

08-11-2003

Form PTO-1595
(Rev. 10/02)

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

OMB No. 0651-0027 (exp. 6/30/2005)

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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

AURA SYSTEMS, INC., a Delaware corporation

8.5.03

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

☐

Assignment

☐

Merger

☒

Security Agreement

☐

Change of Name

☐

Other _____

07 / 24 / 2003

Execution Date: _____

2. Name and address of receiving party(ies)

Name: KOYAH LEVERAGE PARTNERS, L.P.

Internal Address: _____

c/o ICM Asset Management, Inc.

Street Address: _____

601 West Main Avenue, Suite 600

City: Spokane State: WA Zip: 99201

Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s) 09/938967

B. Patent No.(s) _____

Additional numbers attached? ☐ Yes ☒ No

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

Name: Chris J. Hogstad -or- Steven M. Bertone

Internal Address: _____

Paine Hamblen Coffin Brooke & Miller LLP

Street Address: _____

717 W. Sprague Ave, Suite 1200

City: Spokane State: WA Zip: 99201-3505

6. Total number of applications and patents involved: ☒ 1

7. Total fee (37 CFR 3.41).....\$ 40.00

☒

Enclosed

☐

Authorized to be charged to deposit account

8. Deposit account number: _____

08/08/2003 ECDOPER 00000240 09938967

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9. Signature.

STEVEN M. BERTONE

Name of Person Signing

Signature

8/1/2003

Date

Total number of pages including cover sheet, attachments, and documents: ☒ 2 (3 if check included)

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231PATENT
REEL: 014354 FRAME: 0128

**NOTICE OF GRANT OF SECURITY INTERESTS
IN PATENTS & PATENT APPLICATIONS**

WHEREAS, AURA SYSTEMS, INC., a Delaware corporation, (the "Debtor"), is the duly assigned owner of the patents and patent applications listed herein, and further is authorized to grant and has granted security interests in the patents and patent applications listed herein;

WHEREAS, KOYAH LEVERAGE PARTNERS, L.P., a Delaware limited partnership in its capacity as collateral agent for itself and for KOYAH PARTNERS, L.P., a Delaware limited partnership, (collectively the "Secured Party"), is authorized to accept the aforementioned grant of security interests from the Debtor.

NOW, THEREFORE, be advised that pursuant to a certain Security Agreement dated as of July 24, 2003, (as amended, restated, modified, renewed, supplemented or extended from time to time, the "Security Agreement") made by Debtor in favor of Secured Party, Debtor has granted to the Secured Party a continuing security interest in and continuing lien upon the patents and patent applications shown below:

PATENTS

<u>Reg. Number</u>	<u>Reg. Date</u>	<u>Title or Description of Patent</u>
US 5,734,217	3/31/1998	Induction Machine using Ferromagnetic Conducting Material in Rotor
US 6,157,175	12/5/2000	Mobile Power Generation System

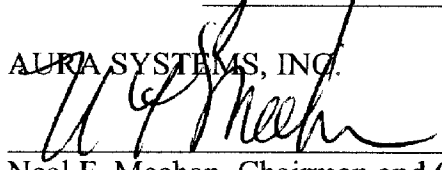
PATENT APPLICATIONS

<u>Serial No.</u>	<u>Filing Date</u>	<u>Title or Description of Patent Application</u>
09/939116	8/24/01	Mobile Power Generation System (pending)
09/938967	8/24/01	Bi-Directional Power Supply Circuit (pending)

Debtor hereby authorizes the Commissioner of Patents and Trademarks of the United States, and any official of any other country empowered to administer such affairs, to record this Notice of Grant of Security Interests, and to disclose the information herein to the public as notice of such grant of said security interests in favor of the Secured Party. Debtor further represents and warrants that Debtor has the full right to grant the security interests referenced herein, that there are no rights or interests outstanding or inconsistent with the security interests referenced herein, including no liens or encumbrances on the patents and patent applications listed above, and that Debtor will not execute any instrument or transfer any rights or interests inconsistent with the security interests referenced herein.

IN TESTIMONY WHEREOF, this document has been executed July 31, 2003.

AURA SYSTEMS, INC.



Neal F. Meehan, Chairman and CEO