

Form PTO-1595
(Rev. 03/01)

RECORDATION FORM COVER SHEET
PATENTS ONLY

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

OMB No. 0651-0027 (exp. 5/31/2002)

Tab settings

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

1. Name of conveying party(ies):
McDermott Technology, Inc.

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

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: June 29, 2001

2. Name and address of receiving party(ies)
 Name: j w b c.llc
 Internal Address: _____

 Street Address: 1370 N. Union Avenue

 City: Salem State: OH Zip: 44460

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)
09/053,940
08/355,926

B. Patent No.(s)
6,097,478
6,033,108
5,832,157

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: Gayle L. Hamilton
 Internal Address: _____

 Street Address: BWX Technologies, Inc.
1562 Beeson Street
 City: Alliance State: OH Zip: 44601

6. Total number of applications and patents involved: 5

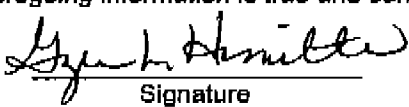
7. Total fee (37 CFR 3.41).....\$ \$200.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:
50-1807

(Attach duplicate copy of this page if paying by deposit account)

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.

Gayle L. Hamilton  September 13, 2001
 Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and documents: 10

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

RIC 01-08

PATENT TRANSFER AND ROYALTY AGREEMENT

WHEREAS McDermott Technology Incorporated ("MTI") possesses patents, intellectual property and technology rights related to certain fiber optic sensors and probes;

WHEREAS MTI desires to transfer some of its patent, intellectual property and technology rights related to certain fiber optic sensors and probes in exchange for royalty payments and other good and valuable consideration while, at the same time, retaining limited, irrevocable rights to the transferred patent, intellectual property and technology rights;

WHEREAS j w b c.llc ("JWB") is in the business of researching, developing, making, using and/or selling fiber optic sensors and probes for profit; and

WHEREAS JWB desires to obtain the entire right, title and interest to at least some of MTI's patents, intellectual property and technology rights related to fiber optic sensors and probes subject to limited, irrevocable rights retained by MTI and in exchange for royalties and other consideration;

MTI and JWB ("the Parties") do hereby agree to the following terms and conditions for a transfer of patent, intellectual property and technology rights from MTI to JWB in consideration of royalty payments, certain reserved, irrevocable and limited rights vesting in and to MTI and other rights and obligations, as described in the Agreement below:

ARTICLE I – DEFINITIONS

1.1 As used throughout this document:

- (a) "Agreement" shall mean the operative clauses of the document;
- (b) "Compensation" shall include, but is not limited to, cash payments, loans, and/or the fair market value of any reciprocal goods, services, other instruments or agreements tendered to JWB and/or its Successors in exchange for a Product;
- (c) "JWB" shall mean j w b c.llc, an Ohio corporation;
- (d) "Licensed Patents" shall mean at least any one of the following:
 - U.S. Patent No. 6,097,478 (MTI Case 5975),
 - U.S. Patent No. 6,033,108 (MTI Case 5450),
 - U.S. Patent No. 5,832,157 (MTI Case 5816),
 - U.S. Patent Application No. 09/053,940 (MTI Case 5974), and/or
 - U.S. Patent Application No. 08/355,926 (MTI Case 6087);
- (e) "Licensed Technology" shall mean the Licensed Patents and any and all know-how related thereto;
- (f) "MTI" shall mean McDermott Technology Incorporated, a Delaware corporation;
- (g) "Parties" shall mean MTI and JWB;
- (h) "Product" shall mean any item or service rendered which utilizes the claimed invention(s) as described in any of the Licensed Patents, excepting that any

PATENT TRANSFER AND ROYALTY AGREEMENT

replacement cables, replacement signal conditioning units and/or original cables/signal conditioning units that are not essential to the operation of the item shall not be deemed to be a Product for the purposes of Article III below;

- (i) "Successor" shall mean any affiliate, subsidiary, licensee, assignee or successor in interest, either to JWB and/or MTI; and
- (j) "Total Gross Sales" shall mean the overall cumulative amount of all Compensation received by JWB and its Successors for any Product sold, leased or otherwise exchanged during the term of this Agreement.

1.2 Any and all other Capitalized Terms shall have the meaning defined by the context and usage of that Capitalized Term within any specific clause(s) or article(s) of this Agreement.

ARTICLE II – TRANSFER OF RIGHTS AND PAYMENT OF RELATED COSTS

2.1 MTI hereby assigns to JWB all right, title and interest in and to all of the Licensed Patents, subject to all of the rights and obligations contained within this Agreement. To the extent that JWB subsequently grants or licenses any of these assigned rights to a Successor, JWB shall include all of the rights and obligations of this Agreement in such a grant or license and shall notify MTI in writing of the same.

2.2 Maintenance Fees.

- (a) JWB shall be solely responsible for all maintenance fees and Closing Fees (as defined below) for the Licensed Patents. In the event that JWB intends to not pay any maintenance fee for any of the Licensed Patents, JWB shall provide written notice to MTI of such intention at least sixty (60) days prior to the date that the Licensed Patent would become abandoned for failure to pay the maintenance fee, as dictated by 37 CFR 1.362(g).
- (b) Notwithstanding this clause and pursuant to 37 CFR 1.366(a), MTI shall retain the right, but is not necessarily required, to pay any such maintenance fee at MTI's sole expense after receiving such written notice.

2.3 Repayment of Closing Fees.

- (a) Closing Fees shall include issue fees for U.S. Patent Application No. 09/053,940 (MTI Case 5974) and U.S. Patent Application No. 08/355,926 (MTI Case 6087) and any assignment recordation fees for all of the Licensed Patents.
- (b) With respect to any Closing Fees which come due prior to the effective date of this Agreement, MTI shall pay any such fees and JWB shall reimburse MTI for the full amount of those fees in a timely manner via a lump sum payment or via a payment schedule plan that is subsequently agreed to by the Parties. In any event, JWB shall commence at least partial reimbursement for these fees no later than September 30, 2001. MTI shall issue an invoice to JWB for the Closing Fees.

PATENT TRANSFER AND ROYALTY AGREEMENT

ARTICLE III – ROYALTY PAYMENTS

- 3.1** MTI shall receive a Royalty from JWB for the sale of Products by JWB and/or its Successors after the Total Gross Sales exceed five hundred thousand dollars (\$500,000). Under no circumstances will the Royalty be due to MTI until the Total Gross Sales, as defined in Clause 1.1(b) above, exceed \$500,000. The \$500,000 threshold is absolute and not specific to any single party such that Compensation received separately by JWB and its Successors for the sale of Products shall be equally applied toward and counted against the \$500,000 threshold.
- 3.2** Royalty Rate.
- (a) The Royalty shall be based upon a Royalty Rate. The Royalty Rate shall equal four percent (4%) of the Compensation received by JWB and/or its Successors for the sale of each Product.
 - (b) In the event that MTI sublicenses the right to make, use or sell Products pursuant to Clause 4.3 of Article IV below, JWB and its Successors shall be entitled to a Royalty Rate that is at least equivalent to the Royalty Rate of any such MTI Sublicensee, such that the four percent rate may be reduced but never increased unless pursuant to the procedure set forth in Article IX.
 - (c) JWB shall be responsible for overseeing the compliance of its Successors in paying Royalties and shall collect Royalties from its Successors and transmit the same to MTI pursuant to Clause 3.3 below.
- 3.3** Royalty Payments.
- (a) The Royalty to be paid shall equal the Compensation received for all Products sold, leased or otherwise exchanged in any given calendar year (i.e., January 1 up to and including December 31 of that same year) multiplied by the Royalty Rate in that calendar year, provided the Total Gross Sales exceed five hundred thousand dollars (\$500,000).
 - (b) The Royalty shall be paid from JWB to MTI in one annual, lump sum payment on the Payment Date.
 - (c) The Payment Date shall always be March 1 for Royalties incurred during the calendar year preceding that date, although JWB may change the date of payment for any given calendar year as a matter of right by providing MTI with written notice on or prior to February 1. JWB and its Successors shall not, under any circumstances, attempt to manipulate the Payment Date so as to avoid a Royalty in any given calendar year.
 - (d) In the case of the first payment, the payment made on the first Payment Date shall include Royalties only for Compensation received which exceeds the \$500,000 threshold for all time periods up to and including the calendar year preceding the first Payment Date (i.e., the date that Total Gross Sales exceed \$500,000 up to and including December 31 of that same year). Subsequent payments made on any

