

AGREEMENT

Dated and effective as of February 1, 2010 (the “Effective Date”), this agreement (“the Agreement”) is made by and between CoStar Group, Inc. and CoStar Realty Information, Inc. (collectively, “CoStar”), on the one hand, and Christopher Scott Bell (“Bell”), on the other hand.

WHEREAS, in the litigation currently pending in the United States District Court for the Middle District of Florida, Civ. Act. No. 8:08-cv-01227-JSM-MSS (“the Litigation”), CoStar filed claims against Bell and Klein & Heuchan, Inc. (“K&H”) related to the unauthorized access, use, copying and distribution of the proprietary CoStar subscription-only commercial real estate information services and the copyrighted works contained therein (collectively, the “CoStar Products”). The Litigation includes a declaratory judgment claim filed by K&H against CoStar, and Bell is a third-party defendant in the Litigation. .

WHEREAS, notwithstanding Bell’s infringement of CoStar’s copyrights while acting as a sales agent for K&H, during which time both Bell and K&H lacked any authorization to access, use, copy or distribute the CoStar Products, Bell is now committed to respecting CoStar’s intellectual property rights in the future.

WHEREAS, Bell and CoStar seek to settle and resolve amicably their claims, and Bell has indicated that he does not have the funds to pay a substantial judgment or settlement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which is acknowledged, CoStar and Bell (collectively, the “Parties”) agree as follows:

1. Bell covenants that:
 - a) Prior to the execution of this Agreement, he will provide CoStar, under oath, with a signed copy of the declaration attached hereto as Exhibit 1 (the “Declaration”), testifying completely, truthfully, fully, and without evasion concerning his involvement with K&H and his knowledge relevant to the

claims at issue in the Litigation, including, without limitation, (i) the documents produced to CoStar in response to discovery, (ii) his and others' use and copying of the CoStar Products on behalf of and within K&H, and (iii) K&H's knowledge and encouragement of such use and copying.

- b) In any trial, hearing or other context in which he testifies or provides information to CoStar in this Litigation, he will testify completely, truthfully, fully, without evasion, and consistent with the testimony in his Declaration, including his involvement with K&H and his knowledge relevant to the claims at issue in the Litigation.
- c) He will not assert any privilege, other than attorney-client privilege, as a basis for refusing to respond to any question or provide any testimony in any context in the Litigation.
- d) If requested by CoStar, he will appear voluntarily at any trial or hearing in the Litigation, will provide further testimony by affidavit or declaration if requested by CoStar, and will cooperate with CoStar, including without limitation by meeting with CoStar, for further interviews relating to his knowledge relevant to the claims at issue in the Litigation and the documents produced to CoStar.
- e) He has no direct or indirect financial or other interest in either K&H or CoStar and is not and has not in the past been an owner, director, officer or senior level manager at K&H or CoStar.
- f) He has first-hand information concerning, among other things, the unauthorized use, copying and distribution of the CoStar Products on behalf of and within K&H, including by him, along with K&H's knowledge and encouragement of the same.
- g) He further represents that he has been represented by legal counsel of his choosing in connection with this Agreement, including during any and all discussions leading to his execution of this Agreement.

2. Bell agrees to pay CoStar the sum of \$5,000 (the "Payment"). The Payment does not constitute, represent, or in any way quantify the damages that CoStar is entitled to receive as a result of the copyright infringement committed by Bell or any other party. Rather, this figure represents a compromise based on a number of considerations, including, without limitation, recognition of Bell's inability to pay a more significant amount.

3. Subject to Bell's fulfillment of the provisions set forth in this Agreement, CoStar hereby releases Bell from any liability for the claims asserted against Bell in the Litigation, subject to the following conditions:

- (a) CoStar's release shall only cover Bell's unauthorized use, copying and distribution to the extent such activity would have complied with each and every term and condition of the standard CoStar license agreement for the CoStar Products, as if Bell had been a fully licensed subscriber at all relevant times;
- (b) CoStar's release does not cover Bell or any third party from (i) any resale of any portion of any CoStar product or service, (ii) use of any portion of any of CoStar product or service to create or maintain directly or indirectly any database or other product directly or indirectly competitive with any portion of any CoStar product or service, or (iii) any provision, disclosure or transmission of any portion of any CoStar product or service to a direct or indirect competitor of CoStar, or any access or use of any CoStar product or service by any direct or indirect competitor of CoStar; and
- (c) CoStar's release shall be limited to Bell alone, and shall not cover any third parties who may have made unauthorized or unlicensed use of the CoStar Products with or without Bell's assistance, authorization, or facilitation, including, without limitation, K&H.

