QuickLinks -- Click here to rapidly navigate through this document

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

/X/ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2001

Or

/ / **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 333-50437

APCOA/Standard Parking, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**16-1171179**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

900 N. Michigan Avenue, Chicago, Illinois 60611-1542
(Address of Principal Executive Offices, Including Zip Code)

(312) 274-2000
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act: None.

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes /X/ No / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part II of this Form 10-K or any amendment to this Form 10-K. /X/

The aggregate market value of the voting and non-voting shares of common stock held by non-affiliates of the registrant is not applicable as there is not a public market for such stock. As of December 31, 2001, there were 31.31 shares of common stock of the registrant outstanding.

SPECIAL CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Form 10-K includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to our future prospects, developments and business strategies. The statements contained in this Form 10-K that are not statements of historical fact may include forward-looking statements that involve a number of risks and uncertainties.

We have used the word "anticipate," "believe," "could," "estimate," "expect," "intend,", "may," "plan," "predict," "project," "will" and similar terms and phrases, including references to assumptions in this Form 10-K to identify forward-looking statements. These forward looking statements are made based on our management's expectations and beliefs concerning future events affecting us and are subject to uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. These uncertainties and factors could cause our actual results to differ materially from those matters expressed in or implied by these forward-looking statements. The following factors are among those that may cause actual results to differ materially from our forward-looking statements:

- *an increase in owner self-operated parking facilities;*
- *changes in patterns of air travel or automobile usage, including effects of weather on travel and transportation patterns or other events affecting local, national and international economic conditions;*
- *changes in general economic and business conditions;*
-

ongoing integration of past and future acquisitions in light of challenges in retaining key employees, synchronizing business processes and efficiently integrating facilities, marketing and operations;

- *changes in current pricing;*
- *development of new, competitive parking-related services;*
- *changes in federal and state regulations including those affecting airports, parking lots at airports and automobile use;*
- *extraordinary events affecting parking at facilities that we manage, including strikes, emergency safety measures, military or terrorist attacks and natural disasters;*
- *our ability to renew our insurance policies on acceptable terms;*
- *our ability to form and maintain relationships with large real estate owners and operations;*
- *our ability to provide performance bonds on acceptable terms to guarantee our performance under certain contracts;*
- *the loss of key employees, including the recent resignation of our chief executive officer;*
- *our ability to develop, deploy and utilize information technology, including accounting and utilization software;*
- *our ability to make payments to our parent company in amounts sufficient to prevent it from defaulting on its debt obligations and causing a default or change of control under our debt agreements;*
- *our ability to identify acquisition targets, consummate transactions and integrate newly acquired entities and contracts into our operations;*
- *availability, terms and deployment of capital; and*

- *the other factors discussed under the heading "Business Risks" at the end of Management's Discussion and Analysis of Financial Condition and Results of Operations, and elsewhere in this Form 10-K.*

All of our forward-looking statements should be considered in light of these factors. We undertake no obligation to update our forward-looking statements or risk factors to reflect new information, future events or otherwise.

ITEM 1. BUSINESS

General

APCOA/Standard Parking, Inc. ("APCOA/Standard"), formerly known as APCOA, Inc. ("APCOA"), is a leading national provider of parking facility management services. The Company provides on-site management services at multi-level and surface parking facilities in the two major markets of the parking industry: urban parking and airport parking. As of December 31, 2001, the Company managed 1,958 parking facilities, containing approximately 1,026,000 parking spaces in over 260 cities across the United States and Canada. The Company's gross customer collections, parking services revenue, gross profit and net loss for the years ended December 31, 2001 and 2000 were $1,505.6 and $1,545.7 million, $243.8 and $252.5 million, $57.0 and $60.1 million and ($35.5) and ($11.5) million, respectively.

The Company believes that its superior management services coupled with its focus on increasing market share in select core cities helps to maximize profitability per parking facility. The Company believes that it enhances its leading position by providing: (i) *Ambiance in Parking*®, an approach to parking that includes a number of on-site, value-added services and amenities; (ii) service enhancing information technology, including *Client View*®, a proprietary client reporting system which allows the Company to provide clients with real-time access to site-level financial and operating information; and (iii) award-winning training programs for on-site employees that promote customer service and client retention. The Company believes that these services distinguish it from its competitors.

