

JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT

COMPLETE THIS SECTION IF NEW CONTRACT

For contract(s) in this request, answer applicable questions in each of the 4 major subject areas below in accordance with the Instructions for Preparation of Non-Competitive Procurement Form on the reverse side.

Request that negotiations be conducted only with CoStar Group Inc for the product and/or services described herein.
 (Name of Person or Firm)

This is a request for (One-Time Contractor Requisition # _____, copy attached) or Term Agreement or _____ Delegate Agency (Check one). If Delegate Agency, this request is for "blanket approval" for all contracts within the _____ (Program Name) _____ (Attach List) Pre-Assigned Specification No. 80525 Pre-Assigned Contract No. _____

COMPLETE THIS SECTION IF AMENDMENT OR MODIFICATION TO CONTRACT

Describe in detail the change in terms of dollars, time period, scope of services, etc., its relationship to the original contract and the specific reasons for the change. Indicate both the original and the adjusted contract amount and/or expiration date with this change, as applicable. Attach copy of all supporting documents. Request approval for a contract amendment or modification to the following:

Contract #: _____	Company or Agency Name: _____
Specification #: _____	Contract or Program Description: _____
Modification #: _____	(Attach List, if multiple)
<u>STEVE SAKKI</u> Originator Name	<u>7-3753</u> Telephone
<u>[Signature]</u> Signature	<u>REVENUE</u> Department
	<u>2-3-2010</u> Date

Indicate **SEE ATTACHED** in each box below if additional space needed.

<input checked="" type="checkbox"/> PROCUREMENT HISTORY <u>PLEASE SEE ATTACHED</u>	
<input checked="" type="checkbox"/> ESTIMATED COST <u>PLEASE SEE ATTACHED</u>	<u>S. S. R. B.</u> DATE <u>3-2-10</u>
<input checked="" type="checkbox"/> SCHEDULE REQUIREMENTS <u>PLEASE SEE ATTACHED</u>	APPROVED _____ CONDITIONALLY APPROVED <u>5-0</u>
<input checked="" type="checkbox"/> EXCLUSIVE OR UNIQUE CAPABILITY <u>PLEASE SEE ATTACHED</u>	RETURN TO DEPT _____ DISAPPROVED _____
<input checked="" type="checkbox"/> OTHER <u>PLEASE SEE ATTACHED</u>	<u>40</u>

APPROVED BY: [Signature] 2/3/10
 DEPARTMENT HEAD OR DESIGNEE DATE
[Signature]
 CHIEF PROCUREMENT OFFICER 02 322

[Signature] 3-2-10
 BOARD CHAIRPERSON DATE
3/22/10
 DATE OF APPROVAL

DPS PROJECT CHECKLIST

For DPS Use Only

IMPORTANT: ALL INFORMATION SHOULD BE COMPLETED, ATTACH ALL REQUIRED MATERIALS AND SUBMIT FOR ROUTING TO THE DEPARTMENT OF PROCUREMENT SERVICES, ROOM 403, CITY HALL, 121 N. LASALLE STREET, CHICAGO, ILLINOIS 60602, ATTENTION: CHIEF PROCUREMENT OFFICER.

Date Received
Date Returned
Date Accepted
CA/CN's Name

General Information:

Date: February 3, 2010	Need by (estimated date): January 1, 2011	
Requisition No.: 46843	Contact Person:	Project Manager:
Specification No.: (if known) 80525	Steve Sakai	Bill Cerney; Bob Wolf (DCD)
PO No.: (if known) tbd	Telephone: 312-747-3753	Telephone: 312-747-5315
Modification No.: (if known) N/A	Fax: 312-747-7420	Fax: 312-747-1890
Previous PO No.: (if known) 5788	Email: steve.sakai@cityofchicago.org	Email: bill.cerney@cityofchicago.org robert.wolf@cityofchicago.org
Project Description: Commercial Real Estate Property Software -Use License Agreement		

Funding:

City:	<input checked="" type="checkbox"/> Corporate	<input type="checkbox"/> Bond	<input type="checkbox"/> Enterprise	<input type="checkbox"/> Grant*	<input type="checkbox"/> Other:
State:	<input type="checkbox"/> IDOT/Transit	<input checked="" type="checkbox"/> IDOT/Highway		<input type="checkbox"/> Grant*	<input type="checkbox"/> Other:
Federal:	<input type="checkbox"/> FHWA	<input type="checkbox"/> FTA	<input type="checkbox"/> FAA	<input type="checkbox"/> Grant*	<input type="checkbox"/> Other:

LINE	FY	FUND	DEPT	ORGN	APPR	ACTV	PROJECT	RPTG	\$ DOLLAR AMOUNT

*IF GRANT FUNDED, ATTACH COPY OF THE APPROVED GRANT AND APPLICATION AND ANY OTHER TERMS AND CONDITIONS OF FUNDING SOURCE THAT MAY APPLY. GRANT FUNDS MUST BE _____ COMMITTED OR _____ SPENT BY DEADLINE: _____ (DATE) Term Estimated Value \$-170100

Scope Statement:

Attached is a Detailed Scope of Services and/or Specification. E-mail softcopy in Microsoft Word to DPS Unit Manager

IMPORTANT:

THIS IS A CRITICAL PORTION OF YOUR SUBMITTAL. IN ORDER FOR DPS TO ACCEPT YOUR SUBMITTAL YOU MUST COMPLETE THE SPECIFIC SCOPE REQUIREMENTS AS SET FORTH IN THE SUPPLEMENTAL CHECKLIST FOR THAT UNIT.

Purchase Order Type (Check All That Apply):

New Request	Modification/Amendment
<input checked="" type="checkbox"/> Blanket/Term/DUR/Agreement	<input type="checkbox"/> Time Extension**
<input type="checkbox"/> Master Agreement (Task Order)	<input type="checkbox"/> Vendor Limit Increase
<input type="checkbox"/> Standard/One-Time Purchase	<input type="checkbox"/> Scope Change/Price Increase/Additional Line Item(s)
Forms	<input type="checkbox"/> Other (specify):
<input checked="" type="checkbox"/> Requisition	
<input type="checkbox"/> Special Approvals	
<input checked="" type="checkbox"/> Non-Competitive Review Board (NCRB)	

Contract Term: 3 years + two 1-year extension options

** Requested Term (Number of Months):

Pre-Bid/Submittal Requirements:

Mandatory Pre Bid/Submittal Conference? Yes* No

Requesting Site Visit? Yes No

*If yes, explain reasons why mandatory attendance is necessary.

DPS PROJECT CHECKLIST

The following is a general description of what should be included in a Scope of Services or Specification:

A clear description of all anticipated services and products, including: time frame for completion, special qualifications of prospective vendors, special requirements or needs of the project, locations, anticipated participating user departments, citation of any applicable City ordinance or state/federal regulation or statute.

ARCHITECTURAL/ENGINEERING SUPPLEMENTAL CHECKLIST

Required Attachments: Scope of Services, including location, description of project, services required, deliverables, and other information as required

Risk Management

Current Insurance Requirements prepared/approved by Risk Management:

Yes No

Will services be performed within 50 feet of CTA train or other railroad property?

Yes No

Will services be performed on or near a waterway?

Yes No

If applicable, Pre-Qualification Category No.

Category Description:

For Pre-Qualification Program, attach list of suggested firms to be solicited

Other Agency Concurrence Required: None State Federal Other _____

If Amendment request, please verify and provide the following:

Contractor's Name:

Contractor's Address:

Contractor's e-mail Address:

Contractor's Phone Number:

Contractor's Contact Person:

Attach Recommendation of MBE/WBE/DBE Analysis Form

Yes No

AVIATION CONSTRUCTION SUPPLEMENTAL CHECKLIST

DOA sign-off for final design documents:

Yes No

Required Attachments:

Copy of Draft Contract Documents and Detailed Specifications

Risk Management:

Current Insurance Requirements prepared/approved by Risk Management:

Yes No

Will work be performed within 50 feet of CTA or ATS structure or property?

Yes No

Will work be performed airside?

Yes No

*NOTE: Any non-construction Aviation request, complete the applicable section.

Do bid documents contain Sensitive Security Information (SSI)?

Yes* No Redacted

*If yes, attach Confidentiality Statement

Attach Recommendation of MBE/WBE/DBE Analysis Form

Yes No

If Amendment request, please verify and provide the following:

Contractor's Name:

Contractor's Address:

Contractor's e-mail Address:

Contractor's Phone Number:

Contractor's Contact Person:

DPS PROJECT CHECKLIST

COMMODITIES SUPPLEMENTAL CHECKLIST

Required Attachments:

- Detailed Specifications (Scope of Services) including detailed description of the product, delivery location, user department contact, price escalation considerations
- Bidder's qualification, contract term and extension options
- Contractor's qualifications, citation of any applicable City/State/Federal statutes or regulations, citation of any applicable technical standards
- Price Lists/Catalogs, technical drawings and other exhibits and attachments as appropriate.

Attach Recommendation of **MBE/WBE/DBE Analysis Form**
Is this a **Revenue Producing** contract?

- Yes No
 Yes No

If **Modification request**, please verify and provide the following:

Contractor's Name:
Contractor's Address:
Contractor's e-mail Address:
Contractor's Phone Number:
Contractor's Contact Person:

CONSTRUCTION SUPPLEMENTAL CHECKLIST

Required attachments:

Copy of Draft (80% Completion), Contract Documents and Detailed Specifications

Risk Management

Current Insurance Requirements prepared/approved by Risk Management:
Will services be performed within 50 feet of CTA train or other railroad property?
Will services be performed on or near a waterway?

- Yes No
 Yes No
 Yes No

Attach Recommendation of **MBE/WBE/DBE Analysis Form**

- Yes No

If **Modification request**, please verify and provide the following:

Contractor's Name:
Contractor's Address:
Contractor's e-mail Address:
Contractor's Phone Number:
Contractor's Contact Person:

PROFESSIONAL SERVICES SUPPLEMENTAL CHECKLIST

If New Request (Check applicable boxes):

Is this a **Request for Information (RFI)**?

Is this a **Request for Qualifications (RFQ)**?

Is this a **Request for Proposal (RFP)**?

If RFQ or RFP, did any outside Consultant provide advice or deliverables in developing the RFQ or RFP?

*If yes, Company Name: **PO#**

- Yes No
 Yes No
 Yes No
 Yes* No

Attach a narrative explaining the consulting services and deliverables provided.

Is this a **Non-Competitive Procurement**?

*If yes, attach completed Non-Competitive Justification form, vendor proposal and completed MBE/WBE compliance plan (Schedules C-1 and D-1) submitted to the Non-Competitive Review Board.

- Yes* No

Is this a request for **Individual Contract Services**?

*If yes and you seek a sole source contract to hire a person as a Consultant, attach completed Office of Compliance "Request for Individual Contract Services" approval form signed by Department Head, Office of Compliance & OBM.

- Yes* No

Is this a **Revenue Producing** contract?

- Yes No

Does this request involve the **purchase of Software**?

*If yes, is City required to sign a software license?

*If yes, attach descriptions of software and software license agreement.

- Yes* No
 Yes* No

DPS PROJECT CHECKLIST

PROFESSIONAL SERVICES SUPPLEMENTAL CHECKLIST (continued)

Required Attachments (IF RFP/RFQ OR SOLE SOURCE):

Statement of Work (SOW), Deliverables or Scope of Services defined

Does SOW involve any work in the public way?

Yes* No

*If yes, attach list of locations.

Does SOW involve any public improvement to property that requires performance bond or prevailing wage?

Yes* No

*If yes, attach list of locations.

Is City Council approval required?

Yes No

Project or Program Background Information

Project Goals and Objectives

Qualifications or Licenses/Certifications required for any disciplines

Evaluation Criterion desired in RFP or RFQ

Evaluation Committee (EC) members recommended. Attach list of names, titles and departments

Technical and/or Functional Requirements, if applicable

Cost Proposal/Schedule of Compensation structure (If Sole Source, over Contract Term by Milestone Deliverables)

If an Information Technology (IT) project valued at \$100,000.00 or more, attach approval transmittal sheet from Information Technology Governance Board (ITGB)

Attach Recommendation of MBE/WBE/DBE Analysis Form

Yes No

If Amendment request, please verify and provide the following:

Contractor's Name: CoStar Group, Inc.