PATENT TRANSFER AND ROYALTY AGREEMENT

given Payment Date shall include Royalties for all Compensation received by JWB and any of its Successors during the calendar year preceding the Payment Date (i.e., January 1 up to and including December 31 of that same year).

- 3.4** Failure to make timely Royalty Payments shall be resolved according to the procedure set forth in Article VIII, subject to the provisions of Clause 3.5 below.
- 3.5** Annual Records.
- (a)** JWB and any of its Successors shall keep Annual Records of all Compensation received by JWB or the Successor for a period of at least three years subsequent to receipt of the Compensation.
 - (b)** Upon written request, MTI and/or its Successors shall have the right to inspect the Annual Records of JWB and/or the Successor in order to verify that the proper Royalty Payments have been made for any given year or period of years.
 - (c)** An intentional attempt to alter the Annual Records, a grossly negligent attempt to keep or maintain the Annual Records or an outright failure to keep any Annual Records by either JWB or its Successors shall automatically terminate Clause 8.1 of Article VIII below as to the offending party and shall automatically provide MTI and/or its Successors, after a sixty (60) day period in which the offending party may attempt to cure deficiencies in the Annual Records, the option to reclaim all right, title and interest to the Licensed Technology without any residual or intervening rights or other equitable or legal recourse as to the offending party. In the event the option to reclaim title for such an uncured deficiency is exercised, MTI and/or its Successors must exercise this option within one (1) year of discovering the failure and/or the intentional or grossly negligent attempt or the option will be eliminated.

ARTICLE IV – RESERVED RIGHTS AND OTHER CONSIDERATION

- 4.1** MTI shall record at the United States Patent and Trademark Office all necessary assignments of the Licensed Patents within the six (6) month period from the date of this Agreement. Fees for these recordations shall be paid pursuant to Clause 2.3 of Article II.
- 4.2** Upon written request and within the six (6) month period from the date of this Agreement, MTI shall provide copies of documents in its possession related to the Licensed Technology and consistent with the purposes of the written request.
- 4.3** Rights Reserved by MTI.
- (a)** Notwithstanding the grant contained in Article II above, MTI shall retain an irrevocable, fully-paid up, non-exclusive license to research, develop, make, use and/or sell any good or service which incorporates the Licensed Technology, including the right to sublicense the same.

PATENT TRANSFER AND ROYALTY AGREEMENT

- (b) To the extent that MTI may grant a sublicense which generates royalty revenue for MTI and/or its Successors, the Royalty Rate contained in Clause 3.2 of Article III above shall be automatically adjusted to insure that JWB and its Successors receive a Royalty Rate that is at least equivalent to the Royalty Rate of any such MTI Sublicensee, such that the four percent rate may be reduced but never increased unless pursuant to the procedure set forth in Article IX.
- (c) Within sixty (60) days of first receipt of a MTI Sublicensee royalty where the royalty rate is less than that being paid by JWB and its Successors, MTI shall provide written notice to JWB that the Royalty Payment Rate has been adjusted. JWB is solely responsible for communicating an adjustment to its Successors.

ARTICLE V – CONFIDENTIALITY

To the extent that Information is exchanged pursuant to this Agreement, the Parties agree to keep confidential such Information and treat such Information as if the Information were the Parties' own for a period of at least three (3) years subsequent to the receipt of the Information. Information shall include, but is not necessarily limited to, all data, reports, correspondence, formula, technical discussions, other oral communications, diagrams, drawings, and the like provided that the Party providing such Information notifies the other in writing within thirty (30) days of the exchange that the Information is confidential. This obligation of confidentiality shall not apply to: Information that is or becomes available to the public through no fault of either of the Parties; Information that is discovered independently by either Party; or Information that was already in possession of the non-receiving party prior to the exchange and that was not previously subject to a confidentiality obligation between the Parties.