The Company's diversified client base includes some of the nation's largest owners and developers of major office building complexes, shopping centers, sports complexes, hotels and hospitals. In addition, the Company manages 151 parking operations at 74 airports, including many of the major airports in North America.

The Company does not own any parking facilities and, as a result, the Company assumes few of the risks of real estate ownership. The Company operates its clients' parking properties through two types of arrangements: management contracts and leases. Under a management contract, the Company typically receives a base monthly fee for managing the property, and it may also receive a small incentive bonus based on the achievement of facility revenues above a set amount, among other factors. In some instances, the Company also receives certain fees for ancillary services. Typically, all of the underlying revenues and expenses under a standard management contract flow through to the property owner rather than to the Company. Under lease arrangements, the Company generally pays either a fixed annual rental, a percentage of gross customer collections, or a combination thereof to the property owner. The Company collects all revenues under lease arrangements and is responsible for most operating expenses, but it is typically not responsible for major maintenance or capital expenditures. As of December 31, 2001, the Company operated approximately 83% of its 1,958 parking facilities under management contracts and approximately 17% under leases. Renewal rates for the Company's management contracts and leases averaged approximately 90% for the last three years.

The Combination

Pursuant to the Combination Agreement, dated as of January 15, 1998 by and among Myron C. Warshauer, Stanley Warshauer, Steven A. Warshauer, Dosher Partners, L.P., a Delaware limited

partnership, SP Parking Associates, an Illinois general partnership, and SP Associates, an Illinois general partnership (collectively, the "Standard Owners") and APCOA, APCOA acquired (the "Combination"), on March 30, 1998, all of the outstanding capital stock, partnership and other equity interests of Standard Parking Corporation, an Illinois corporation; Standard Auto Park, Inc., an Illinois corporation; Standard Parking Corporation MW, an Illinois corporation; Standard Parking, L.P., a Delaware limited partnership; Standard Parking Corporation IL, an Illinois corporation; and Standard/Wabash Parking Corporation, an Illinois corporation (all such entities, collectively, "Standard"), for consideration consisting of $65.0 million in cash, 5.01, shares or 16%, of the common stock of the Company outstanding as of January 15, 1998, and the assumption of certain liabilities, including a $5.0 million consulting and non-compete obligation for one of the former owners of Standard, which represents the current value of the payments to be made, as determined by consulting actuaries. In addition, on March 30, 1998, APCOA paid to the Standard Owners $2.8 million, generally representing Standard's earnings from January 1, 1998 through the date of the Combination and Standard's cash on hand at such time.

In connection with the Standard acquisition, on March 30, 1998 the Company issued $140 million principal amount of $9^1/_4$% Senior Subordinated Notes due 2008 in a Rule 144A private placement. Effective September 14, 1998, the Company completed an offer to exchange all the outstanding Senior Subordinated Notes with new notes with substantially identical terms that are registered under the Securities Act of 1933.

Upon the closing of the Combination, the Company entered into a $40.0 million secured revolving Senior Credit Facility with Bank One N.A. (formerly known as The First National Bank of Chicago). Borrowings under the Senior Credit Facility bear interest at variable rates based, at the Company's option, either on LIBOR, the

federal funds rate, or the Agent's base rate.

Also in connection with the Combination, AP Holdings, Inc. ("AP Holdings"), a Delaware corporation and the parent of the Company, contributed $40.7 million of cash to the Company in exchange for $40.7 million initial liquidation preference of Series C preferred stock of the Company. The contribution was financed through AP Holdings' sale of $40.7 million in gross proceeds of its debt securities of $70.0 million in accredium bonds aggregate principal amount of its 11.25% Senior Discount Notes due 2008.