Contractor's Address: 2 Bethesda Metro Center – 10th Floor

Contractor's e-mail Address: aengel@CoStar.com

Contractor's Phone Number: 877-521-3056 or 773-714-1473

Contractor's Contact Person: Andy Engel

VEHICLES/HEAVY EQUIPMENT SUPPLEMENTAL CHECKLIST

Required Attachments:

Detailed Specifications including detailed description of the vehicle(s) or equipment, mounted equipment, if any, and options/accessories

Special Provisions (Delivery, Warranty, Manuals, Training, Additional Unit Purchase Options, Bid Submittal Information, etc.)

Delivery Location(s)

Technical Literature

Drawings, if any

Part Number List (Manufacturer, or Dealer, or Other Source)

Current Price List(s)/Catalog(s)

Special Approval Form

Exhibits and Attachments

Attach Recommendation of MBE/WBE/DBE Analysis Form

Yes No

Is this a Revenue Producing Contract?

Yes No

If Modification request, please verify and provide the following:

Contractor's Name:

Contractor's Address:

Contractor's e-mail Address:

Contractor's Phone Number:

Contractor's Contact Person:

DPS PROJECT CHECKLIST

WORK SERVICES/FACILITY MAINTENANCE SUPPLEMENTAL CHECKLIST

Required Attachments:

- Detailed Specifications (Scope of Services) including detailed description of the work, locations (with supporting detail), user department contacts, work hours/days, laborer/supervisor mix, compensation and price escalation considerations
- Bidder's qualification, contract term and extension options
- Contractor's qualifications, citation of any applicable City/State/Federal statutes or regulations, citation of any applicable technical standards
- Price Lists/Catalogs, technical drawings and other exhibits and attachments as appropriate
- If an Information Technology (IT) project valued at \$100,000.00 or more, attach approval transmittal sheet from Information Technology Governance Board (ITGB)

Risk Management:

- Will services be performed within 50 feet (50') of CTA train or other railroad property? Yes No
- Will services be performed on or near a waterway? Yes No
- Will services require the handling of hazardous/bio-waste material? Yes No
- Will services require the blocking of streets or sidewalks which may affect public safety? Yes No

- Attach Recommendation of **MBE/WBE/DBE Analysis Form** Yes No
- Is this a **Revenue Producing contract**? Yes No

If **Modification or Amendment request**, please verify and provide the following:

- Contractor's Name:
- Contractor's Address:
- Contractor's e-mail Address:
- Contractor's Phone Number:
- Contractor's Contact Person:



City of Chicago
Richard M. Daley, Mayor

Department of
Procurement Services

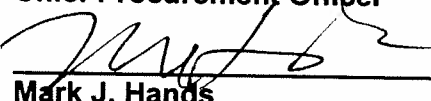
Jamie L. Rhee
Chief Procurement Officer

City Hall, Room 403
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4900
(312) 744-0010 (FAX)
(312) 744-2949 (TTY)

<http://www.cityofchicago.org>

Date: March 19, 2010

To: Jamie L. Rhee
Chief Procurement Officer

From: 
Mark J. Hands
Managing Deputy Procurement Officer

Re: Non-Competitive Procurement Review Board
March 2nd, 2010 Meeting

Description: Co-Star Group, Inc.

Requisition No.:	46843
Specification No.:	80525
Requesting Department:	Revenue

The Non-Competitive Procurement Review Board has reviewed the submittal from the City of Chicago Department of Revenue in conjunction with the Department of Community Development dated February 3rd, 2010. After reviewing the attached documentation, this request has been **conditionally approved** in the amount of \$170,000.00 for a three year period with two one year extension options.

This Non-Competitive Procurement request is for the purchase of software-use licenses to allow access into commercial real estate property data for Chicago properties, as provided through the Co-Star Group, Inc., web-based interactive database. This tool allows the Department of Revenue Tax Division to enforce the Real Property Transaction Tax (RPTT) that must be paid each time a real estate sale takes place within the City of Chicago.

The Non-Competitive Procurement Review Board **conditionally approved** this request 5-0 given the proprietary nature of the Co-Star Group, Inc. software and that it is the only provider that has the functionality the Department of Revenue needs. However, the Board did ask for additional information. This additional information includes the following:

- A Compliance Plan or Waiver Request
- A memo from the Department of Community Development stating they support this Sole Source Request

To date, the additional information has not been submitted

Cc: Rich Butler



March 2nd, 2010 Sole Source Meeting

Hands, Mark

Sent: Tuesday, March 02, 2010 4:50 PM

To: Rhee, Jamie; Butler, Richard

Cc: Glavin, Terrence

Jamie/Rich:

The following highlights todays meeting...

- Aviation requested a one (1) year extension for Chicago Children's Museum - Approved By Board 3-2
- CDOT requested a three (3) year contract extension for Mobile Partners, LLC - Approved By Board 5-0
- Water requested a three (3) year contract for Mineola Specialty Co. - Conditionally Approved By Board 5-0 (Need memo from vendor stating labor rates included in price and 2010 Funding Strip)
- Revenue requested a three (3) year contract for Co-Star Group, Inc. - Conditionally Approved By Board 5-0 (Need compliance plan or Waiver Request and a memo from Community Development stating they support Sole Source Request)

Memo to follow for your review and approval.

Mark



City of Chicago
Richard M. Daley, Mayor

Department of Revenue

Bea Reyna-Hickey
Director

City Hall, Room 107
121 North LaSalle Street
Chicago, Illinois 60602

(312) 747-4747 (IRIS)
(312) 744-0471 (FAX)
(312) 744-2975 (TTY)

<http://www.cityofchicago.org>

February 3, 2010

Jamie L. Rhee
Chief Procurement Officer
Department of Procurement Services
121 N. LaSalle Street – Suite 403
Chicago IL 60602-1284

Attention: Mark Hands

Subject: Non-Competitive Procurement Request for New Agreement
Vendor: *CoStar Group, Inc.*
Title of Agreement: Commercial Real Estate Property Software-Use License Agreement
PO# : tbd
Spec. No.: 80525
Requisition No.: 46843
Contract Start Date: ASAP
Vendor Limit: \$170,100 (\$56,700 per year for first 3-year period)
Extension Options: two 1-year periods

2010 FEB -3 PM 3:42

Dear Jamie:

This is a re-submittal from our earlier November 2009 sole source request made by the Department of Revenue, in conjunction with the Department of Community Development. The sole source committee had asked that we re-submit the request and provide additional information which we have as attached.

Again, this request is for the purchase of software-use licenses to allow access into commercial real estate property data for Chicago properties, as provided through the *CoStar Group, Inc.*, web-based interactive database.

In support of the original submittal, our position firmly maintains that there are no other known competitive companies or products which provide the functionality as is available from the CoStar tool, nor are there any found



which are even worthy of consideration to enter into an agreement with. Only the CoStar tool provides the needed functionality.

This revised submittal attempts to describe the other possibly similar entities; which were all ruled-out – none of which demonstrated having products of like-kind to CoStar's. It tries to quantify the benefits of the CoStar product (as a material justification) not only in terms of its efficiency and the revenues it helps generate, but also in terms of potential dollars-saved because of its use versus hiring additional staff to effect the same timely results.

Background for the Department of Revenue's Use

The Department of Revenue's Real Property Transaction Tax Unit of the Department of Revenue Tax Division enforces the Real Property Transaction Tax (RPTT) which must be paid each time a real estate sale takes place within the City of Chicago (unless otherwise exempted by law).

Each year, the Department of Revenue collects a combined average of about \$1 billion which includes *all* of the various City of Chicago taxes. The RPPT alone accounts for 20% of all such collected taxes – averaging **\$200 million annual dollars collected by the Department of Revenue RPTT Tax Unit.**

The Tax Unit is challenged by the need to discover all unpaid RPTT debt before the statute of limitations runs out (expires after 5 to 7 years depending on the situation). The need to acquire correct and accurate information quickly and efficiently and from one consolidated resource which the CoStar tool provides is critical towards acquiring outstanding RPTT debt. If the CoStar tool cannot be utilized, the Tax Unit would need to increase its staff by about one-third in order to compensate the loss of the tool.

Background for the Department of Community Development's Use

The Department of Community Development's mission is to promote and preserve a vibrant economy by encouraging job creation, business development, and affordable housing to create and sustain strong healthy neighborhoods. In order to enhance community development, the Department must understand the commercial real estate market trends and future indicators that the CoStar products have been shown to effectively provide. This Department also works closely with the Law Department, General Services, Environment, Buildings, and other governmental agencies relating

to commercial real estate property information as relates to acquisitions and liens, city property sales, demolitions, relocations, and related transactions.

CoStar Group, Inc.

The *CoStar Group, Inc.*, of Bethesda MD, (not a title company) provides subscriptions via software-use licenses which allow authorized users immediate single-view access into its interactive web-based database of products. CoStar's suite of products provides layers of vital information which enables the City users to efficiently determine who the commercial property owners are that are responsible for paying Real Property Transaction Taxes and if there was an under-remittance of tax or no tax paid because of an improper exemption that may have been claimed, for example.

The CoStar database provides the necessary detailed information regarding sales histories, prices, and market values of properties, lease information such as space leased, floor plans of leased areas, and lease amounts paid by lessors. None of the other competitive products we researched provided a consolidated view, let alone the degree of information. In addition, the CoStar tool can be used by authorized staff to more effectively research other related property information involving commercial transactions and trends in various communities. This software provides employee head-count information in office locations throughout Chicago which can be used by field audit staff to enforce the Employer's Expense Tax.

A significant number of man-hours is saved because the detailed information which resides in *CoStar's* database. Rather than having to track this information down from various source systems manually, the information is available from a single source by clicking on an icon.

We found only one software tool that can provide interactive map-search functionality which enables the users to circumscribe street boundaries of our choosing, but no Cook County information resides in that database. We need the tool to perform all search functions: map circumscription, ownership information, access to property data with views of relevant historical transaction documents and other informational resource materials relevant to the City of Chicago real estate marketplace, etc..

The information obtained from the use of this software results in substantial tax revenues – **approximately \$5 million have been collected for each latent year that may have otherwise gone unpaid**, or which would have

exceeded the statute of limitations period had it not been caught in time. And, because the delinquent debtor is discovered and put on notice to pay the delinquent debt, they become more likely to be more diligent in subsequent years to not let the same oversights be repeated.

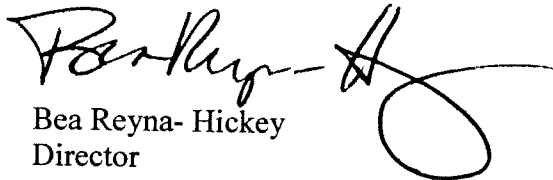
MBE/WBE Compliance

It is not clear at this time what the *CoStar Group, Inc.*'s position is concerning compliance with the MBE and WBE Special Conditions. After their legal review, they will be contacting the Department of Revenue with their response within the next few weeks. The Department of Revenue intends to take the lead towards negotiating MBE/WBE compliance and achieving the best possible commitment levels during the term of the proposed contract period.

Please enable the Department of Revenue and Department of Community Development to continue its subscription to the *CoStar Group, Inc.* software products and thereby continue their productivity by using *CoStar's* proven effective tools to sustain tax revenue collection performance and help communities develop and prosper.

□

Very truly yours,



Bea Reyna- Hickey
Director

BRH:sys

Attachments

ec: John O'Brien – Department of Procurement Services
Robert Wolf – Department of Community Development
Phil Cobb – Department of Revenue
William Cerney – DOR
Cynthia Park – DOR
Mark Galvan – DOR
Steven Sakai – DOR

INSTRUCTIONS FOR PREPARATION OF NON-COMPETITIVE PROCUREMENT FORM (Rev. 5/04)

If a City Department has determined that the purchase of supplies, equipment, work and/or services can not be done on a competitive basis, a sole source justification must be prepared on this "Justification for Non-Competitive Procurement Form" in which procurement is requested on a non-bid or non-competitive basis in accordance with 65 ILCS 5/8-10-4 of the Illinois Compiled Statutes. All applicable questions in each Subject Area below must be answered. The information provided must be complete and in sufficient detail to allow for a decision to be made by the Non-Competitive Procurement Review Board. Also attach a complete CPAC Project Checklist, and any other required forms (see Other #1, below). The Board will not consider justifications with incomplete information documentation

PROCUREMENT HISTORY

1. Describe the requirement and how it evolved from initial planning to its present status.
2. Is this a first time requirement or a continuation of previous procurement from the same source? If so, explain the procurement history.
3. Explain attempts made to competitively bid the requirement. (Attach copy of notices and list of sources contacted)
4. Describe all research done to find other sources. (List other cities contacted, companies in the industry contacted, professional organizations, periodicals and other publications used).
5. Explain future procurement objectives. Is this a one-time request or will future requests be made for doing business with the same source?
6. Explain whether or not future competitive bidding is possible. If not, why not?