ARTICLE VI – INDEMNITY

No indemnity for patent infringement, misappropriation of a third party's proprietary information or any other legal or equitable cause of action shall be explicitly or implicitly provided or inferred by this Agreement. JWB and its Successors shall be solely liable for their use of the Licensed Technology, and MTI and its Successors shall be solely liable for the same. In the event the Parties and/or their Successors engage a collaborative effort, any indemnity or allocation of liability and fault shall be addressed under a separate agreement. Notwithstanding the lack of indemnity pursuant to this Agreement, the Parties and their Successors shall provide reasonable assistance and support as needed to defend or to enforce the Licensed Technology, although this assistance and support shall not include any monetary or financial obligation as to the costs of litigation, settlement or fulfillment of a judgment.

PATENT TRANSFER AND ROYALTY AGREEMENT

ARTICLE VII – TERM AND TERMINATION

- 7.1 The rights and obligations of Articles III and IV shall remain in effect until the last of the Licensed Patents expires, unless otherwise modified pursuant to the procedure outlined in Article IX.
- 7.2 Notwithstanding any other provision in this Agreement, the rights and obligations of Article V shall survive the termination of this Agreement.
- 7.3 The remaining rights and obligations of this entire Agreement or of any one article of this Agreement, excepting Articles III, IV and V as discussed in Clauses 7.1 and 7.2 above, may be terminated upon mutual consent of the Parties pursuant to the procedure outlined in Article IX. Based upon the circumstances of the Parties and, when appropriate, the Successors of the Parties, such consent shall not be unreasonably withheld. Any dispute as to what constitutes “unreasonably withheld” shall be resolved pursuant to Clause 8.2 of Article VIII.

ARTICLE VIII – DISPUTES

- 8.1 Failure to make Royalty Payments.
- (a) Any claim that a Royalty has not been paid or that a Royalty has been deliberately circumvented through manipulation of the Payment Period shall be resolved only pursuant to this Clause.
- (b) MTI or, when applicable, a Successor of MTI shall provide Written Notification to JWB and, when applicable, any Successor of JWB in the event that a Royalty Payment dispute arises. This Written Notice shall specifically state the basis for the dispute and, if possible, state the amount of Royalty MTI or the MTI Successor believes that it is owed.
- (c) The non-paying party shall have sixty (60) days in which to make a Written Reply to the Written Notice. Such Written Reply shall specifically address each and every point raised by MTI or the MTI Successor and, to the extent that the non-paying party cannot provide a rational basis for any unpaid Royalty, shall include payment of the unpaid Royalty.
- (d) If no resolution can be reached as to the proper Royalty after the Written Notice and Reply have been made, the Parties/Successors shall engage in a sixty (60) day Negotiation and Cooling Off Period.
- (e) At the conclusion of this Negotiation and Cooling Off Period, if no resolution has been reached, the Parties/Successors shall submit the dispute to binding arbitration. If the Parties/Successors cannot agree upon an arbitrator, one shall be selected randomly from the American Arbitration Association.
- (f) In any event, throughout any dispute, the Parties/Successors of the Parties shall use their best efforts to resolve any such dispute in a timely and equitable manner.

PATENT TRANSFER AND ROYALTY AGREEMENT

8.2 All other disputes.

- (a)** The Parties and, when applicable, the Successors of the Parties shall use their best efforts to resolve any other dispute in a timely and equitable manner.
- (b)** In the event the dispute causes serious harm to any Party/Successor, the Parties/Successors shall submit the dispute to binding arbitration after a sixty (60) day Negotiation and Cooling Off Period. Such a Negotiation and Cooling Off Period shall commence upon written notification by one party to all other parties of the same. If the Parties/Successors cannot agree upon an arbitrator, one shall be selected randomly from the American Arbitration Association.

