



Case File No. 17-0063 Copart



COPART STATEMENT OF OPERATIONS

Blaine, MN

Copart, Inc., ("Copart"), and its subsidiaries, provide cutting edge asset liquidation services ("Copart Asset Services") to institutional, commercial, and private owners (collectively "Sellers") of used undamaged or damaged vehicles, trailers, watercraft, and powersports, and light duty industrial and construction equipment (collectively, "Assets"). Most Sellers are insurance companies, licensed dealers, financial institutions, charities, municipalities, and fleet operators. Copart Asset Services include short-term storage and sale of Assets, and ancillary receiving, shipping, lien sale and administrative activities. All Assets are liquidated intact, meaning no dismantling, draining of fluids, crushing, or sale of parts occurs at a Copart facility ("Facility"). Copart will maintain motor vehicle dealer licensing as required by the State where the Facility is located, for sales activity and tax collection.

A typical Facility will consist of an office building, customer parking, a shipping and receiving area, and a short-term storage area for Assets. After being received at a Facility, Assets are inspected, photographed, catalogued, and placed in ground-level short-term storage designed for quick retrieval. Assets are never stacked.

After being placed in short-term storage, Assets are listed for sale through Copart's proprietary online auction-style website and mobile apps for purchase. All offers are submitted and accepted electronically, without the use of a live auctioneer. Potential buyers are provided the opportunity to inspect Assets at a Facility, although most Asset inspections are limited to viewing images and information made available online. Potential buyers may electronically submit preliminary offers from (a) anywhere in the world via a personal computer or mobile device with internet access (each, a "Remote Online Device"), or (b) a limited number of computer kiosks located at the Facility. The high preliminary offer is carried over to the online virtual sale, during which potential buyers may submit offers electronically only from a Remote Online Device.

Assets are sold to the potential buyer with the highest offer ("**Buyer**"), who then arranges for pickup and transportation of their Assets from a Facility. Payment for sold Assets may be made electronically, via wire-transfer, or in person at a Facility. Titles to sold Assets are either picked up by the Buyer along with the sold Assets, or mailed by Copart to the Buyer.

Additional Information:

- Facility hours of operations 8AM to 5PM Monday to Friday, with occasional Saturday operations 8AM to 5PM
- 10-15 employees will be hired for the Facility
- There will be no additional nighttime lighting of the Facility
- No Asset stored at the Facility will exceed 12 feet in height or 6 tons in weight