ESTIMATED COST

1. What is the estimated cost for this requirement (or for each contract, if multiple awards contemplated)? What is the funding source?
2. What is the estimated cost by fiscal year, if the job project or program covers multiple years?
3. Explain the basis for estimating the cost and what assumptions were made and/or data used (i.e. budgeted amount, previous contract price, current catalog or cost proposal from firms solicited, engineering or in-house estimate, etc).
4. Explain whether the proposed Contractor or the City has a substantial dollar investment in original design, tooling or other factors which would be duplicated at City expense if another source was considered. Describe cost savings or other measurable benefits to the City which may be achieved.
5. Explain what negotiation of price has occurred or will occur. Detail why the estimated cost is deemed reasonable.

SCHEDULE REQUIREMENTS

1. Explain how the schedule was developed and at what point the specific dates were known.
2. Is lack of drawings and/or specifications a constraining factor to competitive bidding? If so, why is the proposed Contractor the only person or firm able to perform under these circumstances? Why are the drawings and specifications lacking? What is the lead time required to get drawings and specifications suitable for competition? If lack of drawings and specifications is not a constraining factor to competitive bidding, explain why only one person or firm can meet the required schedule.
3. Outline the required schedule by delivery or completion dates and explain the reasons why the schedule is critical.
4. Describe in detail what impact delays for competitive bidding would have on City operations, programs, costs and budgeted funds.

EXCLUSIVE OR UNIQUE CAPABILITY

1. If contemplating hiring a person or firm as a Professional Service Consultant, explain in detail what professional skills, expertise, qualifications, other factors make this person or firm exclusively or uniquely qualified for the project. Attach copy of cost proposal and scope of services.
2. Does the proposed firm have personnel considered unquestionably predominant in the particular field?
3. What prior experience of a highly specialized nature does the person or firm exclusively possess that is vital to the job, project or program?
4. What technical facilities or test equipment does the person or firm exclusively possess of a highly specialized nature which is vital to the job?
5. What other capabilities and/or capacity does the proposed firm possess which is necessary for the specific job, project or program which makes them the only source who can perform the work within the required time schedule without unreasonable costs to the City?
6. If procuring products or equipment, describe the intended use and explain any exclusive or unique capabilities, features and/or functions the items have which no other brands or models, etc. possess. Is compatibility with existing equipment critical from an operational standpoint? Explain why.
7. Is competition precluded because of the existence of patent rights, copyrights, trade secrets, technical data, or other proprietary data? Attach documentation verifying such.
8. If procuring replacement parts and/or maintenance services, explain whether or not replacement parts and/or services can be obtained from any other sources? If not, is the proposed firm the only authorized or exclusive dealer/distributor and/or service center? If so, attach letter from manufacturer.

MBE/WBE COMPLIANCE PLAN

1. All submissions must contain detailed information about how the proposed firm will comply with the requirements of the City's Minority and Women Owned Business program. All submissions must include a complete C-1 and D-1 form, which is available on the Procurement Services page on the City's intranet site.

OTHER

Explain other related considerations and attach all applicable supporting documents (an approved Information Technology Strategy Committee (ITSC) form, an approved Request for Individual Contract Services form, etc.)

REVIEW AND APPROVAL

This form must be signed by both the Originator of the request and approved by the Department Head or authorized designee. After review and final disposition from the Board, this form will be stamped to indicate the final disposition and signed by the Chairperson of the Board of authorized designee. (tc "This form must be signed by both the Originator of the request and approved by the Department Head or authorized designee. After review and final disposition from the Board, this form will be stamped to indicate the final disposition and signed by the Chairperson of the Board of authorized designee.")

INSTRUCTIONS FOR PREPARATION OF NON-COMPETITIVE PROCUREMENT (Rev. 5/04)

If a City Department has determined that the purchase of supplies, equipment, work and/or services can not be done on a competitive basis, a sole source justification must be prepared on this "Justification for Non-Competitive Procurement Form" in which procurement is requested on a non-bid or non-competitive basis in accordance with 65 ILCS 5/8-10-4 of the Illinois Compiled Statutes. All applicable questions in each Subject Area below must be answered. The information provided must be complete and in sufficient detail to allow for a decision to be made by the Non-Competitive Procurement Review Board. Also attach a complete DPS Project Checklist, and any other required forms (see Other #27, below). The Board will not consider justifications with incomplete information documentation.

PROCUREMENT HISTORY

1. Describe the requirement and how it evolved from initial planning to its present status.

1.1 Software Subscription Licenses to Database

This is a request to purchase seven (7) software licenses from the sole source vendor: *CoStar Group, Inc.* The seven licenses will be assigned to five staff in the Department of Revenue and two staff in the Department of Community Development. The licenses are needed in order to allow City staff web-access into CoStar's commercial real estate property database.

1.2 Information Available from CoStar's Database

CoStar's database provides the City users with up-to-date and user-friendly access to the most accurate and detailed real estate transaction information relating to specific commercial Chicago real estate properties. CoStar personnel and software manage the data by providing links to copied images of the official physical records kept on file at the Cook County Recorder of Deeds, State of Illinois, and other property-related sources of record. The software also provides a convenient pop-up link which opens up to summary reports of specific property transaction histories, ownership information, and other related data.

1.3 Department of Revenue Users

When the Department of Revenue Tax Unit receives a tax filing, generally, the information provided in that filing will need to be verified against the official recorded document files which are associated with various real property transactions (e.g. property sales transaction pricing, property ownership information, filing dates, historical data, etc., as reported to the Department of Revenue by various commercial, industrial, and retail businesses in the City). The Department of Revenue Tax Division views TIFF or JPEG copies of these official documents of record for specific property transactions by using the CoStar database search functions. Rather than having to search various disparate native sources – sometimes involving a time-consuming manual file search – to find those same records on file the Tax staff can conveniently view all of these records from a single point-and-click source and thereby save several man-hours by accessing this same information via one login into CoStar's database. The Department of Revenue Tax Unit uses the file image of record from the CoStar database in order to corroborate the information submitted by the entity submitting the tax filing.

1.4 Statute of Limitations

Time is of the essence since there are several aged tax file submissions which need to be audited by the Tax Unit before the statute of limitations period passes. CoStar's software provides speed by which a Tax auditor can verify a tax submission. Speed is proportionate to the rate he can view relevant official recorded document files. More files can be reviewed using the CoStar tool since both the property and the transaction history files are linked within a single view. If, by comparing against the CoStar records, the Tax staff discovers that an entity filed a tax statement containing false, inaccurate, or otherwise libel information, then the Department of Revenue can file a claim against the offending entity to collect aged outstanding taxes and late fees to be paid to the City.

If a default is not discovered before the statute of limitations, then claims to recover any losses cannot be made and the City will have lost revenues. Since the CoStar tool significantly saves several man-hours of the Tax Unit time, the volume of aged files that need to be audited can be more efficiently managed. Furthermore, after an entity has been penalized once, there is a disincentive for them to repeat an offense and an incentive for them to submit accurate tax filings in the future.

1.5 Department of Community Development Users

The Department of Community Development, and occasionally in cooperation with the Law Department, General Services, Environment, Buildings, and other governmental agencies, uses the CoStar products to address matters involving developers looking for properties in specific marketplaces in the City of Chicago, and conduct property market research to understand current real estate trends and market sales activity and other such concerns.

1.6 Software Search Functionality

One of the main unique features about CoStar's software is its *map-based search functionality coupled with dashboard links to imaged records*. This feature enables users to circumscribe any boundary line around any group of properties that the user wants to see more details on, and then drill-down to various images involving the properties within the mapped out grid. The images provide links to images of real estate document filings made with the Cook County, and State of Illinois, and other relevant data records providing sale values, names of property owners, and transaction dates pertaining to an individual property or group of properties within the circumscribed grid.

1.7 History of Previous CoStar Contracts

This sole source request extends from the first/original sole source agreement between the City's Department of Planning and Development and *CoStar Realty Information, Inc.* (PO# 5788; Specification # B2-20876-03). During that original agreement (from 1-1-2003 through 12-21-2005), staff from the Department of Planning and Development helped Revenue's Tax division staff realize the significant value that the CoStar suite of information was able to provide – information which would prove valuable to the Tax division. Subsequently, on December 20, 2007, the Department of Revenue requested the Non-Competitive Procurement Review Board to approve the request to allow the Department of Revenue to become a participating department under PO# 5788, and purchase five software licenses under that agreement.

2. Is this a first time requirement or a continuation of previous procurement from the same source? If so, explain the procurement history.

This request is a continuation of a previous procurement from the same source. See 1.7 above.

3. Explain attempts made to competitively bid the requirement. (Attach copy of notices and list of sources contacted.)

The first contract with CoStar was awarded as a non-competitive procurement (see 1.7 above). No competitive bid has been solicited subsequent to that agreement. However, see 4.1 below.

4. Describe any research done to find other sources. (List other cites contacted, companies in the industry contacted, professional organizations, periodicals, and other publications used.)

4.1 Only fourteen companies could be found by the Department of Revenue as potential competitors to the CoStar product. They were:

1. *First American – Core Logic*
2. *REIS, Inc. of New York*
3. *Real Capital Analytics*
4. *Information Services of Illinois, LLC*
5. *Greater Illinois Title Co.*
6. *Hartford Financial Services Group, Inc.*
7. *Aon Corporation*
8. *MetLife*
9. *LoopNet*
10. *Prudential Investment Management*
11. *The Blackstone Group*
12. *Fidelity national Financial, Inc.*
13. *Berkshire Hathaway Homestate Companies*
14. *HomeInfoMax.com.*

Of those fourteen, the Department of Revenue considered only two to be considered as potential competitors to providing user-access to a Chicago region commercial real estate property database look-up tool: *REIS, Inc. of New York*; and *First American Core Logic, Inc.*, a member of The First American Corporation of Santa Ana, California, seemed to offer technology products similar to the CoStar Group's products. But, neither products were found to be viable solutions worth consideration. Both vendors were contacted by the Department of Revenue to discover what information they could provide the City. (See 4.2 and 4.3 below.)

4.2 REIS, Inc. was ruled out from being considered as a potential competitor after a live 45 minute online web demonstration was conducted between Department of Revenue users familiar with the CoStar products and REIS, Inc., performed on July 30, 2009. (Contact person was John Wilson, 212-921-1122 xtn 232). The REIS, Inc. software product did not provide any mapping functionality (where the user can circumscribe specific street boundaries that they want to research and then click on it to deliver the various data). This particular mapping feature is heavily relied upon by the users, but the REIS, Inc. representative stated that their products do not offer this feature. Furthermore, another fundamental feature that is required by our users, but which REIS's product did not provide at the time, nor were they planning on providing, is for a link to imaged copies (PDF files) relating to the property being viewed. For example: the CoStar products deliver actual recorded transaction documents that were filed in court relating to a commercial real estate transaction and which can be viewed and printed in the same instance that the user is researching a particular property.

4.3 First American Core Logic, Inc. "CoreLogic" was ruled out from being considered as a potential competitor also. On December 18, 2009, a 30-minute live web demonstration was conducted using the same Department of Revenue users who also participated in the REIS, Inc. demo above. The CoreLogic tool did provide functionality that was similar to the CoStar product, such as the mapping functionality, but the link to real estate property records were unpopulated data fields when clicked-on, whereas those same properties if searched using the CoStar tool were substantially supported in terms of property record information. Although the demo failed the property information link test insofar as the information was not populated for the selected properties, CoreLogic graciously offered the users to further test its product at no cost, by providing a free two week temporary password and access into their CoreLogic database. During the trial period where CoreLogic was tested by the Department of Revenue staff, and more insufficiencies became apparent. For example:

- Documents & Document #: CoreLogic lists documents that omit the first 2 digits of the document number. This is an issue because, based on experience, there are many instances in which a document (Deed, Quit Claim, etc) has been filed in a different year than when the transaction actually occurred; whereas CoStar does make a superior effort to have actual documents available within a search by means of a pdf for easy viewing. CoreLogic does not have any documents for all of Cook County (including Chicago), which being the biggest county in Illinois with the largest city as well, is not acceptable.
- Search Ability: CoreLogic's search functions offer limited options for the user. Apparently, searches are limited to property address input only; whereas CoStar provides search by: building type, sale prices, type of transaction (transfer of interest, sale, lease, etc.) which have resulted in successfully collecting millions of dollars in property tax revenues.
- Reports: CoreLogic's reports, mainly the export function, create Comma Delineated (CD) spreadsheets. CD spreadsheets are labor intensive in terms of analyzing and reporting data and formatting the columns etc.; whereas the CoStar reports can be provided in a variety of configurations including individual property reports as well as a user-friendly tabular report. Because the CoStar report is displayed in a manner which facilitates analytics this actually increases productivity by aiding in identifying properties which owe tax revenues to the City.
- Foreclosures: During the trial period the CoreLogic data could not be found for any foreclosure transactions which took place in 2008 or 2009! Only 2007 and earlier foreclosure data could be found. CoStar provides foreclosure data within a reasonable period of time from the date of the foreclosure transaction. Throughout 2008 and 2009 there have been a historical number of foreclosed properties. This type of data must be available through the tool as a basic requirement but must also capture the transaction periods within a reasonable period from when the transactions took place.

