

03-12-2003



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3-11-03

inal documents or copy thereof:

1. Name of conveying party(ies):
Alta California Partners II, L.P.; and
Alta Embarcadero Partners II, LLC
Additional name(s) of conveying party(ies) attached?
 Yes No

2. Name and address of receiving party(ies):
Name: Gyration, Inc.
Internal Address: Building C
Street Address: 12930 Saratoga Avenue
City: Saratoga
State: CA Zip: 95070
Additional name(s) & address(es) attached?
 Yes No

3. Nature of Conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other: Termination of Security Agreement
Execution Date: October 28, 1999

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):
B. Patent No.(s): 5698784
Additional numbers attached? Yes No

RECORDS SECTION
MAR 11 11:12 AM '03

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Albert C. Smith, Esq.
Internal Address: Fenwick & West LLP
Street Address: Silicon Valley Center
801 California Street
City: Mountain View State: CA Zip Code: 94041

6. Total number of applications and patents involved: [1]
7. Total fee (37 CFR 3.41): \$40.00
 Check Enclosed
 Fee Transmittal Enclosed
 Charge the indicated fees to the below mentioned deposit account.
8. Deposit Account No.:

03/12/2003 DBYRNE 00000009 5698784
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DO NOT USE THIS SPACE

9. Statement and signature:
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.
Rajiv P. Patel/Reg. No. 39,327
Name of Person Signing

Signature
3 March 2003
Date

Total number of pages including cover sheet, attachments, documents: [5]

TERMINATION AGREEMENT

This Termination Agreement and Mutual General Release (the "**Release**") is made as of October 28, 1999 by and between Gyration, Inc., a California corporation (the "**Company**"), on the one hand, and Alta California Partners II, L.P. and Alta Embarcadero Partners II, LLC (collectively, "**Alta Partners**"), on the other hand.

WHEREAS, the Company has been seeking additional capital funding through the sale and issuance of shares of a new Series A Convertible Preferred Stock (the "**Financing**") to certain investors, including Alta Partners and Alex Lushtak; and

WHEREAS, Alta Partners had expressed interest in participating in the Financing and thereby (i) loaned the Company certain amounts of money in exchange for secured and unsecured promissory notes (the "**Loans**"), (ii) expressed intent in canceling such Loans in consideration for an investment in the Financing, and (iii) executed signature pages pursuant to that certain Preferred Stock Purchase and Recapitalization Agreement and that certain Registration Rights Agreement and that certain Right of First Refusal and Co-Sale Agreement (collectively, the "**Preferred Stock Purchase Agreements**"); and

WHEREAS, now the Company, Alta Partners and Alex Lushtak have mutually elected not to proceed together with the Financing; and

WHEREAS, the Company and Alta Partners have agreed to enter into this Agreement to resolve any disputes amicably and without recourse to litigation.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Alta Partners hereby represent and agree as follows:

1. Termination of Financing. Alta Partners hereby confirms that it (i) has irrevocably revoked any signature pages it may have tendered to the Company under the Preferred Stock Purchase Agreements, (ii) demanded the repayment of all Loans (the amount of such Loans are set forth on Exhibit A attached hereto), (iii) agrees that it does not wish to invest in the Company pursuant to the Financing or otherwise, (iv) agrees that any and all security interests, liens, encumbrances or similar claims or rights held by Alta Partners with respect to any and all of the assets of the Company shall be released and terminated and Alta Partners will have no right, title, interest, security interest, lien or other right in or to any of such assets and (v) confirms and agrees that, the Company shall be authorized to (A) record this release with the United States Patent and Trademark Office and elsewhere as may be necessary or desirable to give full effect hereto and (B) file a UCC Termination Statement with the appropriate government or other applicable recording authorities, in each case to document the termination of Alta Partners' security interest, lien or other claims, rights or interest in or to the certain of the assets of the Company.

2. No Admission of Liability or Waiver. Neither party admits liability to the other party in connection with any potential claims or potential counterclaims concerning the Financing or any other subject matter of this Agreement, and nothing in this Agreement shall be construed as an admission by either party of unlawful or otherwise actionable conduct on its part nor shall the entering into this Agreement prejudice any other rights either party may have.

3. Entire Agreement. This Agreement contains the entire understanding and complete agreement of the parties with respect to the subject matter of this Agreement, and all understandings and agreements, if any, previously reached between the parties are merged into this Agreement. No amendment or modification of this Agreement shall be valid or binding upon the parties hereto unless made in writing and executed by the parties.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

COMPANY:

GYRATION, INC.

By:

Its:

ALTA CALIFORNIA PARTNERS II, L.P.
and ALTA EMBARCADERO PARTNERS
II, LLC


Name: Garrett Gruener

Its:

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PATENT
REEL: 013813 FRAME: 0841

EXHIBIT A

Loans to be paid by the Company:

<u>Date of Note</u>	<u>Principal</u>
April 30, 1999 ⁽¹⁾	\$198,168.00
June 14, 1999 ⁽¹⁾	99,084.00
July 3, 1999 ⁽¹⁾	197,505.00
April 30, 1999 ⁽²⁾	1,832.00
June 14, 1999 ⁽²⁾	916.00
July 8, 1999 ⁽²⁾	2,495.00

⁽¹⁾Payee - Alta California Partners II, LP

⁽²⁾Payee - Alta Embarcadero Partners II, LLC