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Form PTO-1594 (Rev. 10/02)	U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office
OMB No. 0651-0027 (exp. 6/30/2005)  Tab settings ⇒⇒⇒ ▼ 102774269 ▼ ▼	
To the Honorable Commissioner of Patents and Trademarks: F	
1. Name of conveying party(ies):  BearingPoint, Inc. f/k/a KPMG Consulting, Inc.  Individual(s)  General Partnership  Corporation-State  Other  Additional name(s) of conveying party(ies) attached?  Assignment  Security Agreement  Other  Execution Date:  February 9, 2002	2. Name and address of receiving party(ies)  Name:Department of Information Resources  Internal Address:
4. Application number(s) or registration number(s):  A. Trademark Application No.(s)   Additional number(s) at	B. Trademark Registration No.(s)
5. Name and address of party to whom correspondence concerning document should be mailed:  Name: Dwayne K. Goetzel @ MHKKG	6. Total number of applications and registrations involved:
Internal Address:	7. Total fee (37 CFR 3.41)\$65.00  Enclosed  Authorized to be charged to deposit account
Street Address: P.O. Box 398	8. Deposit account number:
City: Austin State: TX Zip:78767-0398	
Do Not USE THIS SPACE  9. Signature.  Dwayne K. Goetzel  November 6, 2003  Name of Person Signing  Date	
2003 LINETLER 00000072 501505 2668033 otal number of pages including cover sheet, attachments, and document:	

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patent & Trademarks, Box Assignments

Washington, D.C. 20231

## FIRST RENEWAL AGREEMENT

This First Renewal Agreement, including all Attachments hereto, (this "<u>Agreement</u>") is entered into as of February 9, 2002, between **KPMG CONSULTING**, Inc. ("<u>KPMG CONSULTING</u>"), and the **DEPARTMENT OF INFORMATION RESOURCES**, an agency of the State of Texas ("<u>DIR</u>"), on the following terms and conditions:

## **RECITALS:**

- A. DIR, pursuant to its authority under Texas Government Code §§ 2054.051 and 2054.062 accepted competitive bids for the right to develop a self-funded Internet portal by which Texas agencies could engage in transactions (the "<u>TexasOnline Project</u>");
- B. Pursuant to such authority and as a result of the competitive bidding process and weeks of negotiation, DIR selected KPMG CONSULTING, and KPMG CONSULTING and DIR entered into that Texas Electronic Framework Agreement dated as of May 5, 2000 (the "Framework Agreement"), pursuant to which DIR engaged KPMG CONSULTING (a) to develop and implement the operational and management platform for the TexasOnline Project, including a payment processing system and other related applications; and (b) to provide various services relating to the TexasOnline Project to any Texas Government Entity pursuant to a Service Level Agreement with the participating Government Entity;
- C. The initial Term of the Framework Agreement ended as of August 31, 2001 pursuant to Article V of the Framework Agreement. Pursuant to four extension agreements, dated August 23, 2001, November 27, 2001, December 14, 2001 and January 31, 2002, the initial Term of the Framework Agreement was extended through February 9, 2002; and
- D. DIR and KPMG CONSULTING desire to extend the term of the Framework Agreement through as late as August 31, 2003, as set forth below in Section 1, Agreement, to clarify certain provisions of the Framework Agreement, and to modify certain terms of the Framework Agreement on the terms and conditions set forth below.

Unless otherwise defined herein, capitalized terms in this Agreement will have the meanings ascribed to them in the Framework Agreement.

## **AGREEMENTS:**

NOW, THEREFORE, in consideration of the promises and other good and valuable consideration, the receipt of which is hereby acknowledged, DIR and KPMG CONSULTING agree as follows:

1. Extension of Term. Pursuant to Article V of the Framework Agreement, the Term will renew for an additional two year period and will not expire until August 31, 2003 so long as there are in place by August 31, 2002, (a) a disaster recovery plan and services for TexasOnline that meet the standards promulgated by DIR; (b) amendments to KPMG CONSULTING's license agreements with Sun, iPlanet, Check Point Software Technologies

trademark and related design mark composed of the wording "TexasOnline," for all pending TexasOnline trademark applications, including Serial Nos. 76201507, 76200399, 7600377, 76200397 and 76200398. KPMG CONSULTING shall take such steps as are necessary to prevent the abandonment of any TexasOnline trademark applications before the U.S. Trademark Office for the next ninety (90) days to provide DIR the time to obtain appropriate counsel to handle such responsibilities. Copies of all documents to be filed with the U.S. Trademark Office by KPMG CONSULTING relating to the TexasOnline trademark and related design mark applications shall be approved by DIR prior to filing by KPMG CONSULTING with the U.S. Trademark Office. KPMG CONSULTING shall timely provide DIR with copies of all record documents in the TexasOnline trademark and related design mark applications.

