
Serial Number:	77862397	PINK ARROW PROJECT
Serial Number:	77862393	VX-22
Serial Number:	77862391	X-KILLER HV
Serial Number:	77862386	V-FORCE HV
Serial Number:	77862381	V-FORCE
Serial Number:	77862377	X-RINGER
Serial Number:	77862399	A-BOLT

CH \$415.00 85477282

Registration Number:	3898663	X-KILLER
Registration Number:	3898643	VICTORY ARCHERY

**CORRESPONDENCE DATA**

Fax Number: 4159848701  
*Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.*  
Phone: 415-984-8700  
Email: jtaylor@omm.com  
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Address Line 1: O'Melveny & Myers LLP  
Address Line 2: Two Embarcadero Center, 28th Floor  
Address Line 4: San Francisco, CALIFORNIA 94111

ATTORNEY DOCKET NUMBER:	584480-04
NAME OF SUBMITTER:	Alexandra C. Echery
Signature:	/ace/
Date:	10/23/2012

**Total Attachments: 14**  
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## PATENT AND TRADEMARK SECURITY AGREEMENT

This Patent and Trademark Security Agreement (the "Agreement"), dated as of October 22, 2012, is made by and between MILFAM I, L.P., a Georgia limited partnership ("Secured Party"), having a chief executive office at 222 Lakview Avenue, Suite 160-365, West Palm Beach, FL 33401, ALDILA GOLF CORP., a Delaware corporation, having a chief executive office at 14145 Danielson St. Ste. B, Poway, CA 92064 ("Debtor"), and ALDILA, INC., a Delaware corporation, having a chief executive office at 14145 Danielson St. Ste. B, Poway, CA 92064 ("Guarantor"), is made with reference to the following facts:

### RECITALS

A. Secured Party has concurrently herewith made a loan to Debtor as evidenced by that certain Subordinated Secured Promissory Note issued by Debtor to Secured Party on the date hereof (the "Note").

B. Debtor is also indebted to Wells Fargo Bank, N.A. ("Wells") pursuant to that certain Credit and Security Agreement, dated as of June 8, 2012, and other documents and instruments.

C. Secured Party and Wells have entered into a Subordination Agreement, dated October 22, 2012, providing Wells' position and rights are senior to those of Secured Party to the extent provided in the Subordination Agreement.

D. Debtor is a wholly-owned subsidiary of Guarantor.

E. Guarantor has entered into that certain Guaranty dated the date hereof, pursuant to which Guarantor has guaranteed the obligations of Debtor under the Note.

F. Secured Party, Debtor and Guarantor have entered into that certain Security Agreement on the date hereof.

G. As a condition to extending credit to or for the account of Debtor, Secured Party has required the execution and delivery of this Agreement by Debtor.

ACCORDINGLY, in consideration of the mutual covenants contained in the Loan Documents and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Credit Agreement that are not otherwise defined herein shall have the meanings given to them in the Credit Agreement. In addition, the following terms have the meanings set forth below:

"Patents" means all of Debtor's or Guarantor's respective right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit A.

“Security Interest” has the meaning given in Section 2.

“Trademarks” means all of Debtor’s or Guarantor’s respective right, title and interest in and to: (i) trademarks, service marks, collective membership marks, registrations and applications for registration for each, and the respective goodwill associated with each, (ii) licenses, fees or royalties with respect to each, (iii) the right to sue for past, present and future infringement, dilution and damages therefor, and (iv) licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit B.

2. Security Interest. Debtor and Guarantor each hereby irrevocably pledges and assigns to, and grants Secured Party a security interest (the “Security Interest”) with power of sale to the extent permitted by law, in their respective Patents and in their respective Trademarks to secure payment of the Indebtedness. As set forth in the Security Agreement, the Security Interest is coupled with a security interest in substantially all of the personal property of Debtor. This Agreement grants only the Security Interest herein described, is not intended to and does not affect any present transfer of title of any trademark registration or application and makes no assignment and grants no right to assign or perform any other action with respect to any intent to use trademark application, unless such action is permitted under 15 U.S.C. § 1060.

3. Representations, Warranties and Agreements. Debtor and Guarantor, each represents, warrants and agrees as follows:

(a) **Existence; Authority.** Debtor is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and this Agreement has been duly and validly authorized by all necessary corporate action on the part of Debtor. Guarantor is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and this Agreement has been duly and validly authorized by all necessary corporate action on the part of Guarantor.