ARTICLE IX – MODIFICATION OF OBLIGATIONS

Any Clause or Article in this Agreement may be altered, added and/or deleted pursuant to the Mutual Written Agreement of the Parties. Mutual Written Agreement shall include a document describing in detail the alteration, addition and/or deletion and that document must be signed by an authorized agent of both Parties in order for the alteration, addition and/or deletion to be effective and enforceable. If and only if either Party assigns its entire right, title and interest to this Agreement to a Successor, the ability to modify this Agreement pursuant to this Clause shall be transferred to that Successor.

ARTICLE X – WARRANTIES AND REPRESENTATIONS

This Agreement contains no warranties whatsoever, either express or implied, by either Party. This Agreement shall not be construed to contain any representations by either Party except as contained in the literal language herein. The Parties acknowledge and agree that the transfer contemplated herein is essentially "as is".

ARTICLE XI – ENTIRE AGREEMENT

This Agreement sets forth the entire agreement and understanding between the Parties as to the subject matter of the Agreement and as to the rights and obligations of and between the Parties. This Agreement merges all prior discussions, writings and/or understanding between the Parties and the Parties shall not be bound by any conditions, definitions, warranties and/or representations other than as expressly set forth in this Agreement, except as may be subsequently agreed to by the Parties pursuant to the provisions of Article IX.

PATENT TRANSFER AND ROYALTY AGREEMENT

ARTICLE XII – SEVERABILITY

The separate rights and obligations described within this Agreement shall be considered distinct and severable so that the termination or invalidity of any single clause, article or provision within this Agreement shall not automatically terminate or invalidate any other separate clause, article or provision of this Agreement.

ARTICLE XIII – MISCELLANEOUS

13.1 Notice.

- (a) All notices, reports and correspondence required by this Agreement shall be in writing and shall be deemed to have been properly addressed when:

if for payments given to MTI or its Successors:
McDermott Technology Incorporated
1562 Beeson Street
Alliance, Ohio 44601
ATTN: Controller

if for notices or other correspondence given to MTI or its Successors:
McDermott Technology Incorporated
1562 Beeson Street
Alliance, Ohio 44601
ATTN: Patent Department

if given to JWB or its Successors:
j w b c.llc
1370 North Union Avenue
Salem, Ohio 44460
ATTN: John W. Berthold

- (b) Notwithstanding the procedure set forth in Article IX, the addresses for Notice listed in this Clause may be changed unilaterally by either Party and/or its Successors by providing written notice to the other of such a change.

- 13.2 Subject Headings. All subject headings and/or article titles shall not modify, limit or supercede the rights and obligations described in the operative clauses of that subject heading and/or article.

PATENT TRANSFER AND ROYALTY AGREEMENT

- 13.3 Non-assertion. During the term of this Agreement, JWB, MTI and/or the Successors of either Party shall not make an assertion of invalidity against any of the Licensed Patents.
- 13.4 Assignability. The Parties may Assign all rights and obligations under this Agreement in their entirety, provided that such Assignment also includes each and every provision, Clause and Article of this Agreement. In the event of such an Assignment, the assigning party shall notify the other party in writing of such an Assignment.
- 13.5 Future improvements. To the extent that either Party or its Successors invent or acquire an improvement upon the Licensed Technology, that Party/Successor shall have sole ownership and rights in such an improvement. Notwithstanding such ownership and rights, the Parties and/or their Successors may engage in a collaborative effort for development of improvements upon the Licensed Technology, although any rights and obligations related to such development of improvements shall be addressed under a separate agreement. The patenting of any improvement shall not automatically relieve the patentee of any Royalty or other obligation contained in this Agreement unless so agreed pursuant to the procedure set forth in Article IX.

IN WITNESS WHEREOF, the Parties to be bound hereby have caused this Agreement to be duly executed in duplicate originals in their names by their duly authorized agents on the date set forth below, that date also serving as the effective date of this Agreement.

McDERMOTT TECHNOLOGY INC.

j w b c.llc

By: *R. W. McKain*
Name: R. W. McKain
Vice President

By: *J. W. Berthold*
Name: J. W. Berthold
President

Date: 6/29/2001

Witnessed by: *Debbi S. Sorotch*
6/29/01