

EXHIBIT 1

Ref: LEGALADJ
Dept: legal

Date: 05AUG04 SHIPPING \$11.42
Wgt: 0.1 lbs SPECIAL \$0.00
HANDLING \$0.00
TOTAL \$12.22

SERVICE: STANDARD OVERNIGHT
TRACK: 6333 2050 6000



Real Estate Information

CoStar Group, Inc.

2 Bethesda Metro Center
Bethesda, MD 20814-5388

877-7-COSTAR

www.costar.com

NASDAQ: CSGP

August 5, 2004

Via Federal Express

Mr. Ryan Prusse
Director
RSP & Associates
9450 SW, Commerce Circle, Suite 101
Wilsonville, OR 97070

Re: **Your Use of CoStar Services**

Dear Mr. Prusse:

CoStar Realty Information, Inc. ("CoStar") values each of its clients and hopes that they derive the maximum value from their CoStar subscriptions. However, CoStar and its loyal customer base are harmed when certain subscribers do not adhere to the basic, clear and unambiguous terms of their subscription agreements with CoStar.

I raise these issues with you because it has recently come to our attention that RSP & Associates ("RSP") has been repeatedly providing unauthorized individuals with access to and use of the proprietary CoStar COMPS® information service. We began looking into this matter just yesterday, following a call to our Customer Service Department from someone apparently seeking assistance using your CoStar UserID. While our investigation is still underway, our initial review indicates flagrant actionable conduct by RSP, ranging from internal CoStar passcode sharing within RSP, to sharing CoStar passcodes with third party individuals that work at separate firms, to disclosure of the CoStar access codes to anyone that calls RSP requesting access to CoStar.

The license agreement entered into between CoStar and RSP in March 2002 (the "License Agreement"), which you personally signed by hand, allows for two individuals that work at RSP to access and use the CoStar COMPS service at RSP's single licensed site in Wilsonville, Oregon. The License Agreement plainly prohibits passcode sharing as well as any sublicensing or reselling of the CoStar service. As a result, you have apparently breached the License Agreement and violated other federal and state laws, including, for example, the federal copyright laws.

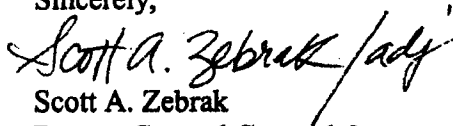
Accordingly, CoStar has terminated the License Agreement, and CoStar demands that RSP:

- (1) Immediately and permanently refrain from accessing or using any subscription-only CoStar service, and within ten (10) days provide CoStar with written confirmation that it will not access or use any subscription-only CoStar information service without express written permission from CoStar;
- (2) Within ten (10) days, provide CoStar with a written list containing the name and company affiliation of each individual that has accessed or used the CoStar COMPS service delivered by CoStar pursuant to the License Agreement;
- (3) Within ten (10) days, provide an accounting to CoStar as to the nature and amount of any fees, payments or other compensation delivered or to be delivered to RSP in exchange for access to and use of any portion of the CoStar COMPS service that was licensed to RSP; and
- (4) Comply with the "Post-Termination" section of the License Agreement by within ten (10) days permanently deleting or destroying all elements of the Licensed Product under RSP's control and affirm the completion of this process by execution and delivery to CoStar of a written certification to that effect.

Once we have received these materials, we will contact you to explore a resolution to this matter. In the meantime, please note that this letter is not intended as and shall not constitute a waiver or limitation as to any of CoStar's rights, claims or remedies, each of which such rights, claims and remedies are expressly reserved. Likewise, it is important that you and RSP do not take any steps to delete, spoil, or destroy any documents, financial records, or other evidence, whether in print or electronic format, including email, relating or referring to this matter.

I can be reached by telephone, at (301) 280-3890, and by facsimile, at (301) 664-9176.

Sincerely,



Scott A. Zebrak
Deputy General Counsel &
Director, Intellectual Property