

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
------------------	----------------

NATURE OF CONVEYANCE:	RELEASE BY SECURED PARTY
-----------------------	--------------------------

CONVEYING PARTY DATA

Name	Execution Date
NGEN Enabling Technologies Fund, L.P.	08/21/2008

RECEIVING PARTY DATA

Name:	Pionetics Corporation
Street Address:	151 H Old County Road
City:	San Carlos
State/Country:	CALIFORNIA
Postal Code:	94070

PROPERTY NUMBERS Total: 8

Property Type	Number
Patent Number:	5788826
Patent Number:	7344629
Application Number:	10900256
Application Number:	11021931
Application Number:	11190802
Application Number:	11539596
Application Number:	11552068
Application Number:	11731188

CORRESPONDENCE DATA

Fax Number: (650)849-4800
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: (650)849-4400
 Email: mary.zimmerman@bingham.com
 Correspondent Name: Mary R. Zimmerman
 Address Line 1: Bingham McCutchen LLP
 Address Line 2: Three Embarcadero Center

CH \$320.00 5788826

Address Line 4: SAN FRANCISCO, CALIFORNIA 94111-4067

ATTORNEY DOCKET NUMBER:

3002316-0000333752

NAME OF SUBMITTER:

Mary R. Zimmerman

Total Attachments: 6

source=Termination2_patent#page1.tif

source=Termination2_patent#page2.tif

source=Termination2_patent#page3.tif

source=Termination2_patent#page4.tif

source=Termination2_patent#page5.tif

source=Termination2_patent#page6.tif

TERMINATION OF INTEREST IN PATENTS

This Termination of Interest in Patents (this "Termination") is executed as of August 21, 2008, by NGEN Enabling Technologies Fund, L.P. ("NGEN"), in its capacity as Collateral Agent, on behalf of each of NGEN, Unilever Swiss Holdings AG, Rockport Capital Partners, L.P., RP Co-Investment Fund I, L.P., Pangaea Ventures Fund LP, Pangaea Ventures Fund International LP, Eric D. Nyberg and Clarke Ronce (each, a "Secured Creditor" and collectively, the "Secured Creditors"), with reference to that certain Security Agreement dated May 16, 2008 (the "Security Agreement") by and between PIONETICS CORPORATION, a California corporation (the "Company") and the Secured Creditors. Capitalized terms used herein and not defined shall have the meanings given such terms in the Security Agreement.

NGEN was duly appointed and authorized by the Majority Note Holders to act as the Collateral Agent for the Secured Creditors pursuant to that certain Collateral Agency Agreement, dated as of May 23, 2008, by and among NGEN and the Majority Note Holders.

For good and valuable consideration, receipt of which is hereby acknowledged, each of the Secured Creditors hereby releases the security interests granted by the Company to such Secured Creditor with respect to all patents and patent applications (the "Patents") described in Schedule A to the Grant of Security Interest (Patents) as recorded with the United States Patent and Trademark Office on **June 12, 2008 at Reel/Frame 021085/0185**. A true and correct copy of the Grant of Security Interest (Patents), including Schedule A thereto, as filed, is attached hereto as **Exhibit A**.

To the extent that the Secured Creditors shall be deemed to have any right, title or interest in the Patents, each Secured Creditor retransfers and reassigns all of such right, title and interest in the Patents to the Company, without representation or warranty of any kind whatsoever.

This Termination may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Termination by signing any such counterpart. Delivery of an executed counterpart of this Termination by telefacsimile shall be equally as effective as delivery of an original executed counterpart. Any party delivering an executed counterpart of this Termination by telefacsimile also shall deliver an original executed counterpart, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Termination.

This Termination shall be governed by, and construed and enforced in accordance with, the laws of the State of California. Whenever possible, each provision of this Termination shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Termination 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 Termination. This is the entire agreement between the parties with respect to the subject matter hereof.

In witness whereof, the Collateral Agent has caused this Termination to be executed on behalf of each of the Secured Creditors as of the date first above written.

COLLATERAL AGENT:

Address:

1114 State Street, Suite 247
Santa Barbara, California 93101

NGEN ENABLING TECHNOLOGIES
FUND, L.P.

By: 

Name: STEVEN KAMM

Title: MANAGING MEMBER

ACKNOWLEDGED AND AGREED:

Address:

151H Old County Road
San Carlos, California 94070

PIONETICS CORPORATION

By: _____

Name: Eric Nyberg

Title: Chief Technology Officer

ACTIVE/72618269.3

In witness whereof, the Collateral Agent has caused this Termination to be executed on behalf of each of the Secured Creditors as of the date first above written.