5. Explain future procurement objectives. Is this a one-time request or will future requests be made for doing business with the same source?

Future request will be likely with CoStar as their system is unique in it's functionality so that audit staff can develop audit targets.

6. Explain whether or not future competitive bidding is possible. If not, why not?

CoStar's software is currently the only known tool that provides the efficiency and effectiveness to provide easy access to relevant and timely information involving the Chicago commercial real estate marketplace. Perhaps competitive bidding could

be possible in the future, provided that a competitor develops the technology and dynamic data maintenance support similar to what CoStar currently provides.

ESTIMATED COST

7a. What is the estimated cost for this requirement (or for each contract, if multiple awards contemplated)?

Only one contract is being contemplated for seven subscription licenses. The cost is based on a fixed number of licenses for the term of the contract, and is quoted to be at: \$675 per license per month, or 5 licenses X \$675 = \$3,375.00/month for the Department of Revenue; and 2 licenses x \$675 = \$1,350 per month for the Department of Community Development.

7b. What is the funding source?

Department of Revenue: 0100-0292003-0149-220149

Department of Community Development: 0100-0542005-0140-220140

8. What is the estimated cost by fiscal year, if the job, project, or program covers multiple years?

Department of Revenue: \$40,500.00 per year

Department of Community Development: \$16,200 per year

TOTAL for both departments: \$56,700 per year

Total number of years: three plus two 1-year extension options. (NOTE: the price may change at the beginning of each extension option based on the net percentage of change in the CPI relative to the initial contract year.)

9. Explain the basis for estimating the cost and what assumptions were made and/or data used (e.g. budgeted amount, previous contract price, current catalog, or cost proposal from firms solicited, engineering or in-house estimate, etc.).

The cost is based on a fixed number of licenses for the term of the contract, and is quoted to be at: \$675 per license per month. (See 7a.)

10. Explain whether the proposed Contractor or the City has a substantial dollar investment in original design, tooling, or other factors which would be duplicated at City expense if another source was considered.

CoStar's software is unique to CoStar. City has no design elements in the CoStar product.

11. Describe cost savings or other measurable benefits to the City which may be achieved.

Access into the CoStar products provides the leads and detailed information to support collection of tax dollars which were discovered to have not otherwise been remitted to the City. Not only do the CoStar subscriptions pay for themselves in terms of the leads provided to track-down these payments due, but also in terms of personnel productivity – all of the relevant information is conveniently consolidated, report-friendly, and quickly available in one lookup file online thus saving several staff man-hours. Rather than require the Department of Revenue staff to gather the same information from multiple source systems, the CoStar product consolidates the once disparate and sometimes manual record collection tasks into a single-view operation.

Because the CoStar product is a tool that provides an efficient mechanism by which Tax Staff can produce work, an estimated dollar savings equivalency (i.e. dollars saved by using the tool versus not using the tool) can be correlated to the number of staff that might be required to produce the same information in the same amount of time if the CoStar tool was not used. Based on experience both using and not using the tool, possibly five additional experienced staff would be required to obtain the same results in the same amount of time that it would take to obtain that same information using the CoStar tool by one staff person. That's about a \$250,000 per year increase; about a 33% increase in cost would be needed to supplement the CoStar tool loss in terms of increased manual staff time. Essentially, the CoStar product provides a cost savings of about \$250,000 per year.

12. Explain what negotiations of price has occurred or will occur.

A price-fix for the initial three year term of the contract and a no-cost increase for the new contract period has been negotiated for this contract. (The original contract permitted an 8% annual increase during the extension years, and that too was not realized.)

13. Detail why the estimated cost is deemed reasonable.

The new contract price (\$675 per license per month) is deemed to be reasonable relative to the City's previous contract price, insofar as there will be more historical records available for the same price as the previous contract and, there will be no price increase for the term of the new contract, whereas the earlier contract had an eight-percent annual cost increase provision in it.

SCHEDULE REQUIREMENTS

14. Explain how the schedule was developed and at what point the specific dates were known.

Not Applicable.

15a. Is lack of drawings and/or specifications a constraining factor to competitive bidding?

Not Applicable.

15b. If so, why is the proposed Contractor the only person or firm able to perform under these circumstances?

Not Applicable.

15c. Why are the drawings and specifications lacking?

Not Applicable.

15d. What is the lead-time required to get drawings and specifications suitable for competition?

Not Applicable.

15e. If lack of drawings and specifications is NOT a constraining factor to competitive bidding, explain why only one person or firm can meet the required schedule.

Not Applicable.

16. Outline the required schedule by delivery or completion dates and explain the reasons why the schedule is critical.

Not Applicable.

17. Describe in detail what impact delays for competitive bidding would have on City operations, programs, costs, and budgeted funds.

Not Applicable.

EXCLUSIVE OR UNIQUE CAPABILITY

18. If contemplating hiring a person or firm as a Professional Service Consultant, explain in detail what professional skills, expertise, qualifications, or other factors make this person or firm exclusively or uniquely qualified for the project.

Not Applicable.

18a. Attach copy of cost proposal and scope of services.

Please see attached quote.

19. Does the proposed firm have personnel considered unquestionably predominant in the particular field?

Not aware of any particular individuals who are unquestionably predominant in this field, however this company describes its field support staff who track and gather new knowledge on a daily basis in order to update their database of information which is made available to its subscribers.

20. What prior experience of a highly specialized nature does the person or firm exclusively possess that is vital to the job, project, or program?

The map-based search functionality coupled with a single-view application linked to images of scanned documents of recorded filings. (See 1.6.)

21. What technical facilities or test equipment does the person or firm exclusively possess of a highly specialized nature which is vital to the job?

Not Applicable.

22. What other capabilities and/or capacity does the proposed firm possess which is necessary for the specific job, project, or program which makes them the only source who can perform the work within the required time schedule without unreasonable costs to the City?

See 6 and 11 above.

23. If procuring products or equipment, describe the intended use and explain any exclusive or unique capabilities, features, and/or functions the items have which no other brands or models, etc., possess.

Not Applicable.

23a. Is compatibility with existing equipment critical from an operational standpoint?

Not Applicable.

23b. Explain why.

Not Applicable.

24a. Is competition precluded because of the existence of patent rights, copyrights, trade secrets, technical data, or other proprietary data?

CoStar software requires subscription to their software via a software license agreement with CoStar.

24b. Attach documentation verifying such.

Please see the attached "Stop Searching. Start Finding. CoStar Group product brochure of registered software products which are included in this request: CoStar Property Professional®; CoStar COMPS Professional®; CoStar Tenant®; an; CoStar Commercial MLS™". (CoStar Connect® is not included in this request.)

25a. If procuring replacement parts and/or maintenance services, explain whether or not replacement parts and/or services can be obtained from any other sources.

Not Applicable.

25b. If not, is the proposed firm the only authorized or exclusive dealer/distributor and/or service center?

Not Applicable.

25c. If so, attach letter from manufacturer.

Not Applicable.

MBE/WBE COMPLIANCE PLAN

26. All submission must contain detailed information about how the proposed firm will comply with the requirements of the City's Minority and Women Owned Business program. All submissions must include a complete C-1 and D-1 form, which is available on the Procurement Services page on the City's intranet site.

Although the Department of Revenue and Department of Community Development support full MBE and WBE participation, the vendor has not completed its review or provided a written response to the Special Conditions Regarding Minority and Women Owned Business Requirements, at the time of this submission. The Departments of Revenue and Community Development shall address this matter with the CoStar Group legal division when their response is received.

OTHER

27. Explain other related considerations and attach all applicable supporting documents (an approved Information Technology Strategy Committee (ITSC) form, an approved Request for Individual Contract Services form, etc.).

Please see attached Fact Sheet: "About CoStar Group, Inc." which provides an overview of its business model and a bit of its history.

27.1 Attachments to this request are as follows:

- Scope of Services
- Price quote
- Software License Agreement Terms and Conditions
- *CoStar brochure: "Stop Searching. Start Finding."*
- *CoStar Fact Sheet: "About CoStar Group, Inc."*
- *Department of Procurement Services Project Checklist*

REVIEW AND APPROVAL

This form must be signed by both the Originator of the request and approved by the Department Head or authorized designee. After review and final disposition from the Board, this form will be stamped to indicate the final disposition and signed by the Chairperson of the Board of authorized designee.

SCOPE OF SERVICES

Contractor will provide software-use licenses for subscription to the following CoStar suite of products under this Agreement:

- (a) CoStar Property Professional®-Chicago market, a web-based electronic database service with information and imagery concerning office and industrial properties for lease;
- (b) CoStar COMPS Professional®-Chicago market, a web-based electronic database service with information and imagery concerning comparable sales transaction commercial property information;
- (c) CoStar Tenant®-Chicago market, a web-based electronic database service with information and imagery concerning tenants in office and industrial properties; and
- (d) CoStar Commercial MLS®-Chicago market, a web-based electronic database service with information and imagery concerning commercial properties for sale.

Licenses will be provided to accommodate seven (7) authorized users of the CoStar Suite during the term of this Agreement. The users will be located at the following locations:

Five (5) user licenses for:
City of Chicago
Department of Revenue
DePaul Center
333 S. State Street – Suite 300
Chicago, IL 60602

Two (2) user licenses for:
City of Chicago
Department of Community Development
City Hall
121 North LaSalle Street - Room 1006
Chicago, IL 60602

The above commercial real estate information services are web-based services which will allow the City users access to information in and around the City of Chicago regarding tenant companies, investment properties for sale, and completed sales of commercial property.

All of such Authorized Users must be individuals: (a) employed by the City of Chicago, (b) designated by the City of Chicago as an employee requiring access to the Service, and (c) included on Contractor's list of Authorized Users of the Service. The City of Chicago shall be permitted to revise the list of its Authorized Users of the Licensed Product from time to time upon written notice to Contractor; provided, that the Licensed Product may be used by no more than the number of users set forth herein.

