

PATENT ASSIGNMENT

Electronic Version v1.1  
Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
Alanco Environmental Resources Corp.	08/02/2000
RECEIVING PARTY DATA	
Name:	Krebs, Inc.
Street Address:	312 South Hwy 73
City:	Falls City
State/Country:	NEBRASKA
Postal Code:	68355
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	5803939
CORRESPONDENCE DATA	
Fax Number:	(402)390-7130
Email:	collins@eslaw.com
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>	
Correspondent Name:	Andrew M. Collins
Address Line 1:	10330 Regency Parkway Drive
Address Line 2:	Ste. 100
Address Line 4:	Omaha, NEBRASKA 68114
ATTORNEY DOCKET NUMBER:	56375
NAME OF SUBMITTER:	Andrew M. Collins
Total Attachments: 4 source=Assignment (Alanco to Krebs)#page1.tif source=Assignment (Alanco to Krebs)#page2.tif source=Assignment (Alanco to Krebs)#page3.tif source=Assignment (Alanco to Krebs)#page4.tif	

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## ASSIGNMENT AND BILL OF SALE

THIS ASSIGNMENT AND BILL OF SALE is made and entered into by ALANCO ENVIRONMENTAL MANUFACTURING, INC., a Nebraska corporation ("AEMI"), and KREBS, INC., a Nebraska corporation ("KREBS"), pursuant to the terms of that certain Asset Purchase Agreement, dated July 21, 2000, between AEMI and KREBS (the "Agreement"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement. AEMI, in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby sell, assign, transfer and set over to KREBS all of the assets and properties of AEMI (the "Assets") including all of the business, goodwill, assets, properties and rights of every nature, kind and description, whether tangible or intangible, real, personal or mixed, wherever located and whether or not carried or reflected on the books and records of AEMI, which are owned by AEMI or in which AEMI has any interest (including the right to use), excepting only the Excluded Assets (as hereinafter described) and any of the foregoing which relate exclusively to the Excluded Assets. The Assets include, but are not be limited to, the following:

1.1 Inventories. All inventories, whether finished goods or work-in-progress, whether located on AEMI's business premises, in transit to or from such premises, in storage facilities, at dealer customer facilities, or otherwise

1.2 Tangible Personal Property. All tangible personal property of AEMI, wherever located owned by AEMI or in which AEMI has any interest, including all machinery, equipment, vehicles, furniture, supplies, spare parts, tools, stores and other tangible personal property, other than the Inventories.

1.3 Intangible Personal Property. All intangible personal property including all intangible properties owned by AEMI or in which AEMI has any interest, including, but not limited to (i) any registered or unregistered trademarks, service marks, trade names and slogans, all applications therefor, and all associated goodwill, except for the name "Alanco" which shall be an Excluded Asset as described below; (ii) all statutory, common law or registered copyrights, all applications therefore and all associated goodwill; (iii) all patents (including specifically the patent on the product known as E86) and patent applications, all associated technical information, shop rights, know-how, trade secrets, processes, operating, maintenance, and other manuals, drawings and specifications, process flow diagrams and related data, and all associated goodwill; (iv) all "software" and documentation thereof, (including all electronic data processing systems and program specifications, source codes, input data and report layouts and formats, records, files, layouts, or diagrams, functional specifications and narrative descriptions, or flow charts); (v) all other inventions, discoveries, improvements, processes, formulae (secret or otherwise), data, drawings, specifications, trade secrets, confidential information know-how and ideas (including those in possession of third-

parties, but which are the property of AEMI), and all drawings, records, books or other tangible media embodying the foregoing.

1.4 Prepaid Items. All prepaid items including insurance deposits, municipal or local tax payments or deposits, utility deposits and the like, deferred charges, reserve accounts and other security or similar deposits owned by AEMI or in which AEMI has any interest.

1.5 Licenses and Permits. All licenses and permits issued to AEMI in which AEMI has any interest to the extent assignable.

1.6 Contracts, Leases and Other Agreements. All contracts and other agreements, including contracts, agreements, options, leases and subleases, easements, plans, licenses, commitments or binding arrangements of any nature whatsoever, express or implied, written or unwritten, and all amendments thereto, entered into by or binding upon AEMI or to which any of its properties may be subject, other than those, if any, which constitute Excluded Assets or relate exclusively to the Excluded Assets.

1.7 Warranties. All warranties or other rights of AEMI under express or implied warranties from suppliers or contractors with respect to the Assets to the extent assignable.

1.8 Cash and Cash Equivalents. Except as stated in Section 1.18, all cash or cash equivalents, including actual cash, bank accounts, certificates of deposits, banker's acceptances, United States Government (or agency) securities, or other securities owned by AEMI.

