

**COSTAR TECHNOLOGIES, INC.**  
**101 Wrangler Drive**  
**Coppell, Texas 75019**

December 11, 2018

Milfam LLC  
3300 S. Dixie Highway, Suite 1-365  
West Palm Beach, FL 33405  
Attention: Neil Subin

Re: Cooperation Agreement

Dear Alan:

This letter agreement (“Agreement”), effective as of the date above (the “Effective Date”), memorializes the following understandings and agreements that Costar Technologies, Inc. (“we” or the “Company”) has reached with Milfam LLC (together, “you” or “MilFam;” and each of MilFam and the Company, a “party,” and collectively, the “parties”) concerning the composition of the board of directors of the Company (the “Board”) and related matters:

1. As promptly as practicable following the execution of this Agreement by the parties hereto, but in any event, no longer than thirty (30) days from the Effective Date, the Board shall expand its size by one seat and appoint Alan B. Howe to fill the vacancy created by such expansion with a term ending at the 2019 annual meeting of stockholders (the “2019 Annual Meeting”). Upon appointment to the Board, Mr. Howe shall be governed by the same obligations, and shall have the same rights and protections, as are applicable to all other directors of the Company.

2. If the Board takes the actions required by paragraph 1(a) above, then until the Termination Date (except with respect to paragraph 2(e), the provisions of which MilFam shall be bound by until the date on which Mr. Howe no longer serves as a director of the Company (the “Share Purchase Expiration Date”)), MilFam shall not:

(a) engage in any solicitation of proxies or consents to vote any securities of the Company with respect to the election of directors, become a participant in any election contest with respect to the Company, or take any action to encourage other stockholders of the Company to vote against the Board’s nominees, or to withhold their votes with respect to the Board’s nominees, at any meeting of stockholders and regardless of whether such efforts would constitute a “solicitation” under the proxy rules of the Securities and Exchange Commission (the “SEC”);

(b) take any public action in support of or make any public proposal or request that constitutes: (i) advising, or seeking to control, change or influence the Board or management of the Company, including, without limitation, any proposals or requests to change the number or term of directors or to fill any vacancies on the Board, except as set forth in this Agreement, (ii) any material change in the capitalization, share repurchase program(s) and practice(s) or dividend policy of the Company, (iii) any other material change in the Company’s management, business, policies, direction or

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corporate structure, (iv) seeking to have the Company waive or make amendments or modifications to the Company's Bylaws, or (v) any other action(s) that may impede or facilitate the acquisition of control of the Company by any person; provided, that the foregoing shall not prohibit MilFam from privately making proposals or requests with respect to such matters to the Company's management or its directors (but not directly to any of the Company's other shareholders), to the extent that the same are consistent with the other provisions of this Agreement and to the extent that no public announcement of such proposals or requests is made or required;

(c) make any public announcement or public proposal with respect to, or offer, seek, or propose, (i) any form of business combination or acquisition or other transaction relating to a material amount of assets or securities of the Company or any of its subsidiaries, (ii) any form of restructuring, recapitalization or similar transaction with respect to the Company or any of its subsidiaries or (iii) any form of tender or exchange offer for shares of stock of the Company, whether or not such transaction involves a change of control of the Company; provided, that the foregoing shall not prohibit MilFam from privately making proposals or requests with respect to such matters to the Company's management or its directors (but not directly to any of the Company's other shareholders), to the extent that the same are consistent with the other provisions of this Agreement and to the extent that no public announcement of such proposals or requests is made or required;

(d) make any public statement, disclosure or announcement with respect to the Company, this Agreement or any of the actions contemplated hereby;

(e) unless approved by the Board in advance and in writing, purchase or otherwise acquire, or offer, seek, propose or agree to acquire, ownership (including beneficial ownership) of any securities of the Company, any direct or indirect rights or options to acquire any such securities, any derivative securities or contracts or instruments in any way related to the price of shares of common stock of the Company (the "Common Stock"), or any assets or liabilities of the Company; provided, however, that MilFam shall not be prohibited from participating in any offerings of equity securities by the Company made between the Effective Date and the the Share Purchase Expiration Date to the extent necessary to maintain its pro rata ownership interest in the Company; or

(f) enter into any discussions, negotiations, agreements or understandings with any person with respect to any action MilFam is prohibited from taking pursuant to subclauses (a) through (e) above, or advise, assist, encourage or persuade any person to take any such action.

3. The term of this Agreement shall commence on the Effective Date and shall continue until (the "Termination Date"):

(a) fifteen (15) days prior to the last business day on which a stockholder of the Company may timely notify the Company of a nomination of a director candidate with respect to the 2019 Annual Meeting in accordance with the organizational documents of the Company (the "2019 Nomination Deadline"), should the Company not provide written notice to MilFam at least thirty (30) days before the 2019 Nomination Deadline that Mr. Howe will be included on the slate of directors nominated by the Company with respect to the 2019 Annual Meeting (the "Howe Notice") and, further, in such event, MilFam (i) may submit nominations pursuant to the organizational documents of the Company for the 2019 Annual Meeting; (ii) will not be required to vote in favor of the Board's nominees at the 2019 Annual Meeting; and (iii) will be free to take any action otherwise prohibited by the standstill

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restrictions enumerated above in paragraph 2, subclauses (a) through (f) (with the exception of paragraph 2(e), the provisions of which MilFam shall be bound by until the Share Purchase Expiration Date); or

(b) fifteen (15) days prior to the last business day on which a stockholder of the Company may timely notify the Company of a nomination of a director candidate with respect to the 2020 annual meeting of stockholders in accordance with the organizational documents of the Company should the Company provide the Howe Notice to MilFam with respect to the 2019 Annual Meeting and, further, in such event:

(i) MilFam shall cause all shares of Common Stock for which it has the right to vote or direct the vote as of the record date for the 2019 Annual Meeting to be present for quorum purposes and to be voted in favor of the Board's nominees and against any shareholder nominations for director, if any, which are not approved and recommended by the Board for election at such meeting; and

(ii) the Company shall support the nomination of Mr. Howe and his election with the same recommendation and efforts with which it supports the nomination and election of its other director nominees with respect to the 2019 Annual Meeting;

provided, however: that (i) MilFam may terminate this Agreement if the Company commits a material breach of this Agreement that is not cured within fifteen (15) days after the Company's receipt of written notice of such breach from MilFam; and (ii) the Company may terminate this Agreement if MilFam commits a material breach of this Agreement that is not cured within fifteen (15) days after MilFam's receipt of written notice of such breach from the Company.

4. Nothing contained in this Agreement shall in any way restrict or limit (a) the ability of any director of the Company to act in accordance with his or her fiduciary duties to the Company and its stockholders, or (b) the ability of the Board to further expand its size and/or make any other changes to its composition other than as set forth in this Agreement.

5. During the term of this Agreement, neither party hereto shall, directly or indirectly, make any public statement, announcement or other communication that constitutes an *ad hominem* attack on, or otherwise disparages, calls into disrepute, defames, slanders or otherwise criticises in any manner that would reasonably be likely to damage the business or reputation of, the other party hereto or any of its current or former officers, directors, employees or stockholders.

6. The parties acknowledge that their obligations hereunder are unique and that remedies at law, including monetary damages, would be inadequate in the event that any party should default in the performance of its obligations under this Agreement. Accordingly, in the event of any such default, the non-defaulting party shall be entitled to obtain equitable relief, without the proof of actual damages, including in the form of an injunction or injunctions or orders for specific performance to prevent breaches of this Agreement and to order the defaulting party to affirmatively carry out its obligations under this Agreement, and such defaulting party hereby waives any defense to the effect that a remedy at law would be an adequate remedy for such breach or that an award of specific performance is not an appropriate remedy for any reason of law or equity. Such equitable relief shall be in addition to any other remedy to which the parties hereto are entitled to at law or in equity as a remedy for such nonperformance, breach or threatened breach. Each party hereby waives any requirements for the securing or posting of any bond in connection with such equitable remedy.

7. Each party to this Agreement represents and warrants to the other that (a) it has all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder, (b) the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized and (c) this Agreement has been duly executed and delivered by such party and constitutes a legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms.

8. The terms and provisions of this Agreement shall be construed fairly as to both parties hereto and not in favor of or against any party, regardless of which party was generally responsible for the preparation of this Agreement. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement shall remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree shall remain in full force and effect to the extent not held invalid or unenforceable. The parties further agree to replace such invalid or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the purposes of such invalid or unenforceable provision.

9. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE WITHOUT GIVING EFFECT TO THE CHOICE OF LAW OR CONFLICT OF LAWS PRINCIPLES OF SUCH STATE. THE PARTIES HERETO CONSENT TO SUBMIT THEMSELVES TO PERSONAL JURISDICTION IN THE STATE AND FEDERAL COURTS LOCATED IN THE WILMINGTON COUNTY, DELAWARE IN THE EVENT OF ANY DISPUTE ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT. EACH PARTY HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

10. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Any notices required or permitted to be given under this Agreement shall be in writing and shall be delivered by certified mail or overnight courier to the addresses specified for the parties on the signature page of this Agreement.


11. MilFam agrees that (a) it shall cause its investment advisory clients and Affiliates and Associates under its Control to comply with the obligations under this Agreement as if such investment advisory clients and Affiliates and Associates were party to this Agreement and subject to all obligations of MilFam under this Agreement; and (b) it shall be responsible for the failure of any such investment advisory client or Affiliate or Associate to comply with the obligations hereunder. As used in this Agreement, the terms "Affiliate," "Associate," "Control" and "Controlled" shall have the respective meanings set forth in Rule 12b-2 promulgated by the SEC under the Securities Exchange Act of 1934, as amended, and shall include all persons or entities that, subsequent to the Effective Date, become investment advisory clients or Affiliates or Associates of any person or entity referred to in this Agreement. As of the Effective Date, MilFam and its Affiliates, Associates and investment advisory clients collectively beneficially own 410,600 shares of Common Stock, which shares are beneficially owned by the individuals and entities set forth on Schedule A hereto.

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If the foregoing accurately sets forth our understandings and agreements, please sign this Agreement in the space indicated below.

Sincerely,

COSTAR TECHNOLOGIES, INC.

By:   
Name: RORY COWAN  
Title: CHAIRMAN

Accepted and Agreed to:

MILFAM LLC

By:   
Name: Neil Subin  
Title: President

**Schedule A**

<b><u>Owner</u></b>	<b><u>Shares</u></b>
Catherine C. Miller Trust C	1,073
LIMFAM LLC	25,072
Lloyd I. Miller III Revocable Trust	51,137
Lloyd I. Miller III Trust A-4	117,252
Milfam I, L.P.	21,510
Milfam II, L.P.	172,242
Milfam III LLC	<u>22,314</u>
TOTAL	410,600