

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
CRIMSON TRACE CORPORATION	12/28/2007
RECEIVING PARTY DATA	
Name:	THE PENINSULA FUND IV LIMITED PARTNERSHIP
Street Address:	535 Griswold Street Suite 2050
City:	Detroit
State/Country:	MICHIGAN
Postal Code:	20036
PROPERTY NUMBERS Total: 7	
Property Type	Number
Application Number:	11043565
Patent Number:	7260910
Patent Number:	6671991
Patent Number:	6578311
Patent Number:	6526688
Patent Number:	5706600
Patent Number:	5435091
CORRESPONDENCE DATA	
Fax Number:	(202)659-1559
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	202-457-0160
Email:	trademark@dickinsonwright.com
Correspondent Name:	Rebecca Gan, Dickinson Wright PLLC
Address Line 1:	1901 L St., N.W. Ste. 800
Address Line 4:	Washington, DISTRICT OF COLUMBIA 20036
ATTORNEY DOCKET NUMBER:	28959-19

CH \$280.00 11043565

PATENT

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REEL: 021096 FRAME: 0168

NAME OF SUBMITTER:

Rebecca Gan

Total Attachments: 7

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PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (the "Agreement") made as of this 28th day of December, 2007 by CRIMSON TRACE CORPORATION, an Oregon corporation ("Grantor"), in favor of THE PENINSULA FUND IV LIMITED PARTNERSHIP, a Delaware limited partnership ("Grantee"):

W I T N E S S E T H

WHEREAS, Grantor, certain affiliates of Grantor and Grantee are parties to a certain Note Purchase Agreement of even date herewith (as the same may be amended or otherwise modified from time to time, the "Note Agreement"), providing for extensions of credit to be made to Grantor by Grantee; and

WHEREAS, Grantor, certain affiliates of Grantor and Grantee are parties to a certain Master Security Agreement of even date herewith (as the same may be amended or otherwise modified from time to time, the "Security Agreement"), providing for Grantor to grant to Grantee a security interest in substantially all of the assets of Grantor including all right title and interest of Grantor in, to and under all now owned and hereafter acquired or arising (a) patents and patent applications and the inventions and improvements described and claimed therein, and patentable inventions; (b) the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing; (c) all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing, under licenses of the foregoing, or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing; (d) the right to sue for past, present and future infringements of any of the foregoing; and (e) all rights corresponding to any of the foregoing throughout the world (collectively, "Patents") and all products and proceeds thereof, to secure the payment of all amounts owing by Grantor under the Note Agreement.

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Grantor agrees as follows:

1. Incorporation of Note Agreement and Security Agreement. The Note Agreement and the Security Agreement and the respective terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Note Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Senior Subordinated Obligations, Grantor hereby grants to Grantee and hereby reaffirms its prior grant pursuant to the Security Agreement of, a continuing security interest in Grantor's entire right, title and interest in and to the following (all of the following items or types of property being herein collectively referred to as the "Patent Collateral"), whether now owned or existing and hereafter acquired or arising:

(i) each Patent and application for Patent listed on Schedule 1 annexed hereto, together with any reissues, continuations or extensions thereof; and

(ii) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement of any Patent.

3. Warranties and Representations. Grantor warrants and represents to Grantee that:

(i) Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Patent, free and clear of any liens, charges and encumbrances (other than Liens in favor of Senior Lender to secure the Senior Debt), including without limitation licenses, shop rights and covenants by Grantor not to sue third persons;

(ii) Grantor has no notice of any suits or actions commenced or threatened with reference to any Patent; and

(iii) Grantor has the corporate power and authority to execute and deliver this Agreement and perform its terms.

4. Restrictions on Future Agreements. Grantor agrees that until Grantor's Senior Subordinated Obligations shall have been satisfied in full and the Note Agreement shall have been terminated, Grantor shall not, without the prior written consent of Grantee, sell or assign its interest in, or grant any license under, any Patent or enter into any other agreement with respect to any Patent, and Grantor further agrees that it shall not take any action or permit any action to be taken by others subject to its control, including licensees, or fail to take any action which would affect the validity or enforcement of the rights transferred to Grantee under this Agreement.

5. New Patents. If, before Grantor's Senior Subordinated Obligations shall have been satisfied in full or before the Note Agreement has been terminated, Grantor shall (i) become aware of any existing Patents of which Grantor has not previously informed Grantee, (ii) obtain rights to any new patentable inventions or Patents, or (iii) become entitled to the benefit of any Patents, which benefit is not in existence on the date hereof, the provisions of this Agreement above shall automatically apply thereto and Grantor shall give to Grantee prompt written notice thereof. Grantor hereby authorizes Grantee to modify this Agreement by amending Schedule 1 to include any such Patents.

6. Duties of Grantor. Grantor shall (i) prosecute diligently any patent applications pending as of the date hereof or hereafter, (ii) make application on unpatented but patentable inventions, as reasonably deemed appropriate by Grantor, (iii) preserve and maintain all rights in the Patents and (iv) ensure that the Patents are and remain enforceable.

7. Grantee's Right to Sue. After an Event of Default, Grantee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents and, if Grantee shall commence any such suit, Grantor shall, at the request of Grantee, do any and all lawful acts and execute any and all proper documents required by Grantee in aid of such enforcement and Grantor shall promptly, upon demand, reimburse and indemnify Grantee for all costs and expenses incurred by Grantee in the exercise of its rights under this Section 7.

8. Cumulative Remedies; Power of Attorney. Grantee hereby acknowledges and affirms that the rights and remedies with respect to the Patents, whether established hereby or by the Note Agreement, the Security Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Grantor hereby authorizes Grantee upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent of Grantee as Grantee may select, in its sole discretion, as Grantor's true and lawful attorney-in-fact, with power to (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for Grantee in the use of the Patents or (ii) take any other actions with respect to the Patents as Grantee deems to be in the best interest of Grantee, or (iii) grant or issue any exclusive or non-exclusive license under the Patents to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents to anyone. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until Grantor's Senior Subordinated Obligations shall have been paid in full and the Note Agreement has been terminated. Grantor hereby further acknowledges and agrees that the use by Grantee of all Patents shall be worldwide, except as limited by their terms, and without any liability for royalties or other related charges from Grantee to Grantor.

9. CHOICE OF LAW. THIS AGREEMENT SHALL BE DEEMED TO BE EXECUTED AND HAS BEEN DELIVERED AND ACCEPTED IN DETROIT, MICHIGAN BY SIGNING AND DELIVERING IT THERE. ANY DISPUTE BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT, AND WHETHER ARISING IN CONTRACT, TORT, EQUITY, OR OTHERWISE, SHALL BE RESOLVED IN ACCORDANCE WITH THE INTERNAL LAWS AND NOT THE CONFLICTS OF LAW PROVISIONS OF THE STATE OF MICHIGAN.

10. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement

11. Counterparts. This Agreement may be executed and accepted in any number of counterparts, each of which shall be an original with the same effect as if the signatures were on the same instrument. The delivery of an executed counterpart of a

signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

[signature page follows]

IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

CRIMSON TRACE CORPORATION, an Oregon corporation

By: *Lewis A. Danielson*
Name: Lewis A. Danielson
Title: Pres

Agreed and Accepted
As of the Date First Written Above

THE PENINSULA FUND IV LIMITED
PARTNERSHIP

By: Peninsula Fund IV Management L.L.C.
Its: General Partner

By: Peninsula Capital Partners L.L.C.
Its: Manager

By: _____
Scott A. Reilly
President and Chief Investment Officer

IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

CRIMSON TRACE CORPORATION, an Oregon corporation

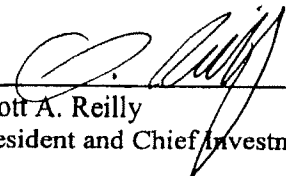
By: _____
Name: _____
Title: _____

Agreed and Accepted
As of the Date First Written Above

THE PENINSULA FUND IV LIMITED
PARTNERSHIP

By: Peninsula Fund IV Management L.L.C.
Its: General Partner

By: Peninsula Capital Partners L.L.C.
Its: Manager

By:  _____
Scott A. Reilly
President and Chief Investment Officer

SCHEDULE 1

PATENTS

PATENT DESCRIPTION	U.S. PATENT NO.
Laser gunsight system for a firearm handgrip	7260910
Target illuminator for long gun	6671991
Apparatus and method for actuating a weapon accessory by a laser sighting beam	6578311
Apparatus and method for actuating a weapon and accessory by a laser sighting beam	6526688
Laser sighting device for a weapon	5706600
Handgun sighting device	5435091

PATENT APPLICATIONS

PATENT DESCRIPTION	U.S. PATENT APPLICATION NO.
Compact laser aiming assembly for a firearm	11043565