(b) **Patents.** Exhibit A accurately lists all Patents owned or controlled by Debtor or Guarantor as of the date hereof, or to which Debtor or Guarantor has a right as of the date hereof to have assigned to it, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If after the date hereof, Debtor or Guarantor owns, controls or has a right to have assigned to it any Patents not listed on Exhibit A, or if Exhibit A ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then Debtor or Guarantor, respectively, shall within 60 days provide written notice to Secured Party with a replacement Exhibit A, which upon acceptance by Secured Party shall become part of this Agreement.

(c) **Trademarks.** Exhibit B accurately lists all Trademarks owned or controlled by Debtor or Guarantor as of the date hereof and accurately reflects the existence and status of Trademarks and all applications and registrations pertaining thereto as of the date hereof; provided, however, that Exhibit B need not list common law marks (i.e., Trademarks for which there are no applications or registrations) which are not material to Debtor’s or Guarantor’s, or any Affiliate’s business(es). If after the date

hereof, Debtor or Guarantor owns or controls any Trademarks not listed on Exhibit B (other than common law marks which are not material to Debtor's, Guarantor's or any Affiliate's business(es)), or if Exhibit B ceases to accurately reflect the existence and status of applications and registrations pertaining to the Trademarks, then Debtor shall promptly provide written notice to Secured Party with a replacement Exhibit B, which upon acceptance by Secured Party shall become part of this Agreement.

(d) **Affiliates.** As of the date hereof, no Affiliate owns, controls, or has a right to have assigned to it any items that would, if such item were owned by Debtor, constitute Patents or Trademarks. If after the date hereof any Affiliate owns, controls, or has a right to have assigned to it any such items, then Debtor shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to Debtor or Guarantor; or (ii) notify Secured Party of such item(s) and cause such Affiliate to execute and deliver to Secured Party a patent and trademark security agreement substantially in the form of this Agreement.

(e) **Title.** Debtor or Guarantor has absolute title to each Patent and each Trademark listed on Exhibits A and B, free and clear of all Liens except Permitted Liens. Debtor and Guarantor (i) will have, at the time Debtor or Guarantor acquires any rights in Patents or Trademarks hereafter arising, absolute title to each such Patent or Trademark free and clear of all Liens except Permitted Liens, and (ii) will keep all Patents and Trademarks free and clear of all Liens except Permitted Liens.

(f) **No Sale.** Except as permitted in the Credit Agreement, Debtor and Guarantor will not assign, transfer, encumber or otherwise dispose of the Patents or Trademarks, or any interest therein, without Secured Party's prior written consent.

(g) **Defense.** Debtor or Guarantor, as the case may be, will at their own expense and using commercially reasonable efforts, protect and defend the Patents and Trademarks against all claims or demands of all Persons other than those holding Permitted Liens.

(h) **Maintenance.** Debtor or Guarantor, as the case may be, will at their own expense maintain the Patents and the Trademarks to the extent reasonably advisable in their respective business including, but not limited to, filing all applications to obtain letters patent or trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent, trademark registrations and applications therefor. Debtor and Guarantor each covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any of its Patents or Trademarks, nor fail to file any required affidavit or renewal in support thereof, without first providing Secured Party: (i) sufficient written notice, of at least 30 days, to allow Secured Party to timely pay any such maintenance fees or annuities which may become due on any Patents or Trademarks, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(i) **Secured Party's Right to Take Action.** If Debtor or Guarantor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after Secured Party gives Debtor or Guarantor written notice thereof (or, in the case of the agreements contained in subsection (h), immediately upon the occurrence of such failure, without notice or lapse of time), or if Debtor or Guarantor notifies Secured Party that Debtor or Guarantor intends to abandon a Patent or Trademark, Secured Party may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of Debtor or Guarantor (or, at Secured Party's option, in Secured Party's own name) and may (but need not) take any and all other actions which Secured Party may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(j) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, Debtor or Guarantor shall pay Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Secured Party in connection with or as a result of Secured Party's taking action under subsection (i) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by Secured Party at the Default Rate.