- (c) KPMG CONSULTING shall be entitled to recover from Gross Revenue the outside legal fees and filing fees incurred through May 30, 2002 in prosecuting the TexasOnline trademark applications before the U.S. Trademark Office. KPMG CONSULTING shall neither obtain, nor attempt to obtain, any intellectual property interest in any marks, URLs or logos associated with the Framework Agreement and the TexasOnline Project. Provided, however, that KPMG CONSULTING may obtain URLs for local governments in KPMG CONSULTING's name so long as such URLs are assignable to the local governments at KPMG CONSULTING's cost as defined in this Agreement. KPMG CONSULTING shall not obtain URLs for local governments unless the service level agreements between KPMG CONSULTING and the local governments provide for such and provide that the URL will be transferred to the local government by KPMG CONSULTING upon request and cost recovery as defined in this Agreement.
- License Agreements. KPMG CONSULTING has provided DIR copies of all license agreements between KPMG CONSULTING and a third party, and between Northrop Grumman Technical Services, Inc. and a third party for Third Party Technology related to the TexasOnline Project. KPMG CONSULTING will provide DIR copies of all license agreements that may be entered into in the future that relate to the TexasOnline Project. In accordance with Article V(c) of the Framework Agreement, KPMG CONSULTING is notifying DIR that the Third Party Technology license agreements identified above under Section 1(b) are not assignable to DIR, or are not assignable without payment of a license transfer fee or other amount in excess of the License Fee for the Third Party Technology. KPMG CONSULTING agrees to work diligently and in good faith to obtain the right to transfer the Third Party Technology license agreements to DIR without payment of a license transfer fee or other fee. During the term of the Framework Agreement, KPMG CONSULTING shall not execute any Third Party Technology license agreements for the TexasOnline Project without the written agreement of DIR that the transfer provision of the license agreement is acceptable. DIR shall notify KPMG CONSULTING in writing within five business days of receipt of the proposed license agreement concerning whether DIR accepts the transfer provision, or provide written notice specifying the changes necessary to make the agreement acceptable.
- 3. Opportunity Proposals. The following pararaphs are added to the end of Article VI (c) of the Framework Agreement: "KPMG CONSULTING will provide a development cost estimate for each Opportunity Proposal to be considered by the TexasOnline Authority. Status reports for each incomplete project approved by the Board or by the TexasOnline Authority

contracts. The applicable percentage markup by KPMG CONSULTING and DIR shall be included in the cost of the third party hardware and software for purposes of determining which acquisition method achieves lower cost for TexasOnline. KPMG CONSULTING shall make a good faith effort to purchase information resources services through DIR state master contracts when such services can be provided at lower cost and equivalent quality to information resources services available through sources other than state master contracts.

- (c) KPMG CONSULTING may recognize interest expense, with no markup, on third party invoices as defined in subsection 6 (b) of this Agreement. KPMG CONSULTING will record interest expense monthly utilizing the State depository bank's prime interest rate on the last business day of the month the procurement expense was recognized. For third party technology procurements made on and after May 5, 2000, such rate will be applied as a one-time expense based on the amount to be paid to the third party technology vendor for procurements of third party technology for TexasOnline. Interest cost shall not be recovered on software developed by KPMG CONSULTING or any subsidiary or affiliate thereof.
- (d) On and after September 1, 2001, travel expenses associated with, and recovered through, the Framework Agreement by KPMG CONSULTING shall not exceed the reimbursement rates allowed in the State of Texas Travel Guidelines for the reimbursement of State employees that are effective at the time the expenses are incurred by KPMG CONSULTING. Airfare shall be reimbursed at coach class fares. KPMG CONSULTING will use good faith in attempting to obtain the lowest cost airfare reasonably available. On and after May 5, 2000, entertainment expenses, including purchases of alcohol, are not recoverable through the Framework Agreement. Notwithstanding the foregoing, local government customers that have agreed in writing to allow travel expenses incurred by KPMG CONSULTING may reimburse such expenses in accordance with the policies of the affected local government. Travel related charges in excess of those allowed by local government customers shall not be borne by TexasOnline. KPMG CONSULTING shall retain supporting invoices or receipts evidencing the travel expenses it seeks to recover through the Framework Agreement. If State policies change in the future so that KPMG CONSULTING can use the State of Texas travel rates when traveling in connection with work performed for TexasOnline, DIR will provide reasonable assistance to KPMG CONSULTING in attaining the government rates for travel.
- (e) **Definitions.** The definitions in Subsections (d), (g), (h), (n) and (u) of the Framework Agreement are deleted and the following definitions are substituted:
- "(d) "Capital Assets" means long term assets with a depreciable life of at least one year and a cost of at least \$5000, generally including assets such as land, buildings, fixtures and equipment.
- (g) "Costs" means all costs, expenditures and expenses either related to capitalized assets or operations as further defined and computed by Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). For purposes of this Agreement "Costs". "expenses", "expenditures" and "direct Cost" will be synonymous. Penalties assessed against KPMG CONSULTING pursuant to the Service Level Requirements attached to this Agreement as Attachment C shall not be charged as Costs to the TexasOnline Project and are not subject to reimbursement under this Agreement.