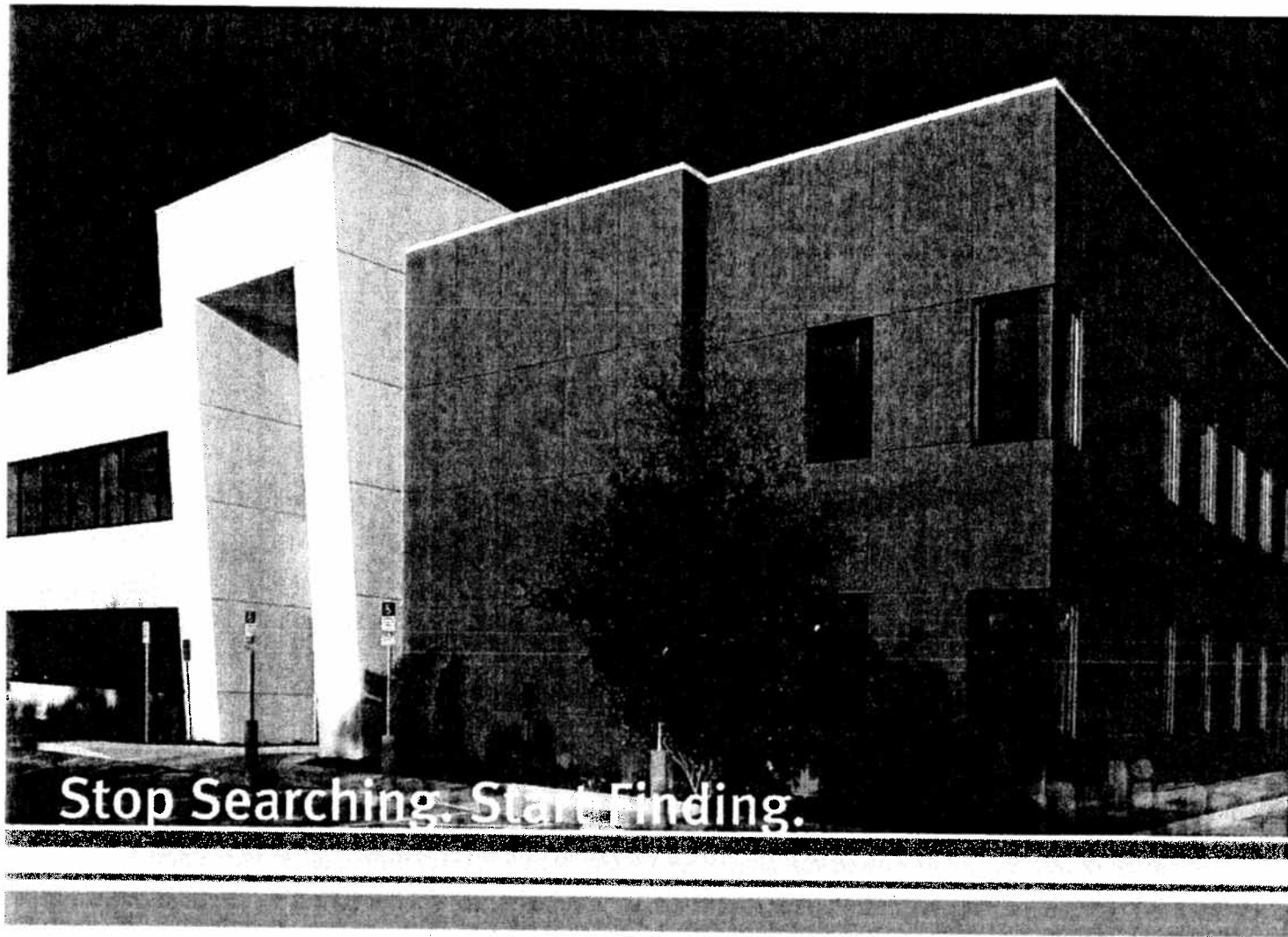
If required by a user the Contractor will provide on-site training on the access and use of the information, at no additional cost to the City. As the user base changes, additional follow-up training shall also be provided at no additional cost to the City.

The research team behind these information products must update each product on a daily basis. The City users will access the historical and most current data available on a continual basis. The software that delivers the above services must be updated via the web. These updates will be provided to the City at no additional cost, along with any required training on new features.

The City acknowledges that the services licensed to the City pursuant to this Agreement and the content therein are provided for general information only and should not be relied upon or used as a basis for making significant decisions without consulting primary or more accurate, more complete or more timely sources of information. Any reliance on the services licensed hereunder and the content therein is at the City's own risk with regard to the accuracy, completeness or timeliness of such services or content.

Notwithstanding anything to the contrary in this Agreement, including the Exhibits attached hereto, the City shall not provide any third party with any portion of the Licensed Product, either directly or indirectly.

□



CoStar Property Professional®

CoStar COMPS Professional®

CoStar Tenant®

CoStar Commercial MLS™

CoStar Connect®



Stop Searching. Start Finding.

COSTAR PROPERTY PROFESSIONAL

FEATURES & BENEFITS

Find More Space

Access a comprehensive market inventory of office, industrial, flex and retail properties.

Search over 5.5 billion square feet of available space.

Pore over countless building photos, floor plans, revealing aerials and 360° virtual tours.

Save More Time

CoStar Property Professional is intuitive and easy to use.

Search across traditional market boundaries on a map or aerial photo.

Sail right through even the most detailed searches.

Track data quickly with user-definable fields.

Benefit From Powerful Analytics

Analyze conditions at the building, market or submarket level.

Access up to 15 years of historical data.

Benchmark the performance of a property or portfolio against its peers.

Forecast an infinite number of "what-if" scenarios.

Generate professional-quality reports to support buy-sell decisions.



CoStar PROPERTY Professional®

Building information you need to succeed.

CoStar Property Professional® is for anyone seeking the most complete, most accurate and most up-to-date commercial property information. It boasts an unrivaled database featuring over 38.5 billion square feet of premium property in over 300 Metropolitan Statistical Areas (MSAs).

ACCESS A FULL MARKET INVENTORY.

CoStar Property Professional delivers a comprehensive inventory of office, industrial and retail space accompanied by everything from space availabilities to transaction histories and detailed building characteristics. Included, are more than 4.1 million digital property photographs, floor plans, aerials and 360° virtual tours.

FIND MORE SPACE.

CoStar Property Professional is supported and updated by hundreds of trained researchers, analysts and photographers. Field researchers canvass the country, hunt down hard-to-find properties and proactively drive the market to collect every relevant detail. Then other teams double-check it all.

SAVE MORE TIME.

CoStar Property Professional is intuitive and easy to use. In seconds, you can use it to effectively cross-analyze your entire market. With our map-based search, you can define your own market boundaries and sail through detailed property searches. Additionally, you can track data your way with user-definable fields.

BENEFIT FROM POWERFUL ANALYTICS.

Using CoStar analytics, you can spot trends in a particular building, market or submarket, and benchmark your property or portfolio against a peer group. You can quickly analyze everything from vacancy, absorption and rental rates to existing inventories, new construction and more.

CoStar analytics offers a forecast feature that lets you create an infinite number of "what if" scenarios.

WIN MORE LISTINGS.

With CoStar Property Professional, your custom presentations, reports and marketing materials come alive with high-resolution building photos, revealing aerial views and detailed floor plans. Plus, choose from dozens of preset report formats and brand your reports with your company and client logos.

INK MORE RETAIL DEALS.

CoStar Property Professional includes a retail dimension that helps brokers, retailers, owners and developers make faster, more confident retail property decisions. CoStar Property Professional provides researched and verified retail availabilities and inventory, hundreds of thousands of retail property images, store-level demographics, traffic counts, store proximity search tool, aerials with layered parcel boundaries, over 1 million mapped retail tenant locations and more. CoStar Property Professional delivers an unprecedented retail advantage.

BUSINESS BUILDING CONTACTS.

Imagine having your own online Rolodex® of commercial real estate contacts updated automatically by the industry's largest professional research organization. That's CoStar Professional Directory®, and it's available exclusively to CoStar Property Professional subscribers at no additional cost.

With detailed contact information on over 750,000 commercial real estate professionals nationwide, CoStar Professional Directory provides contact information — phone, fax, e-mail. But the real value? Researched data that only CoStar provides: Completed transactions, current landlord rep assignments, sublet listings, major tenants and owners represented, local and national associates, and so on.

CoSTAR
PROFESSIONAL
DIRECTORY®

Win More Listings

Create customized, winning presentations and reports.
Impress clients with revealing graphics and maps.
Brand your client reports with your logo and theirs.

Stay on Top of Industry News

Get the latest updates from across the nation.
Learn the inside story on major lease deals.
Get revealing, late-breaking reports from your local market.

Join a "Click" of Your Peers

Get detailed contact information on over 750,000 commercial real estate professionals.
View deal-making information and transaction histories.
Create your own "electronic resume."



COSTAR COMPS PROFESSIONAL

FEATURES & BENEFITS

Enjoy the Most Comprehensive Coverage

Access the largest national database of commercial property sales transactions.

Get detailed information on property condition, construction type, tenants, amenities and more.

View photos of every property.

Generate automatic trend reports.

Experience Uncompromising Accuracy

CoStar interviews parties essential to each transaction.

Skilled researchers investigate other possible, deal-related issues.

CoStar field researchers physically inspect properties.

CoStar checks and re-checks key details.

Get the Latest Word

The CoStar research team adds 35 sales transactions per working hour.

Be the first to know the latest transactions in your market.

Compile precise quarter-by-quarter trend reports.

Select Just What You Need

Instantly search up to 200 data elements.

Research, view and generate reports 24 hours a day.

Choose your own market boundaries for property searches.

Access CoStar COMPS with a subscription or on-demand.

CoStar COMPS Professional®

The fastest way to gain the sharpest perspective.

With mouse click convenience, CoStar COMPS Professional® connects you to the most comprehensive database of commercial property sales transactions. Only CoStar COMPS Professional gives you researched and verified details — everything from sale prices, financing details, buyer and seller contact information, and key phone numbers to cap rates, income and expense data, architectural characteristics and maintenance records.

COMPREHENSIVE COVERAGE.

CoStar COMPS Professional reports are the most comprehensive you can get. They feature enlightening detail not always available from public records or other sources: general property condition, type of construction, tenants, parking spaces, special features and amenities. It's all there in each and every report. How do we do it? Our professionals thoroughly scrutinize legal documents, including grant deeds, trust deeds, certificates of value and excise tax affidavits. Our field researchers visit and photograph each improved property.

RESEARCHED AND VERIFIED ACCURACY.

Highly skilled CoStar researchers interview principals, brokers and others knowledgeable about each transaction — confirming sale price, income and expenses, assumed loan balances, deferred maintenance, credits and loan terms. They pore over all this while also investigating other issues unique to each sales transaction. After that, it's all handed over to our quality control group who verify details.

TIMELY REPORTING.

How up-to-date is the information you see on CoStar COMPS Professional? CoStar research teams add about 35 sale transactions each hour they're on the job. What's more, CoStar reports comps as fast as the day of sale for properties marketed with CoStar; within several days of the sale for many of the researched comparables.



REPORTING EASE.

CoStar COMPS Professional lets you search through over 200 data elements and instantly output reports in a concise, easy-to-read format. With a subscription, you enjoy unlimited access to the database to research, view and generate reports — 24 hours a day.

FOR BROKERS.

Get the insider's view of property transactions. Establish the most realistic listing prices, present the best-documented purchase and sale analysis and accurately size up your competition.

FOR LENDERS.

CoStar COMPS Professional gives you the tools you need to sharpen loan valuations and assess loan portfolio risk. Our reports are dependable resources for prospecting refinance business and expediting the appraisal process.

FOR APPRAISERS.

With all the time that CoStar COMPS Professional will save you, you'll perform due diligence much more efficiently.

FOR OWNERS.

By consolidating information into a concise format, CoStar reports help you manage property tax liabilities and support acquisition and disposition decisions.



COSTAR TENANT

FEATURES & BENEFITS

Win More Business

Brokers: impress property owners with expanded range of knowledge.

Search for tenants likely to renew, move or expand within a specified timeframe.

Vendors: better target those companies likely to make move or expansion-related purchases.

Create customized letters, call sheets and mailing labels.

Show Off Your Market Knowledge

Be aware of trends earlier; analyze them better.

Illustrate your data with dramatic graphics and images.

Easily map tenant locations.

Save More Time

Manage your leads more quickly.

Better pre-qualify prospective tenants with direct D&B® report links.

Move more swiftly from deal to deal.



Tenant tracking with a strong foundation.

CoStar Tenant® is the insider's guide to the best tenant prospects within a specific market. Leasing agents, property managers, tenant reps, owner/developers, investors, and REITs use this unique service. A broad array of vendors, from furniture and design firms to telecom providers, also consider CoStar Tenant a valuable and versatile prospecting tool.

CoStar Tenant seamlessly integrates information from D&B's database with extensive CoStar research on companies that are "in play."

CoStar Tenant provides details on:

- Lease expirations
- Square footage occupied
- Primary and secondary contacts
- Company addresses, phone and fax numbers
- Adjoining tenant information
- Links to key Web sites
- Number of employees
- Company growth rates

Armed with this information, CoStar Tenant can help you target prospective tenants your competition knows nothing about.

FOR BROKERS.

If you're a broker, CoStar Tenant can give you a real competitive edge winning listings and leasing space. How? Not only does it expose you to the most comprehensive tenant information, it also enables you to create call lists, demographic reports, customized letters and statistical reports. Such powerful tools can help boost your new business while also reassuring prospective owners you've got what it takes to keep their buildings fully occupied.

FOR VENDORS.

Or perhaps you're a vendor, in which case CoStar Tenant gives you the knowledge you need for targeting those companies most likely to make a significant purchase coinciding with a move or expansion.

FOR TENANT REPS.



If you're a tenant rep prospecting for more leads, CoStar Tenant is indispensable. Its sophisticated software helps you significantly shorten the sale cycle. It empowers you to zero in on tenants who would benefit most from your representation. And, equally important, it prepares you to meet with, and impress, key prospects on which you're calling.

A RESEARCHED AND VERIFIED ADVANTAGE.