(k) **Power of Attorney.** To facilitate Secured Party's taking action under subsection (i) and exercising its rights under Section 6, Debtor and Guarantor each hereby irrevocably appoints (which appointment is coupled with an interest) Secured Party, or its delegate, as the attorney-in-fact of Debtor or Guarantor, respectively, with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of Debtor or Guarantor, respectively, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by Debtor or Guarantor under this Section 3, or, necessary for Secured Party, after an Event of Default, to enforce or use the Patents or Trademarks or to grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents or Trademarks to any third party. Debtor and Guarantor each hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Credit Agreement as provided therein and the payment and performance of all Indebtedness.

4. Debtor's or Guarantor's Use of the Patents and Trademarks. Debtor or Guarantor shall be permitted to control and manage the Patents and Trademarks, including the right to exclude others from making, using or selling items covered by the Patents and Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) an Event of Default, as

defined in the Security Agreement, shall occur; or (b) Debtor shall fail promptly to observe or perform any covenant or agreement herein binding on it; or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies. Subject to the limitations or restrictions in the Subordination Agreement, upon the occurrence of an Event of Default and at any time thereafter, Secured Party may, at its option, take any or all of the following actions:

(a) Secured Party may exercise any or all remedies available under the Security Agreement.

(b) Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks.

(c) Secured Party may enforce the Patents and Trademarks and any licenses thereunder, and if Secured Party shall commence any suit for such enforcement, Debtor or Guarantor, as the case may be, shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement.

7. Miscellaneous. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by Secured Party. A waiver signed by Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of Secured Party's rights or remedies. All rights and remedies of Secured Party shall be cumulative and may be exercised singularly or concurrently, at Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Debtor or Guarantor under this Agreement shall be given in the manner and with the effect provided in the Security Agreement. Secured Party shall not be obligated to preserve any rights Debtor or Guarantor may have against prior parties, to realize on the Patents and Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Patents and Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of Debtor, Guarantor and Secured Party and their respective participants, successors and assigns and shall take effect when signed by Debtor and Guarantor and delivered to Secured Party, and Debtor and Guarantor each waives notice of Secured Party's acceptance hereof. Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by Debtor or Guarantor shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of the State of Delaware without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties

contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Indebtedness.

8. Venue. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST DEBTOR OR GUARANTOR ARISING OUT OF OR RELATING TO THIS AGREEMENT MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE OF DELAWARE, AND EACH OF DEBTOR AND GUARANTOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT. Each of Debtor and Gurantor hereby agrees that service of all process in any such proceeding in any such court may be made by registered or certified mail, return receipt requested, to it at its address set forth in Section 31, such service being hereby acknowledged by it to be sufficient for personal jurisdiction in any action against it in any such court and to be otherwise effective and binding service in every respect. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of Secured Party to bring proceedings against Debtor or Guarantor in the courts of any other jurisdiction.

9. Waiver of Jury Trial. DEBTOR, GUARANTOR, AND SECURED PARTY HEREBY IRREVOCABLY AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT. The scope of this waiver is intended to be all-encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including without limitation contract claims, tort claims, breach of duty claims and all other common law and statutory claims. Debtor, Guarantor and Secured Party each (i) acknowledges that this waiver is a material inducement to enter into a business relationship, that each has already relied on this waiver in entering into this relationship, and that each will continue to rely on this waiver in their related future dealings and (ii) further warrants and represents that each has reviewed this waiver with its legal counsel and that each knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS OF THIS AGREEMENT. In the event of litigation, this provision may be filed as a written consent to a trial by the court.

IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above.

Aldila Golf Corp.  
14145 Danielson St. Suite B  
Poway, California 92064

ALDILA GOLF CORP.

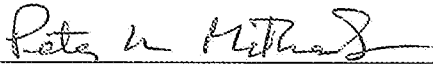
By Patricia A. [Signature]



Aldila, Inc.  
14145 Danielson St. Suite B  
Poway, California 92064

Its President

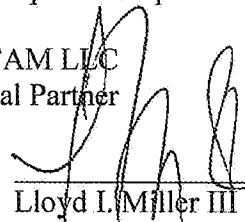
ALDILA, INC.

By   
Its President

MILFAM I, L.P.  
222 Lakeview Avenue, Suite 160-365  
West Palm Beach, Florida 33401  
Attn: Lloyd Miller

MILFAM I, L.P.  
a Georgia limited partnership

By: MILFAM LLC  
Its: General Partner

By:   
Name: Lloyd I. Miller III  
Title: Manager

Aldila, Inc.  
14145 Danielson St. Suite B  
Poway, California 92064

Its President  
ALDILA, INC.