COLLATERAL AGENT:

Address:

1114 State Street, Suite 247
Santa Barbara, California 93101

NGEN ENABLING TECHNOLOGIES
FUND, L.P.

By: _____

Name: _____

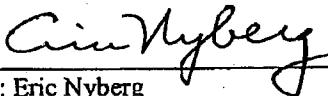
Title: _____

ACKNOWLEDGED AND AGREED:

Address:

151H Old County Road
San Carlos, California 94070

PIONETICS CORPORATION

By: 

Name: Eric Nyberg

Title: Chief Technology Officer

ACTIVE/72618269.3

GRANT OF SECURITY INTEREST
(PATENTS)

Exhibit A

This Grant of Security Interest (Patents), dated as of May 23, 2008, is executed by Pionetics Corporation, a California corporation (the "**Grantor**"), in favor of NGEN Enabling Technologies Fund, L.P., as the Collateral Agent for the Secured Parties described below (in such capacity, the "**Collateral Agent**"). Unless otherwise defined herein, all capitalized terms used herein and defined in the Security Agreement (as defined below) shall have the respective meanings given to those terms in the Security Agreement.

A. Pursuant to that certain Note Purchase Agreement, dated as of May 16, 2008 by and among the Grantor, on the one hand, and NGEN Enabling Technologies Fund, L.P., Unilever Swiss Holdings AG, Rockport Capital Partners, L.P., RP Co-Investment Fund I, L.P., Pangaea Venture Funds, L.P., Pangaea Venture Funds International, L.P., Eric D. Nyberg and Clarke Ronce (each a "**Secured Party**" and, collectively, the "**Secured Parties**"), on the other hand, the Grantor has issued to the Secured Parties the Notes upon the terms and subject to the conditions set forth therein.

B. The Grantor owns the letters patent and/or applications for letters patent, of the United States and certain foreign countries, more particularly described on Schedule A annexed hereto and made a part hereof (collectively, the "**Patents**").

C. The Grantor, Pionetics Corporation, and the Secured Parties have entered into a Security Agreement, dated as of May 16, 2008 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Security Agreement**"), and the Collateral Agent and the Majority Note Holders have entered into that certain Collateral Agency Agreement, dated as of May 23, 2008 (the "**Collateral Agency Agreement**").

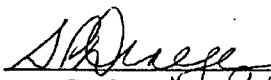
D. Pursuant to the Security Agreement, the Grantor has granted to each of the Secured Parties a security interest in all right, title and interest of the Grantor in and to the Patents, together with any reissue, continuation, continuation-in-part or extension thereof, and all proceeds thereof, including any and all causes of action which may exist by reason of past, present or future infringement thereof (the "**Collateral**"), to secure the prompt payment, performance, and observance of the Obligations, as defined in the Security Agreement, and pursuant to the Collateral Agency Agreement, the Majority Note Holders have appointed and authorized the Collateral Agent, to, among other matters, to effectuate all provisions of the Security Agreement, including filing this Grant of Security Interest (Patents) with the United States Patent and Trademark Office on behalf of the Secured Parties and executing any releases and/or other instruments and documents that may be required in the future to release the security interest of the Secured Parties in the Collateral.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Grantor does hereby further grant to the Secured Parties a security interest in the Collateral to secure the prompt payment, performance and observance of the Obligations.

The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Collateral Agent for the benefit of the Secured Parties with respect to the security interest in the Collateral granted hereby are more fully set forth in the Security Agreement and the Collateral Agency Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

IN WITNESS WHEREOF, the Grantor has caused this Grant of Security Interest (Patents) to be executed as of the date and year first above written.

PIONETICS CORPORATION

By: 
Name: STEVEN J P DRAEGER
Title: CEO

SCHEDULE A TO GRANT OF SECURITY INTEREST

(PATENTS AND PATENT APPLICATIONS)

<u>Description</u>	<u>Patent/ Application Number</u>	<u>Issue/ Application Date</u>
Electrochemically Assisted Ion Exchange	5,788,826	08-04-1998
Selectable Ion Concentrations with Electrolytic Ion Exchange	7,344,629	03-18-2008
Textured Ion Exchange Membranes	10/900,256	07-26-2004
Fluid Flow Controlling Valve Having Seal with Reduced Leakage	11/021,931	12-23-2004
Electrochemical Ion Exchange with Textured Membranes and Cartridge	11/190,802	07-26-2005
Electrochemical Ion Exchange Treatment of Fluids	11/539,596	10-06-2006
Power Supply for Electrochemical Ion Exchange Cells	11/552,068	10-23-2006
Regeneration of Electrolytic Ion Exchange Cells	11/731,188	03-30-2007