CONSULTING acknowledge and agree that (i) the TexasOnline Financials and related accounting treatments are separate from the financial statements of KPMG CONSULTING.

- (c) On and after May 5, 2000, KPMG CONSULTING will utilize the American Institute of Certified Public Accountants (AICPA) Statement of Position 98-1 for accounting for its software development cost for the TexasOnline Project.
- (d) The Framework Agreement provides for the calculation of depreciation of fixed assets in determining the value at which the State would acquire such fixed assets on termination of the Framework Agreement. The fixed assets relate to the provision of services for the TexasOnline Project, therefore, most fixed assets will be made up of computer and network related hardware and software both acquired and developed. For purposes of the Framework Agreement, KPMG CONSULTING will provide for depreciation based on a straight line method with a useful life of three years (3) for all hardware related to the TexasOnline Project and five years (5) for all software related assets related to the TexasOnline Project. All hardware will have a ten percent (10%) salvage value for purposes of calculating depreciation.
- (e) DIR and the TexasOnline Authority must approve the format of the monthly financial statements and reports provided by KPMG CONSULTING under this Agreement. KPMG CONSULTING shall comply with all budget reporting requirements imposed by DIR or the TexasOnline Authority, including requirements related to additional budget submissions to the TexasOnline Authority when expenditures are likely to exceed the budget previously approved by the TexasOnline Authority.
- (f) The allocation set forth in Subsection 9 (m) of this Agreement will be utilized in the calculation of the unrecovered Cost of TexasOnline Project hardware, Software, Source Code and Documentation and Third Party Technology for purposes of determining the termination value of such assets. Gross Revenues as defined in Subsection 9 (m) of this Agreement will be allocated to hardware, Software, Source Code and Documentation and Third party technology on a first in, first out basis, calculated upon the depreciated capitalized balance of each asset. Any funds provided by an agency or local government to pay for the cost of the hardware, software, source code and documentation and third party technology will be allocated directly to that asset. All Capital Assets other than hardware, Software, Source Code, Documentation and Third Party Technology shall be considered operational costs for the purposes of cost recovery under this Agreement.
- (g) DIR, or its representative, may conduct an annual Financial Opinion Audit of the financial records of KPMG CONSULTING relating to TexasOnline. To facilitate the audit, KPMG CONSULTING'S Annual Financial Report, with supporting documentation, shall be completed and available to DIR, or its representative, by November 30<sup>th</sup> of each year the Framework Agreement is in effect, plus an additional one year period after termination of the Framework Agreement.
- (h) KPMG CONSULTING shall maintain, on a current basis, all financial activity related to the TexasOnline Project in a double entry acounting system and shall make the all supporting documentation available to DIR or its representatives in a timely manner.

that the cost to KPMG of implementing each such suggestion or recommendation shall not exceed \$250,000.00 per year."

(h) Article XII (b) of the Framework Agreement is deleted and the following Subsection (b) is substituted therefor:

"If DIR and KPMG CONSULTING mutually agree that Northrop Grumman Technical Services, Inc. ("NGTSI") has the expertise and resources to provide additional services needed by the TexasOnline Project in a good and workmanlike manner, at a reasonable cost and on reasonable terms, KPMG CONSULTING may enter into any mutually agreed subcontract with NGTSI pursuant to a contract to be negotiated between KPMG CONSULTING and NGTSI. The services to be provided by NGTSI must be approved in writing by DIR's TexasOnline Division Director prior to execution of a contract for such services by KPMG CONSULTING and NGTSI."

- (i) Article XXIII (i) of the Framework Agreement is amended to delete the name "C.J. Brandt, Jr.," from the "Attention" line under DIR so that the "Attention" line for DIR reads "ATTN: General Counsel."
- (j) Article XXIII (l) of the Framework Agreement is amended to add the following to the end of the Subsection:

"KPMG CONSULTING's agreements with the subcontractors used for TexasOnline shall be in writing and shall allow, at any time during the term of the subcontractor agreement and for a period covering two (2) State fiscal years after the subcontractor agreement terminates, for the State or a duly authorized audit representative of the State, including but not limited to the State Auditor's Office, at the State's expense and at reasonable times, to audit the subcontractor's records relevant to all costs incurred and revenues received relating to this Agreement and to the agreement between the subcontractor and KPMG CONSULTING for services relating to TexasOnline."

(k) Article XXIII of the Framework Agreement is amended to add Subsection (n) as follows:

"DIR has determined that for the purposes of this Agreement, subcontracting opportunities are probable with Historically Underutilized Businesses. KPMG CONSULTING shall make a good faith effort to achieve DIR's Historically Underutilized Business goals as set forth at <a href="https://www.dir.state.tx.us/hsp.rtf">www.dir.state.tx.us/hsp.rtf</a>."

- (1) The last paragraph under the heading "Packet Loss," at the bottom of the first page of Exhibit C to the Framework Agreement, is deleted.
- (m) Exhibit D, Allocation of Payments for Gross Revenues Collected by KPMG CONSULTING, to the Framework Agreement, is deleted in its entirety and the following is substituted therefor: