

SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement Agreement” or “Settlement”) is made and entered into between Plaintiff Joseph Montgomery (“Plaintiff”), acting in a private attorney general capacity, and Defendant Copart, Inc. (“Defendant” or “Copart”) (collectively, the Parties”).

DEFINITIONS

The following terms, when used in this Settlement Agreement, shall have the following meanings:

1. “Action” means the matter titled JOSEPH MONTGOMERY, individually and on behalf of the general public as private attorney general, Plaintiff v. COPART, INC., a Delaware Corporation, and DOES 1-50, inclusive, Defendants, Sacramento County Superior Court, Case No. 34-2020-00280733, and as set forth in Plaintiff’s correspondences to the California Labor and Workforce Development Agency (“LWDA Letter”) dated April 9, 2020 and October 13, 2021.

2. “Aggrieved Employees” includes all current and former non-exempt employees of Copart, Inc. in California at any time during the PAGA Period.

3. “Copart” or “Defendant” means Copart, Inc.

4. “Complaint” means the operative complaint filed by Plaintiff in the Sacramento County Superior Court in Case No. 34-2020-00280733 on June 15, 2020, as amended pursuant to stipulation on or about February 24, 2022.

5. “Court” or “Sacramento County Superior Court” means the Superior Court of California for the County of Sacramento.

6. “Defense Counsel” or “Counsel for Defendant” are Jeffrey S. Ranen, Esq., William C. Sung, Esq., and Casey N. Engstrom, Esq. of Lewis Brisbois Bisgaard & Smith, LLP, 633 West 5th Street, Suite 4000, Los Angeles, California 90071.

7. “Employee PAGA Portion” is the amount to be distributed to the Aggrieved Employees, which shall consist of 25% of the PAGA Penalties Amount, as provided in Paragraph 28 herein.

8. “Employee PAGA Payments” refers to the PAGA Penalty Payments that will be distributed to Aggrieved Employees, as provided in Paragraph 28 herein.

9. “Gross Settlement Amount” is the common fund, non-reversionary sum of One Million Two Hundred Ninety Thousand Dollars and Zero Cents (\$1,290,000.00), which represents the total amount payable under this Settlement Agreement by Copart (subject to the Escalator Clause described below), including, without limitation, the Employee PAGA Portion payable to Aggrieved Employees, LWDA Payment payable to the LWDA, Court-awarded Attorneys’ Fees (not to exceed one-third of the PAGA Fund) to Plaintiff’s Counsel, Court-

awarded Litigation Costs (not to exceed \$13,000.00) to Plaintiff's Counsel, Court-awarded General Release Fee (not to exceed \$10,000.00) to Plaintiff, and a Court-awarded payment to the Settlement Administrator for Settlement Administration Costs (not to exceed \$7,000.00), payable within 60 days after the Effective Date.

10. "Effective Date" means (i) in the event that the Settlement has received approval by the Court and there were no timely objections filed, or that any timely objections have been withdrawn, then the date the Court's order of approval of the Settlement; (ii) in the event that one or more timely objections has/have been filed and not withdrawn, then upon the passage of the applicable date for an objector to seek appellate review of the trial court's order of approval of the Settlement, without a timely appeal having been filed; or, (iii) in the event that a timely appeal of the Court's order of approval has been filed, then the Settlement shall be final when the applicable appellate court has rendered a final decision or opinion affirming the trial court's approval without material modification, and the applicable date for seeking further appellate review has passed, or the date that any such appeal has been either dismissed or withdrawn by the appellant.

11. "LWDA" means the California Labor and Workforce Development Agency.

12. "Plaintiff's Counsel" means James R. Hawkins, Esq. and Christina M. Lucio, Esq. of James Hawkins APLC, 9880 Research Drive, Suite 200, Irvine, California 92618.

13. "Net Settlement Amount" is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts, if approved by the Court, are subtracted from the Gross Settlement Amount: (a) Plaintiff's attorneys' fees up to one third of the Gross Settlement Amount; (b) Plaintiff's costs to Plaintiff's Counsel up to \$13,000.00; (c) Plaintiff's enhancement payment up to \$10,000; and (d) Settlement Administration Costs to Settlement Administrator up to \$7,000.00.

14. "PAGA" means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, et seq.

15. "LWDA Payment" means the amount to be paid to the LWDA, which is seventy-five percent (75%) of the PAGA Penalties Amount as set forth in Paragraph 28 herein.

16. "PAGA Period" means the time period from April 9, 2019 to November 10, 2021.

17. "PAGA Released Claims" means any and all claims for civil penalties under PAGA based on the factual allegations alleged in the notice letters Plaintiff sent to the LWDA on April 9, 2020 and October 13, 2021 and the Complaint, including failure to pay for all hours worked, including overtime and minimum wage; failure to provide meal periods; failure to pay one hour of premium pay when lawful meal periods were not provided; failure to provide rest periods; failure to pay one hour of premium pay when lawful rest periods were not provided; failure to maintain accurate records of hours worked; failure to timely pay all wages at termination; failure to furnish accurate itemized wage statements; failure to pay all earned wages twice per month; Labor Code sections 201, 202, 203, 204, 210, 216, 218.5, 218.6, 221-224, 225.5, 226, 226.3, 226.7, 510, 512, 516, 558, 1174, 1174.5, 1194, 1194.2, 1195, 1197, 1198, ,

2698, et seq., 2699(a), 2802; Business and Professions Code sections 17200-17208; and applicable IWC Wage Orders.

18. “Released Parties” means Copart, Inc. and its affiliated companies and its respective parent companies, subsidiaries, affiliates, shareholders, members, agents (including, without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees) predecessors, successors, and assigns.

19. “Settlement Administrator” means ILYM Group, Inc., a third-party administrator who shall administer the settlement, subject to approval by the Court, in accordance with this Settlement Agreement, and whose costs and expenses to administer the settlement are currently estimated not to exceed \$7,000.00 (“Settlement Administration Costs”).

RECITALS

20. Plaintiff performed work for Copart as a non-exempt employee in California during the PAGA Period and is therefore an Aggrieved Employee.

21. On April 9, 2020, Plaintiff provided written notice to the LWDA and Copart asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of California Labor Code sections 201, 202, 203, 204, 218.5, 218.6, 221, 223, 224, 226, 226.3, 226.7, 510, 512, 516, 558, 1174, 1194, 1194.2, 1195, 1197, 1198, 2698 *et seq.*, and 2802.

22. On June 15, 2020, Plaintiff filed a representative action complaint titled JOSEPH MONTGOMERY, individually and on behalf of the general public as private attorney general, Plaintiff v. COPART, INC., a Delaware Corporation, and DOES 1-50, inclusive, Defendants, Sacramento County Superior Court, Case No. 34-2020-00280733, asserting a single cause of action for civil penalties against Copart on a representative basis pursuant to the PAGA, alleging violations of the Labor Code for (1) failure to pay all wages owed for all hours worked, including minimum wages and overtime; (2) failure to provide lawful, timely meal periods; (3) failure to pay one hour of premium pay when timely, lawful meal periods were not provided; (4) failure to timely pay all wages owed at the time of termination; (5) failure to provide accurate itemized wage statements; and (6) failure to keep accurate records.

23. In response to Plaintiff’s formal discovery requests, Copart provided Plaintiff with verified discovery responses that included information and documents pertaining to Plaintiff and other Aggrieved Employees, and which allowed Plaintiff’s Counsel to investigate Plaintiff’s allegations and value his claims.

24. On September 10, 2021 the Parties participated in a day-long mediation with mediator Lisa Klerman, Esq. In preparation for the mediation, Plaintiff’s counsel requested and Defendant’s counsel provided sample time and payroll data for the purported aggrieved employees, all relevant policies and procedures, the number of purported aggrieved employees, and the estimated number of pay periods during the PAGA period of April 9, 2019 to September 10, 2021. With Ms. Klerman’s assistance, the Parties agreed to fully and finally resolve the Action and the PAGA Released Claims as to Plaintiff, the State of California, and the Aggrieved Employees.

OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

25. **Non-Admission.** Nothing in this Settlement Agreement nor action taken in implementation thereof shall be construed to be an admission or concession by Plaintiff that his claims do not have merit or by Copart of any liability or wrongdoing as to Plaintiff, Aggrieved Employees, or any other person, and Copart specifically disclaims any such liability or wrongdoing. Nor will any of the foregoing be used in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this Settlement Agreement may be used in any court proceeding that has as its purpose the interpretation, implementation, or enforcement of the settlement or any orders or judgments of the Court entered into in connection therewith. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. This Settlement Agreement and any related Court documents or orders are not and may not be cited or admitted as evidence of liability. If the Court does not grant approval of this settlement, then the Parties revert to their previous positions and Copart will contend that a representative action is not appropriate.

26. **Gross Settlement Amount.** Copart shall pay \$1,290,000.00 as the non-reversionary Gross Settlement Amount ("GSA"). Copart will not pay more than the Gross Settlement Amount. Notwithstanding anything to the contrary herein, in the event that the pay periods from April 9, 2019 to September 10, 2021 are more than 10% greater than 30,533 (i.e., if there are more than 33,586 pay periods from April 9, 2019 to September 10, 2021), Copart shall increase the GSA in proportion to the increase in pay periods over 10% (e.g., if the number of pay periods is 12% greater than 30,533, Copart will increase the GSA by 12%). ("Escalator Clause"). In the event that the escalator clause is triggered, the Parties shall cooperate to obtain an amended judgment which reflects the increased Gross Settlement Amount.

Copart shall deposit the Gross Settlement Amount into an account established by the Settlement Administrator and agrees to fund the settlement on the sixty-first (61st) day following the Effective Date.

The Gross Settlement Amount shall be used to pay: (1) Amounts distributable to the LWDA and Aggrieved Employees; (2) Plaintiff's attorneys fees and costs; (3) Plaintiff's enhancement payment; and (4) Settlement administration costs.

27. **Net Settlement Amount.** The Parties agree that the following amounts should be subtracted from the Gross Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount to distribute to the LWDA and Aggrieved Employees:

a. **Plaintiff's Attorneys' Fees and Costs.** Copart will not oppose Plaintiff's request for attorneys' fees in the amount up to one third of the Gross Settlement Amount (currently estimated to be \$430,000.00) and costs up to \$13,000.00 incurred in prosecuting this Action. In the event the Court approves less than these amounts, the difference will be added to

the Net Settlement Amount (although Plaintiff may appeal an order granting less than the full amount sought for attorneys' fees and costs). Copart, via the Settlement Administrator, will report these payments on IRS Form 1099 issued to Plaintiff's Counsel. Except as set forth in this Paragraph, the Parties shall each bear their own attorneys' fees and costs.

b. Plaintiff's Enhancement Payment and General Release Fee. Copart will not oppose Plaintiff's request for an enhancement payment of up to \$10,000.00 as a general release fee in connection with the release and waivers provided by Plaintiff, in his individual capacity ("General Release Fee") and for serving as the representative plaintiff in this Action. In the event the Court approves a payment of less than the requested amount, the difference will be added to the Net Settlement Amount (although Plaintiff may appeal an order granting less than the full amount sought for Plaintiff's enhancement payment). The General Release Fee will be reported on an IRS Form 1099 issued to Plaintiff.

c. Administration Costs. Copart will not oppose the Settlement Administrator's costs in the amount up to \$7,000 for administering the settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount. Copart, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to the Settlement Administrator.

28. Allocation of Net Settlement Amount. The Parties agree that one hundred percent (100%) of the Net Settlement Amount shall be designated as "civil penalties" and shall be distributed to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%) of the Net Settlement Amount shall be distributed to the Aggrieved Employees (i.e. the Employee PAGA Portion) on a *pro rata* basis, based on their respective number of pay periods worked for Copart during the PAGA Period. Payments to Aggrieved Employees of their share of the Employee PAGA Portion shall be referred to as "PAGA Penalty Payment(s)." Each Aggrieved Employee will be paid a non-wage check for the PAGA Penalty Payment, and will receive an IRS Form 1099 for said payment.

