

TERMINATION OF PATENT AND TRADEMARK SECURITY INTERESTS

This is a Termination of Patent and Trademark Security Interests, dated as of August 9, 2004, executed by BANK OF THE WEST (the "Bank") releasing all security interests of the Bank in the Patents and Trademarks (defined below) owned by AQUAPHONTONICS, INC., a California corporation (the "Debtor").

RECITALS

WHEREAS, the Debtor granted to the Bank in certain assets of the Debtor, including, without limitation, the patents specifically described on Schedule 1 attached hereto (the "Patents") and the trademarks specifically described on Schedule 2 attached hereto (the "Trademarks");

WHEREAS, Debtor desires termination of the Bank's security interest in the Patents and the Trademarks; and


WHEREAS, the Bank is willing to terminate their security interest in the Patents and the Trademarks;

NOW, THEREFORE, in consideration of the foregoing, the receipt and sufficiency of which is hereby acknowledged, the Bank agrees as follows:

AGREEMENT

1. Termination of Security Interest. The Bank hereby terminates all of the Bank's security interest in the Patents and the Trademarks.
2. Revocation of Power of Attorney. Any powers of attorney granted by Debtor to the Bank in connection with the grant of security interest in the Patents and Trademarks is hereby revoked.

BANK OF THE WEST

By: 
 Name: Angeles Coro
 Title: Vice President

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On August 9th, 2004, before me, the undersigned notary public in and for said County and State, personally appeared ANGELES CORO, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that, by his/her/their signature(s) on the instrument, the person(s) or the entity(ies) upon behalf of which the person(s) acted executed the instrument.

WITNESS my hand and official seal.

Rita E Stassi
My commission expires on MARCH 31, 2005



Schedule 1 to Termination of
Patent and Trademark Security Interests

PATENTS

Canadian Patent No. 2,388,934

Schedule 1 to Termination of
Patent and Trademark Security Interests

TRADEMARKS

Trademark Application No. 76533580
Trademark Registration No. 2,645,092
Trademark Registration No. 2,586,573
Trademark Registration No. 2,638,851
Trademark Registration No. 2,755,446