By \_\_\_\_\_  
Its President

MILFAM I, L.P.  
222 Lakeview Avenue, Suite 160-365  
West Palm Beach, Florida 33401  
Attn: Lloyd Miller

MILFAM I, L.P.  
a Georgia limited partnership

By: MILFAM LLC  
Its: General Partner

By:   
Name: Lloyd I. Miller III  
Title: Manager

EXHIBIT A

UNITED STATES ISSUED PATENTS

Patent Description	Registration Number	Filing/Registration Date	Expiration Date
Method and apparatus for dynamic locating of the neutral shaft plane through inertial loading	7,243,531	07/17/07	
Method for producing golf shafts of like flex	7,758,445	07/20/10	
Gold club shaft and method of producing the same	7,780,546	08/24/10	
Golf shaft having controlled flex zone	4,319,750	03/16/82	
Large-tip composite golf shaft	5,093,162	04/30/90	
Golf club shaft and method of producing the same	4,927,872		

UNITED STATES PATENT APPLICATIONS

Patent Application	Application/Serial Number	Application Date
Wide-body arrow having tapered tail	12/943,870	11/10/10
Apparatus for altering the swing weight of a golf putter	10/918,415	08/16/04
Method for producing golf shafts of like flex	PCT/US05/05010	
Golf club shaft and method of producing the same	12/028,753	02/08/08
Method for producing golf shafts that maintain a stable cross-section during use	PCT/US2007/001520	
Golf club by reverse interlaminar placement (RIP) technology	13/115,026	05/24/11

FOREIGN ISSUED PATENTS

Title

Country

Patent Number

Issue Date

None

EXHIBIT B

UNITED STATES ISSUED TRADEMARKS, SERVICE MARKS

AND COLLECTIVE MEMBERSHIP MARKS

<u>Mark</u>	<u>Registration OR Filing Date</u>	<u>Registration &amp;/OR Serial Number</u>
Victory Armour Piercing	11/20/11	85477282
Penetrator	08/23/10	85114065
VAP	03/06/12	85182755/ 4109862
Victory Armor Piercing	11/22/10	85182765
X-Ringer HV	11/02/09	77862379
VX-22 HV	11/02/09	77862394
X-Bolt	02/14/12	77862395/ 4099481
Pink Arrow Project	11/02/09	77862397
VX-22	11/02/09	77862393
X-Killer HV	11/02/09	77862391
V-Force HV	11/02/09	77862386
V-Force	11/02/09	77862381
X-Ringer	11/02/09	77862377
A-Bolt	11/02//09	77862399

X-Killer	01/04/11	77862390/ 3898663
Victory Archery	01/04/11	77856803/ 3898643

Longwood	07/13/99	75122477/ 2261319
Aldila	01/06/76	73028898/ 1029465
Velocitor	10/08/91	74125739/ 1659896
Aldalite	06/01/93	74293169/ 1774311
A-S-D	08/02/94	74394660/ 1847770
HM-40	05/23/95	74537021/ 1895199
(LEFT BLANK)	08/24/99	75553601/ 2272341
Rail Ryder	01/20/12	85521647

VS Magnum	05/31/11	85334438
Voodoo	03/21/12	85576373
Vap-X	03/21/12	85576371
Ice	05/12/11	85319815
Aldila NV Magnum	05/02/11	85310059
NV Magnum	02/22/11	85248924
Trinity	09/27/10	85139267
Aldila Trinity	09/27/10	85139237
44 Magnum	05/27/11	85332799
Aldila RIP	05/24/11	85090965/ 3965027
Gamer	03/21/06	78598659/ 3071019
Protopype	03/14/06	78599222/ 3068305
Micro Laminate Technology	06/14/05	78387414/ 2962677
R.I.P. Technology	09/16/09	77828268
Aldila RIP	02/22/11	77835384/ 3921683

Habanero	04/27/10	77835063/ 3781123
Wasabi	09/28/10	77755406/ 3854636
Serrano	11/02/10	77755358/ 3871204
En Fuego	11/30/10	77700315/ 3883611
VooDoo	12/02/08	77508455/ 3540313
(LEFT BLANK)	06/22/10	77450094/ 3808642
DVS	04/29/08	77251975/ 3417728
NV	11/20/07	76563197/ 3337622
Exceclerator	11/15/05	76379969/ 3014370