Your clients depend on you to stay a step ahead of current market trends. You can depend on CoStar Tenant to do the same. CoStar puts skilled researchers on the job for you each and every day. Because our research analysts and field canvassers search across the country to collect and verify tenant data, you can be aware of market trends earlier and analyze them more proficiently.

HIGH-VALUE REPORTS.

To all that, we add the "Wow" factor. CoStar Tenant helps you better serve clients by enabling you to compile and present data illustrated with colorful, dramatic and easy-to-understand charts, graphs and images.

MORE DEALS, LESS TIME.

CoStar Tenant helps you move more quickly from deal to deal, and generate more fees and income. CoStar Tenant, in effect, gives you back the time you may have spent marketing your services to non-prospects.



COSTAR COMMERCIAL MLS

FEATURES & BENEFITS

Get the Best Properties Faster

Timesaving access to more office, industrial/flex, multifamily, hospitality, land and retail properties.

No time wasted pursuing off-market "dead deals."

Get automatic e-mail alerts on the latest listings.

Get Data That's Accurate and Secure

All information is up-to-date, reliable and comprehensive.

CoStar researchers interview a broad array of sources to keep you from missing deals.

CoStar COMMERCIAL MLS™

The place to buy and sell commercial real estate.

CoStar Commercial MLS™ makes buying and selling commercial property easy. It lets you expose your listings to thousands of the most qualified buyers and brokers. CoStar Commercial MLS powerfully boosts the productivity of buyers, sellers and brokers.

SEE MORE PREMIUM PROPERTIES.

CoStar Commercial MLS draws from a larger pool of superior information resources. This includes complete access to all investment-sale and user-sale properties — including class A, B and C office, industrial, multifamily, hospitality, land and retail listings.

GET TO THE BEST PROPERTIES FASTER.

CoStar Commercial MLS is easy to use, which means you can quickly search our enormous inventory for the most desirable properties. You can even get automatic e-mail alerts regarding the latest listings.

RESEARCHED AND VERIFIED INFORMATION.

What's the difference between CoStar Commercial MLS and the other Internet listing services? It's our research. The CoStar research team ensures our data is the most up-to-date, reliable and comprehensive information available.

BUILD THE ULTIMATE NETWORK OF QUALIFIED BUYERS.

CoStar has spent more than two decades nurturing relationships with tens of thousands of loyal and powerful subscribers. The more professionals there are competing to buy your building, the faster you'll close and the higher the price you'll get.



CoSTAR CONNECT[®]

Powerfully unite with your customers.

oStar Connect[®] links you with clients in two important ways. 1 — It's a marketing tool to present for-lease and for-sale listings on your company Web site. 2 — It's a secure "Extranet" to share surveys and documents with your clients.

MAKE A DRAMATIC IMPRESSION.

CoStar Connect gives you everything you need to present property listings to tenants and prospects — powerful software, detailed property descriptions, the latest space availabilities, building photos and 360° virtual tours, floor plans, maps and e-mail links to leasing agents. This seamless integration of CoStar data and images with your properties saves time and money.

COLLABORATE ONLINE WITH CLIENTS.

Used in tandem with CoStar Property Professional[®], CoStar Connect acts as a private client extranet that your customers access directly through your Web site. Result: Run surveys in CoStar Property Professional and publish the results to your Web site.

ATTRACT AND KEEP MORE BUSINESS.

CoStar Connect strengthens customer relationships and enhances productivity with comprehensive coverage and accurate, up-to-date listing information that draws more traffic and encourages repeat visits to your Web site.

EASILY BOOST YOUR PRODUCTIVITY.

CoStar Connect handles time-consuming tasks like inputting and updating listings or uploading digital property images. And installing CoStar Connect? It's easy. Within minutes, you'll have an information-rich Web site that looks like you spent a fortune to create.

Make a Dramatic Impression

Present listings featuring impressive photos, floor plans, maps and e-mail links to the leasing agent.

Save time and money updating your Web site.

Enjoy seamless data integration.

Collaborate Online with Clients

Share CoStar Property surveys online with your clients.

Present to your clients using "live" CoStar information, photos and dynamic maps, all accessed via your Web site.

Attract and Keep More Business

CoStar keeps your website stocked with a complete, up-to-date inventory of your listing data.

Create listing brochures and broker mailers on the fly.

Easily Boost Your Productivity

Update your Web site and the local commercial real estate community with one quick call to your CoStar research analyst.

Send clients and prospective tenants a direct e-mail link to a property.



"With CoStar, I save valuable time and produce better results for my clients.

What took me days or even weeks to do, I can now do in minutes, giving me more time to do more deals."

Mark B. Warlick, SIOR
Senior Vice President,
S.L. Nusbaum
Hampton Roads, VA

CoStar Product



What Are You Trying to Find?	
Space for Lease	✓
Lease Transactions	✓
Properties for Sale	✓
Prospective Buyers	✓
Sale Comparables	
Tenants and Lease Expirations	
Property Assessments	✓
Information on Every Building in the Market	✓
Market Conditions and Analysis	✓
Directory of Industry Professionals	✓
What Are You Trying to Do?	
Market your Listings	✓
Share Files & Presentations with Customers	✓
Create & Maintain a Website for your Listings	
Rank Owners & Brokers	✓
Analyze Current & Historical Market Conditions	✓
Track Competitive Properties	✓
Forecast Future Market Conditions	✓
See Leasing Activity	✓
Review 3rd Party Quarterly Market Reports	✓
Get Market Alerts	✓
Report & Present Information (# of reports)	116
Save Searches	✓



Comparison

CoSTAR COMP'S <i>Professional</i>	CoSTAR TENANT	CoSTAR COMMERCIAL MLS	CoSTAR CONNECT
			✓
✓		✓	
✓			
✓			
	✓		
✓			
✓			
		✓	✓
✓			✓
✓			✓
18	22	7	2
✓	✓	✓	

"I used to head a large firm. Now, it's just me and my assistant.

Thanks to CoStar, my clients can't tell the difference."

Jim Eagle
President,
Red Oak Realty
Fort Worth, TX





Stop Searching. Start Finding.

CoStar offers researched, verified commercial property information. Result? Trusted, high-value insight that helps close more deals, reduce research expense, and enhance your competitive edge.



1.877.726.7827



www.CoStar.com



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2 Bethesda Metro Center Bethesda, MD 20814 USA

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Rev-041307

About CoStar Group, Inc.

Overview Twenty years ago CoStar Group, Inc. (NASDAQ: CSGP) revolutionized the commercial real estate industry with a simple yet powerful idea: create the most thoroughly researched, unbiased source of commercial property information anywhere. Today CoStar is the number one provider of information services to commercial real estate professionals in the United States and the United Kingdom. Commercial real estate brokers, owners, developers, retailers, investors, lenders, appraisers and many other industry professionals rely on CoStar's suite of web-based services for access to the most comprehensive database of commercial real estate information throughout the U.S. as well as in the U.K. and France. This suite of services offers customers access via the Internet to a proprietary database covering more than 2.3 million properties and over 40 billion square feet of inventory in all commercial property types and classes, including retail. Headquartered in Bethesda, MD, the company has approximately 1,300 employees, including the largest professional research organization in the industry.

Founded: In 1987 by president and CEO Andrew C. Florance

IPO: July 1998

Headquarters: 2 Bethesda Metro Center
Bethesda, MD 20814-5388
301-215-8300
www.costar.com

Regional U.S. Offices: Atlanta, Boston, Chicago, Cincinnati, Cleveland, Columbia (MD), Columbus (OH), Dallas, Denver, Detroit, Houston, Kansas City, Los Angeles, Miami, Iselin (NJ), New York City, Newport Beach/Orange County, Philadelphia, Phoenix, Pittsburgh, Portland, San Diego, San Francisco, St. Louis, Stamford, Tampa, Tustin (CA), White Marsh (MD)

U.K. & France Offices: London and Manchester (England); Paisley (Scotland); Paris (France)

Customers: More than 75,000 commercial real estate professionals – brokers, owners, tenants, developers, retailers, appraisers, lenders, institutional investors and many others – rely on CoStar's suite of services such as CoStar Property Professional® to quickly and easily identify available commercial properties and land, evaluate leasing and sale opportunities, value assets and position properties in the marketplace.

Research: CoStar invests more than \$60 million annually in its research operations, the most extensive in the commercial real estate industry. The company's research organization consists of more than 1,000 professional, highly trained researchers (approximately 800 of whom are office-based research associates and 200 are field researchers) plus a fleet of 155 high-tech, customized mobile units, including Dodge Sprinter vans and environmentally friendly Prius hybrid cars.

Research associates make more than 3 million calls a year to verify the accuracy of hundreds of details on every property in CoStar's database – from vacancy, sublets, lease expirations, building age, size, transaction history, true owner, cap rate, absorption and more – by interviewing brokers, owners, property managers and many others to verify property information.

Field researchers drive approximately 3 million miles a year and are currently in 43 states inspecting, photographing and transmitting real-time data on commercial properties to CoStar's research associates, who then verify the incoming data. CoStar field research vehicles include a fleet of environmentally friendly Prius cars and Dodge Sprinter vans that have been customized as high-tech CoStar field mobile units containing proprietary GPS-tracking software integrated with wireless technology to transmit and receive data. This technology allows employees in CoStar's dispatch center to view each vehicle's progress in real time. Additionally, the vehicles are equipped with sophisticated laptops, 10 mega-pixel digital cameras and handheld laser instruments to help precisely measure buildings, geo-code them and position them on digital maps, then transmit that data to hundreds of office-based CoStar research analysts.

as of 6-19-07



www.costar.com

Stop Searching. Start Finding.

For more information, contact —

Corporate Communications | 301.215.8300 | info@costar.com

CoStar License Agreement Subscription Form

FOR INTERNAL ONLY: (Ref ID) 98231	
AE:	Andreas Engel
Routing Code:	
Business Code:	Government



BILL TO:	
Licensee: City of Chicago	Location ID: 54129
Address: 121 N LaSalle St, Suite 1111	City/State/Zip: Chicago, IL 60602-1209
Fax: (312) 744-7996	Telephone: (312) 744-6127
Bill-To Contact: Steve Sakai	Email for Bill-to-Contact: steve.sakai@cityofchicago.org

USE	BILLING CYCLE	PAYMENT METHOD
Total No. Sites: 1	<input checked="" type="checkbox"/> Monthly	<input checked="" type="checkbox"/> Check
Total No. Authorized Users (All Sites): 7	<input type="checkbox"/> Quarterly	<input type="checkbox"/> Automatic Withdrawal
	<input type="checkbox"/> Yearly	
TERM	COMPS HISTORICAL DATA	KEY TOKENS
Three Years Initial Term	From (MM/YY): 1/1997 (COMPS Subscribers)	Total Number of Key Tokens:

SCHEDULE OF SERVICES			
Site	Market	Product Description	Monthly License Fees (Before Tax)
54129	Chicago	CoStar Suite w/o Connect	\$4,725.00
Total Monthly Fees From Additional Schedule of Services			
Total Monthly License Fees:			\$4,725.00
One Time Implementation Fee:			
One Time Key Token Fee:			

Notes: CoStar Suite includes CoStar Property, Tenant, COMPS, National For Sale Data for the Chicago market (s).
 Licensee can add additional licenses to the account for \$675 per license, per month.
 The term of this contract is January 1, 2011 through December 31, 2015. At the end of the 3rd year of the initial 5 year term an increase in monthly cost will be implemented. The increase will be based on the current Consumer Price Index.

This Subscription Form, including the Terms and Conditions, the Terms of Use, any addenda and any exhibits attached hereto (collectively, the "Agreement"), between the above-named Licensee and CoStar Realty Information, Inc. ("CoStar"), establishes the terms and conditions under which CoStar will license the products set forth in this Agreement. Attached to this Agreement are the Terms and Conditions that are an integral part of the Agreement being formed hereby. Terms used on this Subscription Form and not otherwise defined shall have the meanings set forth on the Terms and Conditions. In addition, this Agreement incorporates the Terms of Use (the "Terms of Use") available online at www.costar.com. By using the Licensed Product, Licensee agrees to comply with the Terms of Use and to regularly review such terms for updates and changes. To the extent a conflict exists, the Subscription Form and the Terms and Conditions shall govern over the Terms of Use.

In the event that Licensee does not execute this Agreement by the following date 12/31/2010, the terms of this Agreement shall become null and void, provided, that if Licensee executes this Agreement after such date and CoStar countersigns this Agreement, then this Agreement shall be valid and binding on the parties. The person executing this Agreement on behalf of Licensee represents and warrants that he or she has been authorized to do so and that all necessary actions required for the execution have been taken. CoStar hereby provides notice that only an authorized officer of CoStar can execute this Agreement on behalf of CoStar. The parties hereby acknowledge that this Agreement may be executed and delivered by facsimile and such facsimile shall constitute a legal and binding agreement on the parties.

CoStar Realty Information, Inc.

By: _____
 Name: _____
 Title: _____
 Date: _____
 Address: 2 Bethesda Metro Center
 Address: Bethesda, MD 20814

Licensee

Signature: _____
 Print Name: _____
 Title: _____ Date: _____
 Address: 121 N LaSalle St, Suite 1111
 Address: Chicago, IL 60602-1209
 Fax #: _____

CoStar License Agreement



AUTHORIZED SITE & USERS LIST	
Licensee: City of Chicago	Location ID: 54129
Address: 121 N LaSalle St, Suite 1111	City/State/Zip: Chicago, IL 60602-1209
Total Number of Authorized Users at Site 7	

USERS AT ABOVE LISTED SITE	
Contact Name: Anne F Coakley	Title: Assistant to the Commissioner
Phone: (312) 744-8280	Fax: (312) 744-2271
Email: anne.coakley@cityofchicago.org	Key Token Needed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Contact Name: Nora Curry	Title: North Region
Phone: (312) 742-0830	Fax: (312) 744-7996
Email: ncurry@cityofchicago.org	Key Token Needed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Contact Name: Irma Guzman	Title: Auditor I
Phone: (312) 747-8922	Fax: (312) 744-7996
Email: irma.guzman@cityofchicago.org	Key Token Needed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Contact Name: Jaime Matias	Title: Accountant IV
Phone: (312) 747-1321	Fax: (312) 747-8950
Email: jmatias@cityofchicago.org	Key Token Needed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Contact Name: Maureen McInerney	Title: Audit Supervisor
Phone: (312) 747-1247	Fax: (312) 744-7996
Email: DR00222@cityofchicago.org	Key Token Needed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Contact Name: Gary Michals	Title: Audit Manager - Dept. of Revenue
Phone: (312) 747-7820	Fax: (312) 744-7996
Email: gary.michals@cityofchicago.org	Key Token Needed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Contact Name: Ron Mikrut	Title: Auditor II
Phone: (312) 747-0660	Fax: (312) 744-7996
Email: ronald.mikrut@cityofchicago.org	Key Token Needed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CoStar Terms and Conditions



1. License. (a) This Agreement between CoStar and Licensee concerns one or more electronic databases developed and maintained by CoStar each consisting of (1) a proprietary database (the "Database") of commercial real estate information, including but not limited to, the information, text, photographic and other images and data contained therein (collectively, the "Information") and the proprietary organization and structures for categorizing, sorting and displaying such information, and (2) related software (the "Software"). Those portions of the Software and Database that are licensed hereunder, including any updates or modifications provided thereto, and any information derived from the use of the Database, including as a result of the verification of any portion of the Information by Licensee, are collectively referred to herein as the "Licensed Product." (b) During the term of this Agreement, CoStar hereby grants to Licensee a nonexclusive, nontransferable license to use only those portions of the Licensed Product that are expressly identified on the Schedule of Services on the Subscription Form, subject to and in accordance with the terms and conditions of this Agreement. (c) The Licensed Product may be used by no more than the number of users set forth on the Subscription Form and, except as set forth below, only at the site(s) specifically identified herein. All of such users (the "Authorized Users") must be individuals (1) employed by Licensee or an Independent Contractor of Licensee at a site identified on the Subscription Form and (2) included on CoStar's list of Authorized Sites & Users for the Licensed Product. Licensee understands that each brokerage, research, appraiser, sales or other similar personnel at each licensed site must be an Authorized User and agrees to notify CoStar if the number of such individuals at a site exceeds the number of Authorized Users set forth in this Agreement. An "Independent Contractor" is defined as an individual person working solely for Licensee and not for another company with real estate information needs and performing substantially the same services for Licensee as an employee of Licensee. (d) Licensee will ensure that access to and use of the Licensed Product, and the user names, passwords and any Key Tokens (collectively, the "Passcodes") used to access the Licensed Product are available only to Authorized Users, and will not allow anyone other than an Authorized User access to the Licensed Product or Passcodes for any reason.

2. Use. (a) Subject to the prohibitions set forth below, during the term of this Agreement, Licensee may use the Licensed Product for the following purposes in the ordinary course of its business: (1) Licensee's internal research purposes; (2) providing information regarding particular properties and market trends to its clients and prospective clients; (3) to market properties; (4) supporting its valuation, appraisal or counseling regarding a specific property; and (5) creating periodic general market research reports for in-house use or for clients' or prospective clients' use, provided that such reports do not contain building-specific or tenant-specific information and are not commercially or generally distributed. Subject to the provisions set forth below, Licensee may print information or copy information into word processing, spreadsheet and presentation programs (or other software programs with the express written consent of CoStar), so long as the level of information being printed or copied is reasonably tailored for Licensee's purposes, insubstantial and used in compliance with this Section. (b) Except as set forth in Section 2(a), Licensee shall not distribute, disclose, copy, reproduce, display, publish, transmit, assign, sublicense, transfer, provide access to, use or sell, directly or indirectly (including in electronic form), any portion of the Licensed Product, or modify or create derivative works of the Licensed Product. (c) Notwithstanding any other provision herein, Licensee shall not: (1) upload, post or otherwise transmit any portion of the Licensed Product on, or provide access to any portion of the Licensed Product through, the Internet, any bulletin board system, any electronic network, any listing service or any other data sharing arrangement not restricted exclusively to Licensee and the Authorized Users, except that (i) Licensee may e-mail a report containing information that complies with this Section 2 to a limited number of its clients and prospective clients, (ii) Licensee may display solely on its own web site photographs from the Licensed Product that depict properties that Licensee owns, controls, represents or holds exclusives, provided that under no circumstances shall such photographs be posted on any website that may compete with the Licensed Product, and (iii) if Licensee is a subscriber in good standing to CoStar Property Professional® and CoStar Connect®, Licensee may post insubstantial portions of the information from CoStar Property to the client extranet component on Licensee's designated CoStar Connect web site for accessing by clients or prospective clients of Licensee in compliance with this Section 2; (2) use any portion of the Licensed Product to create, directly or indirectly, any database or product; (3) access or use the Licensed Product if you are a direct or indirect competitor of CoStar or provide any portion of the Licensed Product to any direct or indirect competitor of CoStar; (4) store, copy or export any portion of the Licensed Product into any database or other software program, except as set forth in Section 2(a); (5) modify, merge, disassemble or reverse engineer any portion of the Licensed Product; (6) use, reproduce, publish or compile any information for the purpose of selling or licensing such information or making such information publicly available; (7) use or distribute information that has been verified or confirmed by Licensee for the international, state or local law, regulation, rule or ordinance, including real estate practice, spam and privacy laws.

3. Ownership. Licensee acknowledges that CoStar and its licensors have and shall retain exclusive ownership of all proprietary rights to the Licensed Product, including all U.S. and international intellectual property and other rights such as patents, trademarks, copyrights and trade secrets. This is a license agreement and not an agreement for sale. Licensee shall have no right or interest in any portion of the Licensed Product except the right to use the Licensed Product as set forth herein. Licensee acknowledges that the Software, Database, Information and Licensed Product constitute the valuable property and confidential copyrighted information of CoStar and its licensors (collectively, the "Proprietary Information"). Licensee agrees to (a) comply with all copyright, trademark, trade secret, patent, contract and other laws necessary to protect all rights in the Proprietary Information, (b) not challenge CoStar's and its licensor's ownership of (or the validity or enforceability of their rights in and to) the Proprietary Information, and (c) not remove, conceal, obliterate or circumvent any copyright or other notice of license, use or copying technological measure included in the Licensed Product. Licensee shall be liable for any violation of the provisions of this Agreement by any Authorized User and by Licensee's employees, Independent Contractors, affiliates and agents and for any unauthorized use of the Licensed Product by such persons. Without CoStar's consent, Licensee may not use or reproduce any trademark, service mark or trade name of CoStar. The Software, Database, Information and Licensed Product have been developed at private expense, are protected as a trade secret of CoStar and constitutes a commercial item as defined in FAR 2.101. In accordance with FAR 12.211, 12.212 and 27.405(b)(2) as well as other applicable supplemental agency regulations, use, reproduction, disclosure and dissemination of the Software, Database, Information and Licensed Product are governed strictly in accordance with this Agreement as well as the Terms of Use. To the extent that Licensee prints, copies, distributes or posts information, only as permitted in strict accordance with Section 2 above, such information as printed, copied, distributed or posted shall continue to be governed by this Agreement and shall not be deemed to be provided by CoStar with unlimited, limited, restricted or government purpose rights as defined in FAR 2.227-14, DFARS 252.227-7013 or DFARS 252.227-7014.

4. Term. The term of this Agreement shall begin on the date of signature by CoStar, shall continue for the initial term specified on the Subscription Form (the "Initial Term"), and shall expire at the end of such Initial Term on the last day of the calendar month in which the Start Date occurred, unless earlier terminated pursuant to the terms hereof. This Agreement shall continue thereafter for successive periods of one (1) year (each such successive period being a "Renewal Term") commencing on the last day of the Initial Term or any Renewal Term, unless sixty (60) days prior to the last day of the Initial Term or any Renewal Term, either party has provided the other written notice of an intent not to renew. The "Start Date" shall be the date of dissemination by CoStar of a Passcode for such Licensed Product to Licensee; provided, that for existing customers with Passcodes, the "Start Date" shall be the date of signature of this Agreement by CoStar.

5. License Fees. Licensee agrees to pay the License Fees and all other fees set forth in this Agreement, which are priced in U.S. dollars and shall be paid in U.S. dollars. Licensee's obligation to pay such fees shall begin on the Start Date. In addition to anything set forth herein, CoStar may: (a) on each anniversary of the last day of the calendar month in which the Start Date occurred, increase the License Fees by a percentage equal to the percentage increase in the Consumer Price Index for All Urban Consumers, Seasonally Adjusted, US City Average, All Items for the previous twelve months; and (b) at any time for any Renewal Term increase the License Fees or charge other fees for any portion of the Licensed Product or service provided by CoStar, provided, that if Licensee does not agree to the increase or charge, then Licensee may give CoStar written notice of termination within sixty (60) days of CoStar's notice of such increase or charge, in which case Licensee shall continue to pay the License Fees in place before the proposed increase or charge until the last day of the calendar month in which Licensee's notice of termination is delivered, and this Agreement shall terminate with respect to such portion of the Licensed Product on such date. All fees shall be billed in advance in accordance with the billing cycle identified herein and are due net fifteen days. All payments received after the due date will incur a late payment charge from such due date until paid at a rate equal to the lesser of 1.5% per month or the maximum rate permitted under applicable law. In all cases, the amount of License Fees shall be paid by Licensee to CoStar in full without any right of set-off or deduction. CoStar may accept any payment without prejudice to its rights to recover the balance due or to pursue any other right or remedy. No endorsement or statement on any check, payment, letter accompanying any payment, or elsewhere will be construed as an accord or satisfaction. At CoStar's option, Licensee shall pay such taxes or fees directly or pay to CoStar any such taxes or fees now or hereafter imposed by any governmental authority with respect to the Licensed Products. The License Fees do not include sales, use, excise or any other taxes or fees now or hereafter imposed by any governmental authority with respect to the Licensed Products. (a) Either party may terminate any portion of this Agreement in the event of: (1) any breach of a material term of this Agreement by the other party which is not remedied within thirty (30) days after written notice to the breaching party; or (2) the other party's making an assignment for the benefit of its creditors, or the filing by or against such party of a petition under any bankruptcy or insolvency law, which is not discharged within 30 days of such filing. (b) CoStar may terminate any portion of this Agreement immediately without further obligation to Licensee: (1) upon CoStar's reasonable suspicion of any violation by Licensee of any provision of Section 1, 2, 3, 5, 12 or 13 hereunder, or any material provision of any other agreement between the parties; or (2) upon five (5) days written notice at any time in CoStar's sole discretion in which case CoStar shall refund any fees paid by Licensee to license the terminated portion of the Licensed Product after the effective date of such termination, and Licensee shall be released of its obligation to pay the associated License Fees due after the date of such termination. (c) CoStar may interrupt the provision of any portion of the Licensed Product to Licensee upon CoStar's reasonable suspicion of any violation by Licensee of any provision of Section 1, 2, 3, 5, 12 or 13 hereunder, or any material provision of any other agreement between the parties, and Licensee shall continue to be responsible for all License Fees, provided that Licensee shall not be responsible for license fees for an interrupted period if there was not an actual violation. CoStar will restore the provision of the Licensed Product only if all amounts due hereunder are paid and if, in CoStar's reasonable opinion, CoStar has received satisfactory assurances as to the cessation of the violation. (d) Upon Licensee's breach of any term of this Agreement, all License Fees and all other fees payable hereunder shall become immediately due and payable in full, and in addition to the foregoing, CoStar's remedies shall include any damages and relief available at law or in equity. If CoStar retains any third party to obtain any remedy to which it is entitled under this Agreement, CoStar shall be entitled to recover all costs, including attorney's fees and collection agency commissions, CoStar incurs.

Initial Here _____

7. Post-Termination. At termination or nonrenewal of this Agreement, Licensee may no longer use any portion of the Licensed Product in any manner. Within ten (10) days after the effective date of termination or nonrenewal, Licensee will permanently delete or destroy all elements of the Licensed Product under its control and upon request from CoStar, affirm the completion of this process by execution and delivery to CoStar of an affidavit to that effect reasonably satisfactory to CoStar. In addition, CoStar may at its sole expense audit Licensee's compliance with this provision and the terms of the Agreement, provided, that such audit will occur under Licensee's reasonable supervision and Licensee shall cooperate in the conduct of the audit.

8. Licensed Product. Subject to Section 15, during the term of this Agreement, CoStar will provide updated Information to Licensee, which updates may be provided through the Internet or in such other manner as determined by CoStar. Licensee is responsible for providing all hardware, software and equipment necessary to obtain and use the Licensed Product, including any updates or other modifications thereto. The Licensed Product currently requires a Windows 98, NT, 2000 or XP based computer, a high-speed Internet connection or modem with a baud rate not less than 56K and Internet Explorer 6.0. Licensee is responsible for all charges necessary to access the Licensed Product. CoStar reserves the right to modify any part of the Licensed Product or the way the Licensed Product is accessed at any time, so long as such modifications do not significantly degrade the depth of Information provided to Licensee hereunder.

9. Information. Licensee shall use reasonable efforts to keep CoStar informed about commercial and investment space available for lease and/or sale and transaction information with respect to properties that Licensee owns, controls, represents or holds exclusives. Licensee hereby grants to CoStar an irrevocable, non-exclusive license with respect to CoStar's and its affiliates' databases to use, modify, reproduce and sublicense with respect to commercial real estate information available on Licensee's web site. CoStar acknowledges that if Licensee provides CoStar with any information or images, then Licensee retains its ownership rights with respect to such information and images, even following termination of this Agreement.

10. LIMITATION ON LIABILITY. (a) LICENSEE ACKNOWLEDGES THAT, TO THE MAXIMUM EXTENT PERMITTED BY LAW, COSTAR AND ITS AFFILIATES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND THIRD PARTY SUPPLIERS (COLLECTIVELY, THE "COSTAR PARTIES") WILL NOT BE HELD LIABLE FOR ANY LOSS, COST OR DAMAGE SUFFERED OR INCURRED BY LICENSEE OR ANY THIRD PARTY ARISING OUT OF OR RELATED TO ANY FAULTS, INTERRUPTIONS OR DELAYS IN THE LICENSED PRODUCT, OUT OF ANY INACCURACIES, ERRORS OR OMISSIONS IN THE INFORMATION CONTAINED IN THE LICENSED PRODUCT, REGARDLESS OF HOW SUCH FAULTS, INTERRUPTIONS, DELAYS, INACCURACIES, ERRORS OR OMISSIONS ARISE, OR FOR ANY UNAUTHORIZED USE OF THE LICENSED PRODUCT. (b) THE COSTAR PARTIES' AGGREGATE, CUMULATIVE LIABILITY RELATING TO THIS AGREEMENT AND USE OF THE LICENSED PRODUCT SHALL BE LIMITED TO LICENSEE'S ACTUAL, RECOVERABLE DIRECT DAMAGES, IF ANY, WHICH IN NO EVENT SHALL EXCEED THE TOTAL AMOUNT OF LICENSE FEES ACTUALLY PAID TO COSTAR UNDER THIS AGREEMENT DURING THE TWELVE MONTH PERIOD IMMEDIATELY PRECEDING THE DATE SUCH CLAIM AROSE. RECOVERY OF THIS AMOUNT SHALL BE LICENSEE'S SOLE AND EXCLUSIVE REMEDY. (c) UNDER NO CIRCUMSTANCES WILL ANY OF THE COSTAR PARTIES BE LIABLE FOR ANY INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS, ARISING OUT OF, BASED ON, RESULTING FROM OR IN CONNECTION WITH THIS AGREEMENT OR ANY USE OF THE LICENSED PRODUCT, EVEN IF COSTAR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE EXCLUSION OF DAMAGES IN THIS SECTION 10(c) IS INDEPENDENT OF LICENSEE'S EXCLUSIVE REMEDY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. (d) NO ACTION ARISING OUT OF OR PERTAINING TO THIS AGREEMENT MAY BE BROUGHT BY LICENSEE MORE THAN ONE (1) YEAR AFTER THE CAUSE OF ACTION HAS ARISEN. (e) THE PROVISIONS OF THIS SECTION APPLY WITHOUT REGARD TO THE CAUSE OR FORM OF ACTION, WHETHER THE DAMAGES ARE GROUNDED IN CONTRACT, TORT OR ANY OTHER CAUSE OF ACTION.

11. NO WARRANTIES. ALTHOUGH COSTAR MAKES EFFORTS TO PROVIDE AN ACCURATE PRODUCT, THE LICENSED PRODUCT AND ALL PARTS THEREOF ARE PROVIDED "AS IS", "WITH ALL FAULTS", AND "AS AVAILABLE". THE COSTAR PARTIES MAKE NO WARRANTIES. THE COSTAR PARTIES DISCLAIM ANY AND ALL REPRESENTATIONS, WARRANTIES OR GUARANTEES OF ANY KIND, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION (1) MERCHANTABILITY, FITNESS FOR ORDINARY PURPOSES AND FITNESS FOR A PARTICULAR PURPOSE, WORKMANLIKE EFFORT, QUIET ENJOYMENT AND NO ENCUMBRANCES OR LIENS, (2) THE QUALITY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE LICENSED PRODUCT, (3) THOSE ARISING THROUGH COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE, (4) THE LICENSED PRODUCT CONFORMING TO ANY FUNCTION, DEMONSTRATION OR PROMISE BY ANY COSTAR PARTY, AND (5) THAT ACCESS TO OR USE OF THE LICENSED PRODUCT WILL BE UNINTERRUPTED, ERROR-FREE OR COMPLETELY SECURE.

12. Assignment. The parties' obligations hereunder are binding on their successors, legal representatives and assigns. Licensee may not assign or transfer (by operation of law or otherwise) this Agreement nor the license granted hereunder, in whole or in part, without the prior written consent of CoStar.

13. Passcodes; Key Tokens. (a) Licensee will designate a person authorized to determine and change the level of each Authorized User's access to the Licensed Product and designated to ensure that Licensee complies with this Agreement. No Authorized User may access the Licensed Product using any Passcode other than the Passcodes assigned to such Authorized User. No Authorized User may share his assigned Passcodes with any other person nor allow any other person to use or have access to his Passcodes. During the term of this Agreement, Licensee will promptly notify CoStar of any Authorized User's change of employment or contractor status with Licensee, including termination of an Authorized User's employment or contractual service with Licensee, and upon such termination Licensee shall destroy the Passcodes for such Authorized User. No Authorized User who ceases to be an employee or independent Contractor of Licensee may use any Passcodes in any manner. (b) Each Authorized User's access to the Licensed Product may be limited to a designated computer; provided, that an Authorized User may email CoStar Customer Support at support@costar.com to receive an electronic apparatus (a "Key Token") designed to enable such Authorized User to access the Licensed Product from multiple computers for \$149 per Key Token (before tax). All Key Tokens licensed by Licensee shall constitute part of the Licensed Product. If a Key Token has been lost, stolen or damaged, upon Licensee's email request to CoStar Customer Service for a replacement Key Token, CoStar shall deliver Licensee a replacement Key Token and Licensee shall pay CoStar \$149 (before tax) for each such replacement Key Token; provided, that CoStar will replace a Key Token if it malfunctions through normal usage (due to no fault of the Licensee) free of charge during the Initial Term.

14. Notices. All notices given hereunder will be in writing, delivered personally or mailed by registered or certified mail, return receipt requested, or delivered by a well-recognized overnight U.S. or international carrier. If such notice is being delivered to Licensee, such notice shall be delivered to Licensee's address specified on the Subscription Form or to such other address as Licensee may specify, and if being delivered to CoStar, delivered to the address set forth on the Subscription Form, Attention: Director of Sales Administration, or to such other address as CoStar may specify. All notices will be deemed given if delivered personally, on the day of delivery, if mailed by registered or certified mail, three days after the date of mailing, if delivered by overnight U.S. mail, one day after mailing, and if delivered by overnight international mail, four days after mailing. Licensee agrees that CoStar may include notices on invoices sent to Licensee by regular mail.

15. Force Majeure. None of the CoStar Parties shall have any liability for any damages resulting from any failure to perform any obligation hereunder or from any delay in the performance thereof due to causes beyond CoStar's control, including industrial disputes, acts of God or government, public enemy, war, fire, other casualty, failure of any link or connection whether by computer or otherwise, or failure of technology or telecommunications or other method or medium of storing or transmitting the Licensed Product.

16. User Information. Licensee acknowledges that if it creates any settings, surveys, fields or functions in the Licensed Product or inputs, adds or exports any data into or from the Licensed Product (collectively, the "User Data"), none of the CoStar Parties shall have any liability or responsibility for any of such User Data, including the loss, destruction or use by third parties of such User Data. Documents posted by Licensee to the client extranet component of Licensee's designated CoStar Connect web site shall constitute Licensee Content (as defined in the CoStar Connect agreement) and User Data. Licensee acknowledges that it is Licensee's responsibility to make back-up copies of such User Data. For each licensed site, Licensee is allotted an aggregate amount of 100 megabytes of storage space in any CoStar Property Professional Licensed Product per Authorized User located at that site.

17. Choice of Law; Jurisdiction; International Arbitration. This Agreement shall be construed under the laws of the State of Maryland of the U.S. without regard to choice of law principles. The federal and state courts located in the State of Maryland shall be the exclusive jurisdiction for any action brought against CoStar in connection with this Agreement or use of the Licensed Product. Licensee irrevocably consents to the jurisdiction of the federal and state courts located in the State of Maryland, or in any State where Licensee's Authorized Users are located, for any action brought against Licensee in connection with this Agreement or use of the Licensed Product. All disputes arising outside of the U.S. shall be settled by arbitration held in London, England and in accordance with the Rules of Arbitration and Conciliation of the International Chamber of Commerce. All arbitrators shall be fluent in English and all documents submitted in connection with the arbitration shall be in English. Judgment upon an arbitration award may be entered in any court having jurisdiction, or application may be made to such court for a judicial acceptance of the award and an order of enforcement.

18. Miscellaneous. This Agreement contains the entire understanding of the parties with respect to the Licensed Product and supersedes any prior oral or written statements and documents with respect to such subject matter; provided, that this Agreement does not supersede any other written license agreement between the parties unless expressly provided herein. Licensee agrees to keep the terms of this Agreement strictly confidential. This Agreement may not be amended, modified or superseded, nor may any of its terms or conditions be waived, unless expressly agreed to in writing by all parties. If any provision of this Agreement not being of a fundamental nature is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remainder of the Agreement will not be affected. If a provision is held to be invalid, illegal or otherwise unenforceable, it shall be deemed to be replaced with an enforceable provision that retains the intent and benefits of the original provision. Licensee acknowledges that in the event of a breach of any of these terms by Licensee, CoStar may suffer irreparable harm and shall be entitled to injunctive relief (without the necessity of posting a bond) as well as all other monetary remedies available at law or in equity. The failure of any party at any time to require full performance of any provision hereof will in no manner affect the right of such party at a later time to enforce the same. Headings are for reference only. The provisions of Sections 2(b), 2(c), 3, 5, 6(d), 7, and 10 through 18 hereof will survive nonrenewal or termination of this Agreement.

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