

COSTAR TECHNOLOGIES, INC.
CODE OF BUSINESS CONDUCT AND ETHICS

Principals Governing Professional and Ethical Conduct

This Code of Business Conduct and Ethics (this “*Code*”) has been adopted by the Board of Directors (the “*Board*”) of Costar Technologies, Inc. (the “*Company*”) to help ensure compliance with legal and ethical requirements and our standards of business conduct. It applies to all of the Company’s directors, officers, employees and consultants. For ease of reference, we refer herein to all persons covered by the Code as “*Company employees*” or simply “*employees*.” The Code sets out basic policies as a guide. It is not intended to be a comprehensive rule book and does not seek to cover every issue that may arise.

It is the policy of the Company that the employees adhere to, advocate and promote the following principles:

- Compliance with laws, rules and regulations applicable to the Company, competing fairly and honestly in the marketplace, and maintaining a safe and healthy work environment;
- Adherence to the Company’s insider trading policies and procedures;
- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships and the avoidance of the exploitation of corporate opportunities for personal gain;
- Full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the SEC and other public communications made by the Company, and accurate recordkeeping and accounting; and
- Protection and proper use of the Company’s assets and proprietary or confidential information.

If you have a question regarding a situation or have any doubt whether it is consistent with the Company’s Code, seek help. We encourage you to contact your supervisor or the Company’s Chief Financial Officer. If they cannot answer your question or if you do not feel comfortable contacting them, contact the head of the Company’s Audit Committee or the Company’s Chairman of the Board.

The most current version of this Code will be posted and maintained on the Company’s website.

Compliance with Laws, Rules and Regulations

Obeying both the letter and the spirit of the laws is a foundation on which the Company's ethical standards are built. In conducting the business of the Company, all employees shall comply with all applicable laws, rules and regulations in the United States and in any other jurisdiction where the Company conducts business. If any doubt exists about whether a course of action is lawful, you should seek advice from supervisors, managers or legal counsel to the Company.

Payments to Government Personnel

The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country.

In addition, the U.S. government has a number of laws and regulations regarding business gratuities that may be accepted by U.S. government personnel. The promises, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules.

Competition and Fair Dealing

We seek to outperform our competitors fairly and honestly. Stealing proprietary information, violating confidentiality agreements, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each employee should respect the rights of and deal fairly with the Company's customers, suppliers and competitors. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain an unfair advantage with customers. No gift or entertainment should ever be offered, given, provided or accepted by any Company employee, family member or agent unless it (a) is not a cash gift, (b) is consistent with customary business practices, (c) is not excessive in value, (d) does not appear and cannot be reasonably construed as a bribe or payoff, and (e) does not violate any applicable laws, rules or regulations. Employees should discuss with their supervisors, managers or other appropriate personnel any gifts or proposed gifts which they think may be inappropriate.

Political Contributions

The Company encourages its employees to participate in the political process as individuals and on their own time. Federal and state contribution and lobbying laws severely limit contributions that can be made by the Company to political parties or candidates. It is the Company's policy that Company funds or assets not be used to make a political contribution to any political party or candidate, unless prior approval has been given by the Board.

Discrimination and Harassment

The Company is committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind, including, without limitation, unwelcome sexual advances or derogatory or offensive comments based on a person's race, color, sex, religion or national origin.

Health and Safety

The Company strives to provide each employee with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following the Company's health and safety rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted. Employees should report to work in a condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs in the workplace is not permitted.

Insider Trading

It is illegal to trade in Company securities while in possession of material, non-public information. It is also illegal to communicate or "tip" such information to others. In order to assist with the compliance of laws against insider trading, the Company has adopted insider trading policies and procedures governing employees' trading in securities of the Company. Copies of these policies and procedures have been distributed to every employee and are available from the Company's Chief Financial Officer. If you have any questions concerning the Company's insider trading policies or procedures or trading in Company securities, please refer to the Company's Insider Trading Procedures or consult the Company's Chief Financial Officer.

Conflicts of Interest

A conflict of interest exists when a person's private interest interferes in any way with the interests of the Company. A conflict can arise when an employee takes action or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest may also arise when an employee, or a member of his or her family, receives improper personal benefits as a result of his or her position at the Company. Loans to, or guarantees of obligations of, employees and their family members may create conflicts of interest. It is almost always a conflict of interest for an employee to work simultaneously for (or have a material financial interest in) a competitor, customer or supplier, and employees are prohibited from doing so without the prior approval of the Board.

All employees shall disclose to the Chairman of the Audit Committee any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest. No action may be taken with respect to such transaction or party unless and until it has been approved by the Audit Committee.

Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with your supervisor or manager, or if circumstances warrant, the Chief Financial Officer or Chairman of the Audit Committee of the Company. Any employee who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures for reporting suspected violations of this Code set forth below.

Corporate Opportunities

Employees are prohibited from taking for themselves personally opportunities that are discovered through the use of Company property, information or position, or during Company time or travel, without the prior consent of the Board. No employee may use Company property, information, position, time or travel for improper personal gain, and no employee may compete with the Company directly or indirectly. Employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

Timely and Truthful Public Disclosure

In reports and documents filed with or submitted to the Securities and Exchange Commission or other regulators, and in other public communications made by the Company, employees involved in the preparation of such reports and documents shall make disclosures that are fair, accurate, timely and understandable. Where applicable, such employees shall provide accurate financial and accounting data for inclusion in such disclosures. They shall not knowingly conceal or falsify information, misrepresent material facts or omit material facts necessary to avoid misleading the Company's independent public auditors or investors.

Record-Keeping

The Company requires accurate and reliable records and reporting of information in order to make responsible business decisions. All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, appropriately reflect the Company's transactions and conform to applicable legal and accounting requirements and the Company's system of internal controls.

Business expenses must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask the Company's Chief Financial Officer.

Business records and communications can become public, and employees should avoid exaggeration, derogatory remarks, foul language, or inappropriate characterizations of people and companies that can be misunderstood. This applies to e-mail, internal memos and company reports and communications. Records should always be retained or destroyed according to the Company's record retention policies. In the event of litigation or a governmental investigation, please consult with the Company's legal counsel regarding record retention, as the destruction or disposition of records, documents or other information under such circumstances could be a criminal offense.

Significant Accounting Deficiencies

The Chief Executive Officer and the Chief Financial Officer shall promptly bring to the attention of the Audit Committee any information he or she may have concerning (a) significant deficiencies in the design or operation of internal control over financial reporting which could adversely affect the Company's ability to record, process, summarize and report financial data or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's financial reporting, disclosures or internal control over financial reporting.

Incentive Compensation Clawback

The Company shall maintain an Incentive Compensation Clawback Policy which shall be reviewed and governed by the Compensation Committee of the Board of Directors. Employees aware of any violations of the Incentive Compensation Clawback Policy should report such violations to the Chair of the Compensation Committee.

Anti-Corruption Policy

The Company shall maintain an Anti-Corruption Policy which shall be reviewed and governed by the Audit Committee of the Board of Directors. Employees aware of any violations of the Anti-Corruption Policy should report such violations to the Chair of the Audit Committee.

Protection and Proper Use of Company Assets

All employees should endeavor to protect the assets of the Company and ensure they are used appropriately and efficiently for legitimate business purposes. Theft, carelessness and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should immediately be reported for investigation. Company equipment should not be used for non-Company business, though incidental personal use may be permitted.

The obligation of employees to protect the assets of the Company applies to its proprietary information as well. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and sales plans, price lists, customer and vendor lists and information, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy. It could also be illegal and result in civil or even criminal penalties.

Confidentiality

Employees must maintain the confidentiality of confidential and proprietary information entrusted to them by the Company or its customers, except when disclosure is authorized or required by law or regulation. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers if disclosed. It also

includes information that suppliers and customers have entrusted to us. The obligation to preserve confidential information continues even after employment ends. In connection with this obligation, every employee should have executed a confidentiality agreement when he or she began his or her employment with the Company. If you have not executed a confidentiality agreement, or do not have a fully-signed copy, you should notify the Chief Financial Officer.

Reporting and Treatment of Violations

Persons who become aware of suspected violations of this Code should report such suspected violations promptly to the Board of Directors, who will forward such report to the Company's Audit Committee. It is the policy of the Company not to allow retaliation for reports of misconduct by others made in good faith. The Audit Committee will strictly enforce this prohibition.

To assist in the response to or investigation of the alleged violation, the report should contain as much specific information as possible to allow for proper assessment of the nature, extent and urgency of the alleged violation. Without limiting the foregoing, the report should, to the extent possible, contain the following information:

- the alleged event, matter or issue that is the subject of the alleged violation;
- the name of each person involved;
- if the alleged violation involves a specific event or events, the approximate date and location of each event; and
- any additional information, documentation or other evidence available relating to the alleged violation.

The Audit Committee shall have the power to monitor, investigate, make determinations and recommend action to the Board of Directors with respect to violations of this Code. In determining whether a violation of this Code has occurred, the Audit Committee may take into account:

- the nature and severity of the violation;
- whether the violation was a single occurrence or involved repeated occurrences;
- whether the violation appears to have been intentional or inadvertent;
- whether the person in question had been advised prior to the violation as to the proper course of action;
- whether the person in question had committed other violations in the past; and

- such other facts and circumstances as the Audit Committee shall deem advisable in the context of the alleged violation.

Consequences of Violations

If a violation is substantiated, the Board of Directors, upon the recommendation of the Audit Committee, may impose such sanctions or take such actions as it deems appropriate, including, but not limited to, the following:

- Disciplinary action (including censure, re-assignment, demotion, suspension or termination);
- Pursuit of any and all remedies available to the Company for any damages or harm resulting from a violation, including injunctive relief; and
- Referral of matters to appropriate legal or regulatory authorities for investigation and prosecution.

Requests for Waivers and Changes in Code

A waiver of a provision of this Code may be requested whenever there is reasonable likelihood that a contemplated action will violate the Code. Any waiver may be made only by the Board or the Audit Committee, and any substantive waiver or amendment (including an implicit waiver) that constitutes a material departure from a provision of this Code shall be publicly disclosed on a timely basis (a) on the Company's website for a period of not less than 12 months or (b) in a Form 8-K filed with the SEC, to the extent required by applicable rules and regulations of the SEC.