4. In return for the CoStar's commitments in this Agreement, Bell hereby releases CoStar, and its shareholders, officers, directors, employees, and attorneys, from any and all legal claim, costs, damages, expenses or attorneys' fees that he may have based upon the subject matter of this Agreement or the conduct leading or relating hereto.

5. Bell agrees that he will respect CoStar's contractual and intellectual property rights, and will not access, use, reproduce, display, distribute or create derivative works from the CoStar Products unless such actions are specifically authorized, in writing, by CoStar. Bell further agree that he shall not instruct, encourage, direct, facilitate, assist, or otherwise cause third parties to engage in unlicensed or unauthorized use of the CoStar Products or to violate CoStar's contractual or intellectual property rights. Further, following complete and final

resolution of the Litigation, including any appeal, Bell shall destroy each and every reproduction (including electronic copies) of any portion of the CoStar Products in his possession and, upon request shall certify completion of the same to CoStar.

6. The parties shall jointly request that the Court to enter a Final Order and Judgment in the form attached hereto as Exhibit 2. Each party shall bear its own costs and attorneys' fees. The parties will jointly request the Court to retain jurisdiction over this matter and any disputes arising from this Agreement and agree that the law of the state of Maryland shall govern the interpretation of this Agreement.

7. CoStar at any time shall have the right to terminate this Agreement and void CoStar's release in Paragraph 3 above in the event (a) that any of Bell's representations is demonstrated to be untrue in any material respect, or (b) that Bell fails to comply with any of his obligations under this Agreement, or (c) that Bell is found liable by any court of competent jurisdiction of infringing CoStar's copyrights based on Bell's conduct occurring after the Effective Date of this Agreement.

8. This Agreement is the entire agreement between the Parties concerning its subject matter, supersedes all prior agreements and understandings, whether or not written, and nothing in this Agreement shall be construed to confer on K&H, or any person other than the Parties, any rights or remedies hereunder. Nothing in this Agreement shall prevent CoStar from initiating or continuing any civil proceedings against K&H or any other party.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the undersigned Parties.


Name (print): Jonathan Coleman

Title: General Counsel

Signature: _____

Date: _____

Name: C. Scott Bell

Signature: 

Date: 2/1/10

Products, or any other product or service offered by CoStar now or in the future, unless obtaining CoStar's express permission, in writing, to do so; and (b) assisting, aiding or abetting any other person or business entity in engaging in or performing any of the foregoing activities.

4. The parties' Settlement Agreement dated February 11, 2010, and each and every provision thereof, shall be deemed incorporated herein as if explicitly set forth and shall have the full force and effect of an Order of this Court. A copy of that Settlement Agreement, along with a copy of a Declaration of that same date executed by Bell, is each attached hereto as Exhibits 1 and 2.

5. This Court shall retain jurisdiction over this action for the purpose of enforcing the Settlement Agreement and this Order and resolving any disputes relating thereto.

6. Nothing in this Order or the Settlement Agreement inures to the benefit of K&H, nor shall anything in this Order or the Settlement Agreement prevent CoStar from continuing the Litigation against K&H.

IT IS SO ORDERED.

James S. Moody
United States District Judge

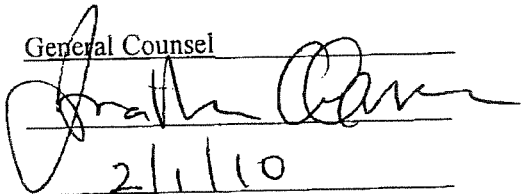
Stipulated and Agreed to:

By the parties:
[insert signature blocks]

Title:

General Counsel

Signature:



Date:

2/1/10

Name:

C. Scott Bell

Signature:

Date:
