UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,)
Plaintiff,)
v.) CASE NO. 1:12-CV-01598
STANDARD PARKING CORPORATION, KCPC HOLDINGS, INC., and) JUDGE: Leon, Richard J.
CENTRAL PARKING CORPORATION,) FILED:
Defendants.))

UNITED STATES' THIRD REPORT ON EXTENSIONS OF TIME FOR DIVESTITURES

Plaintiff, United States of America, hereby informs the Court of certain extensions of time that it has agreed to grant to the Defendants in this matter to complete the divestitures of Parking Facilities required by the Final Judgment. The most recent information provided to the United States by Defendants shows that the divestiture process under the Final Judgment is nearly complete, with few Parking Facilities remaining to be divested. No action on the part of the Court is necessary at this time.

The Court entered and filed the Final Judgment as of January 3, 2013, and notice of entry to Plaintiff and Defendants was given on the same date. Under Paragraph IV.A of the Final Judgment, Defendants were then required to divest all their interests in the Parking Facilities listed in Schedule A within five days after notice of entry of the Final Judgment, that is, by January 8, 2013.

Paragraph IV.D of the Final Judgment permits the United States, in its sole discretion, to agree to one or more extensions of the time period for divestiture, not to exceed ninety calendar days in total. The same provision also requires the United States to inform the Court of any such extensions granted.

As explained in the United States' Report on Extensions of Time for Divestitures filed on January 11, 2013, Defendants advised the United States that 50 of the 107 divestitures of Parking Facilities required by the Final Judgment were completed prior to the January 8, 2013 deadline. On January 8, the United States agreed to limited extensions of time for the 57 remaining Parking Facilities that had not been divested, allowing until February 7, 2013 for 39 of the divestitures, until March 9, 2013 for 17 of the divestitures, and until April 8, 2013 for one of the divestitures. Subsequently, Defendants advised the United States that an additional 25 divestitures had been completed prior to February 7, 2013. Of these facilities, 21 were in the group that had been scheduled to be divested by February 7, while four were in the group that had been scheduled to be divested by February 7, 2013, the United States agreed to limited extensions of time for completion of the remaining 18 divestitures of Parking Facilities in the first group that had originally been scheduled for divestiture on February 7, providing an additional 30 days for completion of these divestitures, until March 9.

Defendants have now advised the United States that another 25 divestitures have been completed prior to March 9, 2013, bringing the total of Parking Facilities divested to 100. Only seven Parking Facilities required to be divested by the Final Judgment remain. On March 8, the United States agreed to limited extensions of time for completion of six of the remaining Parking Facilities, until April 8, 2013. The seventh Parking Facility had already been granted an

extension until April 8, 2013 on January 8. These additional extensions were based on the representations of Defendants that additional time would be needed to complete those divestitures and Defendants' explanations of the need for additional time.

In granting these extensions, the United States has considered the substantial progress that Defendants have already made, with nearly all of the required divestitures completed. The United States has also taken into account Defendants' representations that they anticipate they can complete the seven divestitures for which the additional time has been granted by the end of March 2013. This is, however, the final extension of time for divestiture that the United States can grant under the terms of Paragraph IV.D of the Final Judgment, and if any Parking Facilities have not been divested by April 8, 2013, the Court will have the power to issue such orders as it considers appropriate to carry out the purposes of the Final Judgment, including appointment of a trustee upon application of the United States.

Defendants have represented that the additional time needed to divest the remaining parking facilities is attributable to several factors. Two of these seven facilities, Bronx C4 and Columbus C5, are expected to be divested through assignment of Standard's rights to new parking operators, requiring Standard to negotiate the assignments and select a new operator that will be acceptable both to the owner of the facility and to the United States. Standard has informed the United States that it has identified a new operator in principle for the Bronx C4 facility, but the definitive agreement for assignment still needs to be submitted for the approval of the United States and consent of the owner also is still being obtained. For Columbus C5, the United States has already approved the divestiture to a new operator, but the owner's consent is still being obtained.

Three of the seven facilities not yet divested, Denver C14 and Fort Worth C22 and C23, are expected to be divested through terminations of the agreements with the owners pursuant to Paragraph IV.K of the Final Judgment. For all three of these facilities, the owners still need to select new operators. In the case of the Fort Worth parking facilities, the owner is the local transportation authority, which has had to conduct a formal Request for Proposal procedure to select a new operator and then approve the replacement of Standard with the new operator by vote of the authority's board. This process was delayed by the recent appointment of a new board, but Standard has informed the United States that this vote is scheduled to take place on March 18, 2013 and the terms of the RFP would then provide for the new operator to replace Standard by the end of March 2013. Standard has also represented that the owner of the Denver C14 facility is also expected to complete the transition to a new operator by March 31.

Defendants have represented that they have continued to operate these facilities even though the 60 day notice period required by the Final Judgment before termination of an agreement has been completed, pending the selection of new operators.

Finally, two of the seven facilities not yet divested, Cleveland C1 and Los Angeles C22, Standard had originally planned to divest through assignments to new operators. Due to the unexpected difficulty of obtaining consent from the owners to the assignments, however, Standard has informed the United States that it now plans to divest these facilities through mutually agreed terminations of the existing parking facility agreements instead, and under the

¹ Defendants have noted that the Asset Preservation Stipulation and Order entered by this Court on October 1, 2012 obliges them to continue to ensure that the Parking Facilities remain economically viable, competitive and ongoing providers of off-street parking services pending divestiture.

negotiated terms the transitions from Standard to a new operator for these facilities are due to be completed by March 31.²

The time extensions to complete the divestitures of individual Parking Facilities agreed to by the United States are as follows:

- 1. For the following six Parking Facilities not yet divested, the United States has now agreed to extensions of the time for divestiture for an additional 30 days, so that, together with the 60 days previously granted, divestiture is now required by April 8, 2013: Bronx C4, Cleveland C1, Columbus C5, Fort Worth C22, and C23, and Los Angeles C22;
- 2. For the following Parking Facility, the United States has previously agreed to an extension of the time for divestiture for a total of 90 days, that is, until April 8, 2013:

 Denver C14.

For the convenience of the Court, the United States has also included with this report a modified version of Schedule A to the Final Judgment. The modified Schedule A shows the divestiture status and extensions of time for divestiture now applicable to each of the Parking Facilities. It also shows the three substitutions of other Parking Facilities for ones originally listed in Schedule A that the United States has approved, and about which it informed the Court in its Certificate of Compliance and Report on Facilities Substitution filed on December 21, 2012.

² For Los Angeles C22, Standard provided notice of termination to the owner on February 21, 2013, but the owner has agreed in writing to allow Standard to vacate the parking facility before the end of the normal 60 day notice period, on March 31. For Cleveland C1, the United States understands that no notice of termination was given as the parking facility agreement had no provision for unilateral termination, but the owner and Standard similarly are entering into a Termination Agreement to provide for the ending of Standard's contract on March 31.

Dated: March 15, 2013

Respectfully submitted,

/s/ Carl Willner

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SCHEDULE A

Modified to Show Facility Substitutions, Divestiture Status and Time Extensions Granted

City	Facility	Status of Divestitures and Extensions Granted
Atlanta, GA	Standard Facility SP2 at 3353 Peachtree Rd. NE, substituted as of Dec. 20, 2012 for Central Facility CP6 at 3390 Peachtree Road NE	Divestiture Completed
Baltimore, MD	Standard Facility SP5 at 400-404 Park Ave.	Divestiture Completed
Bellevue, WA	Standard Facility SP7 at 600 106th Ave. NE Standard Facility SP8 at NE 8th St. & 106th Ave. NE	Divestiture Completed Divestiture Completed
Boston, MA	Central Facility CP38 at 377 Commercial St. Standard Facility SP2 at 660 Washington St.	Divestiture Completed Divestiture Completed
Bronx, NY	Central Facility CP4 at 70 East 162nd St.	Extension of time to divest until 04/08/2013
Charlotte, NC	Central Facility CP2 at 207 South Church Central Facility CP5 at East West University, 501 E. Trade St. Central Facility CP8 at Gateway Village Garage, 800 West Trade St. Central Facility CP17 at 121 West Trade St.	Divestiture Completed Divestiture Completed Divestiture Completed Divestiture Completed
Chicago, IL	Central Facility CP12 at 172 W Madison St. Central Facility CP14 at 540 N State St. Central Facility CP15 at 333 N Dearborn St. Central Facility CP27 at 816 N Clark St. Central Facility CP28 at 938 W North Ave. Central Facility CP29 at 1547 N Kingsbury St. Standard Facility SP13 at 1101 S State St. Standard Facility SP22 at 8 E 9th St. Standard Facility SP73 at 640 W Washington St. Standard Facility SP151 at 3134 N Clark St.	Divestiture Completed
Cleveland, OH	Central Facility CP1 at 708 St Clair Ave Central Facility CP4 at 1801 East 12th St. Central Facility CP5 at 750 Vincent Ave	Extension of time to divest until 04/08/2013 Divestiture Completed Divestiture Completed

Columbus, OH	Central Facility CP2 at 55 E Long St. Central Facility CP5 at 21 E State St. Central Facility CP8 at 45 E Spring St. Central Facility CP13 at 107 S High St.	Divestiture Completed Extension of time to divest until 04/08/2013 Divestiture Completed Divestiture Completed
Dallas, TX	Central Facility CP15 at 400 N. Akard St. Central Facility CP18 at 811-817 Elm St. Standard Facility SP4 at 300 N Akard St.	Divestiture Completed Divestiture Completed Divestiture Completed
Denver, CO	Central Facility CP4 at 1207 Cherokee St. Central Facility CP10 at 1131 Lincoln St. Central Facility CP13 at 1745 Sherman St. Central Facility CP14 at 1550 Welton St. Central Facility CP30 at 1735 Stout St. Central Facility CP49 at El Jebel, 1750 Sherman St. Central Facility CP58 at 1530 Cleveland Pl. Standard Facility SP14 at 1221 Sherman St. Standard Facility SP19 at 1820 California St. Standard Facility SP22 at 1515 Arapahoe St. Standard Facility SP25 at 1999 Broadway Standard Facility SP29 at 621 17th St. Standard Facility SP32 at 1899 Wynkoop St. Standard Facility SP33 at 1825 Welton St. Standard Facility SP36 at 1543 Wazee St. Standard Facility SP39 at 1999 Broadway	Divestiture Completed Divestiture Completed Divestiture Completed Extension of time to divest until 04/08/2013 Divestiture Completed
Fort Myers, FL	Central Facility CP1 at 1530 Heitman St.	Divestiture Completed
Fort Worth, TX	Central Facility CP4 at 110 W 7th St. Central Facility CP6 at 910 Houston St. Central Facility CP7 at 1011 Calhoun St. Central Facility CP9 at 1123 Calhoun St. Central Facility CP22 at 315 E 9th St. Central Facility CP23 at 921 Calhoun St. Central Facility CP24 at 1105 Calhoun St. Central Facility CP25 at 1115 Calhoun St. Central Facility CP26 at 1024 Monroe St.	Divestiture Completed Divestiture Completed Divestiture Completed Divestiture Completed Extension of time to divest until 04/08/2013 Extension of time to divest until 04/08/2013 Divestiture Completed Divestiture Completed Divestiture Completed
Hoboken, NJ	Central Facility CP7 at 50 Bloomfield St.	Divestiture Completed

Houston, TX	Central Facility CP17 at 1001 McKinney St.	Divestiture Completed
	Central Facility CP38 at 1300 Leeland Ave.	Divestiture Completed
	Central Facility CP81 at 1111 Main St.	Divestiture Completed
	Standard Facility SP26 at 611 Clay St.	Divestiture Completed
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Kansas City,	Central Facility CP13 at 1100 Main St.	Divestiture Completed
MO	Central Facility CP15 at 117 W 9th St.	Divestiture Completed
	Central Facility CP30 at 920 Main St.	Divestiture Completed
	Standard Facility SP4 at 2300 Main St.	Divestiture Completed
	Standard Facility SP54 at 1221 Charlotte St.	Divestiture Completed
	Standard Facility SP56 at 1600 Baltimore Ave.	Divestiture Completed
	Standard Latiney 5120 at 1000 Battimore 1110.	Divestiture completed
Los Angeles,	Central Facility CP7 at 707 Wilshire Blvd.	Divestiture Completed
CA	Central Facility CP22 at 936 Maple Ave.	Extension of time to divest until 04/08/2013
	Central Facility CP27 at 905 Maple Ave.	Divestiture Completed
	Central Facility CP33 at 1019 S Broadway	Divestiture Completed
	Standard Facility SP5 at 7920 W Sunset Blvd.	Divestiture Completed
	Standard Facility SP12 at 5757 Wilshire Blvd.	Divestiture Completed
	Standard Latiney St. 12 at 5 / 5 / Wilsing Biva.	Divestiture completed
Miami, FL	Central Facility CP22 at 800 Brickell Ave.	Divestiture Completed
(including	Standard Facility SP28 at 2 Alhambra Plaza	Divestiture Completed
Coral Gables,	Standard Facility SP30 at 2 Alhambra Plaza	Divestiture Completed
FL)	,	r
Milwaukee,	Standard Facility SP6 at 1000 N Water St.	Divestiture Completed
WI	Standard Facility SP7 at 724 N 2nd St.	Divestiture Completed
	Standard Facility SP8 at 324 W Highland Ave.	Divestiture Completed
Minneapolis,	Central Facility CP7 at 80 South 8th St.	Divestiture Completed
MN	Central Facility CP11 at 425 Park Ave.	Divestiture Completed
	Central Facility CP12 at 400 South 3rd St.	Divestiture Completed
	Central Facility CP15 at 600 Hennepin Ave.	Divestiture Completed
	Central Facility CP18 at 102-120 First St.	Divestiture Completed
	North	
Nashville,	Standard Facility SP1 at 158 4th Ave. N	Divestiture Completed
TN		- System Company
New Orleans,	Central Facility CP2 at 400 Elysian Fields	Divestiture Completed
,		Divestiture Completed
LA	Ave.	Divertiture Completed
	Central Facility CP10 at 1515 Poydras St.	Divestiture Completed
	Central Facility CP10 at 1555 Poydras St.	Divestiture Completed
	Central Facility CP14 at 222 Loyola Ave.	Divestiture Completed
	Central Facility CP16 at 1600 Cleveland Ave.	Divestiture Completed
Noverly NI	Standard Facility CD1 at 42 Mulhamy St	Divestiture Completed
Newark, NJ	Standard Facility SP1 at 42 Mulberry St.	Divestiture Completed
	Standard Facility SP2 at 42 Mulberry St.	Divestiture Completed

Philadelphia,	Central Facility CP11 at 1717 Arch St.	Divestiture Completed
PA	Standard Facility SP9 at 1617 Chancellor St.,	Divestiture Completed
	substituted as of Dec. 20, 2012 for Central	
	Facility CP13 at 1616 Sansom St.	
	Central Facility CP18 at 1815 John F Kennedy	Divestiture Completed
	Blvd.	
	Central Facility CP23 at 1900 John F Kennedy	Divestiture Completed
	Blvd.	
Phoenix, AR	Standard Facility SP9 at 3550 N Central Ave.,	Divestiture Completed
	substituted as of Dec. 20, 2012 for Central	
	Facility CP12 at 3300 N Central Ave.	
Rego Park,	Standard Facility SP4 at Rego Center I & II,	Divestiture Completed
NY	96-05 Queens Blvd.	
	Standard Facility SP5 at Rego Center I & II,	Divestiture Completed
	95-05 Queens Blvd.	
Richmond,	Central Facility CP4 at 100 E Marshall St.	Divestiture Completed
VA	Central Facility CP6 at S 4th St & E Main St.	Divestiture Completed
	Central Facility CP9 at N 8th St & E Marshall	Divestiture Completed
	St.	
	Standard Facility SP9 at 1531 E Cary St.	Divestiture Completed
Sacramento,	Central Facility CP13 at RAS, 3161 L St.	Divestiture Completed
CA		
Tampa, FL	Central Facility CP13 at Hyatt Regency	Divestiture Completed
_	Tampa, Two Tampa City Center	_
	Central Facility CP14 at 400 N Ashley Dr.	Divestiture Completed