29. Plaintiff's Release of Claims and Waiver of California Civil Code section 1542. In consideration of payment under the settlement, and upon the Effective Date and payment of all funds due under this Settlement, Plaintiff shall be deemed to release the Released Parties from any and all PAGA Released Claims and any other claims that he may have against the Released Parties, including and not limited to, all complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses (including attorneys' fees and costs actually incurred, other than as otherwise provided herein) of any nature whatsoever, known or unknown, suspected or unsuspected, including, but not limited to, any claim for damages related to Plaintiff's employment with Defendant, the separation of his employment, rights arising out of alleged violations of any contracts, express or implied, any covenant of good faith and fair dealing, express or implied, or any tort including defamation, any claim of wrongful termination, retaliation, or wage and hour violations, or any legal restrictions of Defendant's right to terminate employees, or any federal, state or other governmental statute, regulation or ordinance, including, without limitation: (1) the Civil Rights Act of 1964, as amended; (2) 42 U.S.C. § 1981; (3) the California Government Code; (4) section 503 of the Rehabilitation Act of 1973; (5) the Americans with Disabilities Act; (6) the Fair Labor Standards Act (including the Equal Pay

Act); (7) the California Constitution; and (8) the California Labor Code, which Plaintiff now has, owns or holds, or claims to have, own or hold, or which Plaintiff at any time heretofore had, owned or held, or claimed to have owned or held against any of the Released Parties relating to any conduct occurring prior to and including the date of execution of this Settlement Agreement (collectively, "Plaintiff's Released Claims"). Plaintiff represents that he is not aware of any claims he may have against the Released Parties other than the PAGA Released Claims. As a material inducement for Copart to enter into this settlement, Plaintiff waives any and all rights and benefits conferred by the provisions of section 1542 of the California Civil Code and any similar law of any state or territory of the United States or other jurisdiction. Section 1542 of the California Civil Code provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Plaintiff understands and acknowledges that this Settlement Agreement is meant to include, to the fullest extent, all PAGA Released Claims and other claims which Plaintiff does not know or suspect to exist in his favor against the Released Parties.

30. **PAGA Released Claims.** Upon the Effective Date and payment of all funds due under this Settlement, Plaintiff, Aggrieved Employees, and the State of California will be forever barred from pursuing any and all PAGA Released Claims defined in Paragraph 17. Upon entry of the Order approving the settlement and judgment entered thereon, Plaintiff, the State of California, and all Aggrieved Employees will be forever barred from pursuing any and all of the PAGA Released Claims that arose during the PAGA Period against the Released Parties. This release of claims only covers those civil penalties which are recoverable under PAGA, and does not otherwise cover individual, underlying claims or causes of action that Aggrieved Employees other than Plaintiff may have under the law against Released Parties for violations of the California Labor Code.

31. **Covenants and Representations by Plaintiff and Plaintiff's Counsel.** Plaintiff represents and warrants that he has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement Agreement. Plaintiff acknowledges that he has read this Settlement Agreement, that he fully understands his rights, privileges, and duties under the Settlement Agreement, and enters into this Settlement Agreement freely and voluntarily. Plaintiff further acknowledges that he has had the opportunity to consult with his attorneys to explain the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement.

32. **Limited Disclosure and No Publicity.** Except as provided below, to the extent necessary to effectuate the settlement or as required by the PAGA statute, a court of law, or legal process, neither Plaintiff nor Plaintiff's Counsel will publicize the terms of this Settlement Agreement or issue a press release, hold a press conference, publish information about the

settlement on any website or through any social media, or otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by the Court.

33. **Obligation of Plaintiff's Counsel to Submit Settlement Agreement to the LWDA.** To permit judicial review and approval of the Settlement, and as required by Labor Code section 2698, *et seq.*, Plaintiff's Counsel will file the Settlement Agreement with the Court and submit the Settlement to the LWDA as part of the parties' seeking Court approval of the Settlement, per Labor Code § 2699(1)(2).

34. **Filing of Motion for Approval of Settlement by Plaintiff's Counsel.** Plaintiff's Counsel shall be responsible for preparing the Motion for Approval of the Settlement ("Approval Motion") and providing Defendant's Counsel with sufficient opportunity to propose revision to the Approval Motion prior to filing. Plaintiff's Counsel will file the Approval Motion, which is mutually agreed to by the Parties, as soon as practicable. Plaintiff's Counsel will serve the Approval Motion on Defendant's Counsel. Pursuant to California Labor Code section 2698, *et seq.*, Plaintiff's Counsel shall undertake all required submissions and disclosures to the Court to obtain approval of the settlement. The order approving the settlement shall include a provision that the Action is dismissed with prejudice, which shall constitute a final and binding resolution of Plaintiff's claims herein.

35. **Termination of Settlement Agreement.** If the Court does not approve the settlement, if the Court does not enter judgment as provided for in this Settlement Agreement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or if one or more of the material terms of the Settlement Agreement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within 10 days of written notice thereof to elect to terminate the Settlement Agreement, in which case the Settlement Agreement shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement Agreement. However, if the Court declines to approve the Settlement Agreement as drafted, the Parties agree to attempt in good faith to amend the Settlement Agreement to resolve the Court's concerns with the Settlement Agreement, before either Party terminates the Settlement Agreement.

36. **Judgment.** As part of the Approval Motion to approve the Settlement, Plaintiff shall submit a proposed order and judgment which enters judgment in the Action in accordance with the terms of the Settlement, retains jurisdiction over the Action for the purpose of enforcing the terms of the Settlement following approval of the Settlement, and enjoins the prosecution of any of the PAGA Released Claims against Copart. The judgment will release and bar Plaintiff's Released Claims and the PAGA Released Claims as to Plaintiff, the State of California, and Aggrieved Employees.

ADMINISTRATION OF SETTLEMENT

37. **Settlement Administrator.** The Parties have mutually selected ILYM Group, Inc. to handle the administration of this settlement, subject to approval by the Court.

38. **Notice to Aggrieved Employees.** Within ten (10) business days after the Effective Date, Defendant shall provide the Settlement Administrator with a list of the Aggrieved Employees (the "Aggrieved Employees List"). Copart will in good faith compile from its records a list of Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and shall include each Aggrieved Employee's full name, last known mailing address, last known telephone number, total pay periods worked for Copart in California during the PAGA Period, and Social Security number, to the extent available from Copart's records. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and shall only access and use the list to administer the settlement in conformity with the Court's orders. Within 7 business days of receiving the Aggrieved Employees' information from Copart, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the Individual PAGA Payments to each Aggrieved Employee and the data used to calculate said payments. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual PAGA Payments.

39. **Explanatory Letter and Individual PAGA Payments.** Upon receipt of the information for Aggrieved Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses. Within twenty-one (21) calendar days after the Settlement has been fully funded and after receiving approval from Plaintiff's Counsel and Defendant's counsel of the payment calculations as provided above, the Settlement Administrator shall mail copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A**, along with Individual PAGA Payments to all Aggrieved Employees via regular First Class U.S. Mail.

The Settlement Administrator will calculate the amount to be received by each Aggrieved Employee, which will be based on the formula set forth in Paragraph 28, *supra*. The Settlement Administrator will send each Aggrieved Employee a check for his or her Individual PAGA Payment along with the explanatory letter. Checks will remain negotiable for 180 days. Each Individual PAGA Payment shall be deemed penalties and reported using IRS Form 1099, with no withholdings taken.

40. **Undeliverable Notices.** The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee.

Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a "skip trace" or other reputable search method using the name, address and/or Social Security number of the Aggrieved Employee involved, and will perform up to a single re-mailing if a new address is located.

Funds represented by checks returned as undeliverable after a re-mailing, checks for whom the Settlement Administrator could not locate an updated address after performing a skip

trace, and funds represented by checks remaining un-cashed more than 180 days after issuance (collectively, "Uncashed Checks"), shall escheat to the California State Controller's Office for deposit in the Unclaimed Property Fund, in the name of the Aggrieved Employee.

41. **Distribution of Other Payments.** The Settlement Administrator shall distribute payments to (1) the LWDA; (2) Plaintiff's Counsel for Plaintiff's Counsel's Court-approved attorneys' fees and litigation costs and expenses; (3) Plaintiff for the Court-approved enhancement payment; and (4) the Settlement Administrator for Court-approved Settlement administration costs incurred in connection with the Settlement, at the same time it makes payments to Aggrieved Employees pursuant to Paragraph 39, *supra*.

42. **Accounting.** Within 45 days after all payments have been made under the Settlement, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the settlement.

MISCELLANEOUS PROVISIONS

43. **No Impact on Employee Benefit Plans.** Neither the Settlement Agreement nor any amounts paid to Plaintiff, any Aggrieved Employee, or the LWDA under the settlement will modify any previously credited hours or service under any employee benefit plan, policy, or bonus program sponsored by Copart. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Copart's sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Settlement Agreement shall not be applied retroactively, currently, or on a going-forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of any Copart benefit plan, policy, or bonus program. Copart retains the right, if necessary, to modify the language of its benefit plans, policies, and bonus programs to effect this intent, and to make clear that any amounts paid pursuant to this Settlement Agreement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies, and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement Agreement.

44. **Tax Consequences.** Plaintiff and Aggrieved Employees will be solely responsible for correctly characterizing any compensation received under the settlement on his/her personal income tax returns for tax purposes, and paying all appropriate taxes due for any and all amounts paid to them under the settlement. Plaintiff, Copart, Plaintiff's Counsel, and Defendant's Counsel make no representations or warranties with respect to tax consequences of any payment under this Settlement Agreement, do not intend anything contained in this Settlement Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement be relied upon as such.

45. **Governing Law.** This Settlement Agreement shall be construed under and governed by the laws of the State of California. This Settlement Agreement shall be deemed to have been entered into in California, and all questions of validity, interpretation, or performance of any of its terms or of any rights or obligations of the Parties to this Settlement Agreement shall be governed by California law. If any legal or equitable action or arbitration is necessary to enforce the terms of this Settlement Agreement, it shall be brought in the State of California,

County of Sacramento.

46. **Entire Agreement.** This Settlement Agreement constitutes the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement has been made to them, and acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the Action and PAGA Released Claims.

47. **Judgment and Continued Jurisdiction.** The Parties agree that this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6, and the Court, to the fullest extent of the law, shall retain exclusive and continuing jurisdiction over this Action, over all Parties, and the Aggrieved Employees to interpret and enforce the terms, conditions, and obligations of the Settlement Agreement.

48. **Amendment or Modification.** This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all Parties, subject to approval by the Court.

49. **Authorization to Enter into Binding Settlement Agreement.** Defendant represents and warrants that the undersigned has the authority to act on behalf of Copart and to bind Copart to the terms of this Settlement Agreement. Plaintiff represents and warrants that he has the capacity to act on his own behalf and on behalf of all who might claim through him to bind him to the terms and conditions of this Settlement Agreement. Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have full authority to enter into this settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any settlement and/or mediation privileges and/or confidentiality provisions that otherwise might apply under federal or state law.

50. **Binding on Successors and Assigns.** This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

51. **Execution and Counterparts.** This Settlement Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

52. **Acknowledgement of Mutual Drafting and that the Settlement is Fair, Adequate, and Reasonable.** The Parties believe this Settlement Agreement is a fair, adequate,

and reasonable settlement of the Action, and have arrived at this settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this settlement. The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations and that neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

53. **Invalidity of Any Provision.** Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Settlement Agreement valid and enforceable.

54. **Severability.** If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, provided that the essential terms and conditions of this Settlement Agreement for each Party remain valid, binding and enforceable, the remaining portions of this Settlement Agreement will continue to be valid, and will be performed, construed, and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Settlement Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

55. **No Waiver.** No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right, or remedy.

56. **Cooperation and Execution of Necessary Documents.** All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to implement the settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement, and hereby executes it voluntarily and with full understanding of its consequences.

Dated: March 16, 2022

PLAINTIFF JOSEPH MONTGOMERY

Joseph B Montgomery III
Joseph B Montgomery III (Mar 16, 2022 23:08 PDT)

Dated: 3/16/22, 2022

COPART, INC.

By: Gregory R. DePasquale
Gregory R. DePasquale

APPROVED AS TO FORM:

Dated: March 16, 2022

JAMES HAWKINS, APLC

By: Christina M. Lucio
James R. Hawkins
Christina M. Lucio
Attorneys for Plaintiff, Joseph Montgomery

Dated: March 16, 2022

LEWIS BRISBOIS BISGAARD & SMITH, LLP

By: Jeffrey S. Ranen
Jeffrey S. Ranen
William C. Sung
Casey N. Engstrom
Attorneys for Defendant, Copart, Inc.