1.9 Accounts Receivable. All accounts receivable of AEMI, including all accounts, notes, accounts receivable, contract rights, drafts, and other forms of claims, demands, instruments, receivables and rights to the payment of money or other forms of consideration, whether for goods sold or leased, services performed or to be performed, or otherwise, owned by AEMI or in which AEMI has any interest, together with all guarantees, security agreements and rights and interests securing the same; provided, however, receivables with respect to amounts owed by or involving Alanco Technologies, Inc, an Arizona corporation and the parent corporation of AEMI ("Alanco"), known as the "Cash Transfer Account", shall be Excluded Assets.

1.10 Books and Records. All books and records of AEMI including customer ledgers, customer lists, files, correspondence, and other written records of every kind owned by AEMI or in which AEMI has any interest, which relate to the Assets other than those, if any, which constitute Excluded Assets or relate exclusively to the Excluded Assets.

1.11 Goodwill. All goodwill of the Business as a going concern.

1.12 Other Properties. All other properties, tangible and intangible, not otherwise referred to above which are owned by AEMI or in which it has any interest, other than those, if any, which constitute Excluded Assets or relate exclusively to the Excluded Assets.

Excluded specifically from the Assets which AEMI has agreed to sell to KREBS are the following Assets ("Excluded Assets") which shall be retained by AEMI:

1.13 Books and Records. All books and records of AEMI including general ledgers, employee records, files, correspondence, documents and records relating to the organization of AEMI, all of AEMI's tax and information returns, and all other financial records of AEMI which do not relate in any way to AEMI's ownership of the Assets and other written records of every kind; provided, however, that upon reasonable notice from KREBS to AEMI based upon reasonable cause, AEMI shall provide KREBS with access, at reasonable charge, to any of the foregoing described material and with copies of said documents.

1.14 Tax Refunds. All of AEMI's rights to refunds of all or any part of any taxes paid by AEMI in relation to periods prior to the Closing Date.

1.15 Treasury Shares. Any shares of AEMI's capital stock held in treasury.

1.16 Claims Against Alanco, Etc. All of AEMI's claims, causes of action, choses in action, and rights of set-off of any kind against or pertaining to Alanco, or AEMI's or Alanco's officers and directors.

1.17 Cash Transfer Account. Prior to or on the date hereof, appropriate payments of cash shall have been made between AEMI and Alanco so that the balance of the Cash Transfer Account with respect to transfers of cash between Alanco and AEMI shall reflect a balance due to AEMI of \$1,175,000, which receivable shall be an Excluded Asset.

1.18 Agreement Rights. The rights of AEMI under this Agreement

1.19 The Name "Alanco". The right to use the name "Alanco" in any manner whatsoever, except KREBS shall have a perpetual license to use the name "Alanco Environmental Manufacturing" following the Closing, but shall not use the name "Alanco" either alone or as part of any other name without the prior written consent of Alanco.

1.20 CDSI. All rights and title to certain technology known as Charged Dry Sorbent Injection ("CDSI"), together with all associated equipment and inventory, shall be retained by Alanco under certain patents held by Alanco.

1.21 Fryer Inventory and Testing Equipment. All rights and title to Fryer inventory and testing equipment, shall be retained by Alanco.

AEMI hereby represents and warrants to KREBS that AEMI is the absolute owner of the Assets, that the Assets are free and clear of all liens, charges and encumbrances, other than liens for

taxes not yet due and payable, and that AEMI has full right, power and authority to sell and assign the Assets and to make this Assignment and Bill of Sale.

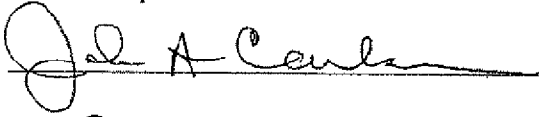
This Assignment and Bill of Sale shall be binding upon and shall inure to the benefit of AEMI and KREBS and their successors and assigns.

AEMI and KREBS each covenant that, from time to time after delivery of this Assignment and Bill of Sale, at the other's request and without further consideration, such party shall do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, any and all such further acts, instruments and other things or writings reasonably requested by the other party in order to evidence and effectuate the consummation of any of the transactions contemplated herein.

Notwithstanding anything contained herein to the contrary, the terms and provisions of the Agreement shall survive the delivery of this Assignment and Bill of Sale.

IN WITNESS WHEREOF, AEMI has caused this Assignment and Bill of Sale to be executed this 2<sup>nd</sup> day of Aug, 2000.

**ALANCO ENVIRONMENTAL MANUFACTURING, INC.**  
a Nebraska corporation

By:   
Its: CFO

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