The Exchange

On January 11, 2002, APCOA/Standard completed an unregistered exchange and recapitalization of a portion of its $9^1/_4$% Senior Subordinated Notes due 2008. APCOA/Standard received gross cash proceeds of $20.0 million and retired $91.1 million of its outstanding $9^1/_4$% Senior Subordinated Notes due 2008. In exchange, APCOA/Standard issued $59.3 million of 14% Senior Subordinated Second Lien Notes due 2006 and 3,500 shares of 18% Senior Convertible Redeemable Preferred Stock, with a face value of $35.0 million which is mandatorily redeemable on June 15, 2008. In conjunction with the exchange, the Company repaid $9.5 million of indebtedness under the Senior Credit Facility, paid $2.7 million in accrued interest relating to the $91.1 million of the $9^1/_4$% Senior Subordinated Notes due 2008 that were tendered, $9.7 million (including $1.3 capitalized as debt issuance costs related to the amended and restated senior credit facility) in fees and expenses related to the exchange, which included a $3.0 million transaction advisory fee to AP Holdings, and a repurchase of $1.5 million of redeemable preferred stock held by AP Holdings. The fees and expenses of $9.7 million related to the exchange and the amended and restated senior credit facility were provided for in the period ended December 31, 2001 (see Note D to the Consolidated Financial Statements).

Other Acquisitions

On April 1, 1999, the Company acquired the assets of Pacific Rim Parking, Inc. ("Pacific Rim") in Los Angeles for $0.75 million in cash and up to $0.75 million in non-interest bearing notes payable

over five years. On May 1, 1999 the Company acquired various contracts of System Parking, Inc. in Atlanta for $0.25 million in cash. Effective as of July 1, 1999 the Company acquired all of the outstanding stock of Universal Park Holdings, Inc., operating under the names U-Park and Select Valet Parking, in Vancouver B.C. for $1.61 million.

All of these acquisitions have been accounted for under the purchase method and their operating results have been included in the consolidated results since their respective date of acquisition. The historical operating results of the businesses prior to acquisition were not material relative to the consolidated results of APCOA/Standard.

Industry Overview

General. The International Parking Institute, a trade organization of parking professionals, estimated that as of December 2001 there were approximately 40,000 parking facilities in the United States generating over $29.0 billion in gross customer collections. The parking industry is highly fragmented, with over 1,700 commercial parking operators in the United States, as estimated by the Parking Market Research Company, an independent research company. Industry participants, the vast majority of which are privately held companies, consist of relatively few nationwide companies and a large number of small regional or local operators, including a substantial number of companies providing parking as an ancillary service in connection with property management or ownership. The parking industry is experiencing consolidation as smaller operators have found that they lack the capital, economies of scale and sophisticated management techniques required to compete with larger providers. The Company expects this trend will continue and will provide significant opportunities for it to take away business from or acquire smaller operators.

Operating Arrangements. Parking facilities operate under two general types of arrangements: management contracts and leases. The general terms and benefits of these two types of arrangements are as follows:

Management Contracts. Under a management contract, the facility manager generally receives a base monthly fee for managing the facility and often receives a small incentive fee based on the achievement of facility revenues above a base amount, among other factors. Facility managers generally charge fees for various ancillary services such as accounting, equipment leasing and consulting. Responsibilities under a management contract include hiring, training and staffing parking personnel, and providing collections, accounting, record-keeping, insurance and facility marketing services. In general, under a new management contract, the facility manager is not responsible for structural or mechanical repairs, and typically is not responsible for providing security or guard services. Under typical management contracts, the facility owner is responsible for operating expenses such as taxes, license and permit fees, insurance premiums, payroll and accounts receivable processing and wages of personnel assigned to the facility. However, several of our contracts, which are referred to as reverse management contracts, require us to pay certain costs that are offset by larger management fees. In addition, the facility owner is responsible for non-routine maintenance, repair costs and capital improvements. The typical management contract is for a term of one to three years (though the owner often reserves the right to terminate, without cause, on 30 days' notice) and may contain a renewal clause.

Leases. Under a lease arrangement, the parking facility operator generally pays either a fixed annual rent, a percentage of gross customer collections, or a combination thereof to the property owner. The parking facility operator collects all revenues and is responsible for most operating expenses, but is typically not responsible for major maintenance. In contrast to management contracts, lease arrangements are typically for terms of three to ten years and typically contain a renewal term, and provide for a fixed payment to the facility owner regardless of the operating earnings of the parking facility. However, many of these contracts may be cancelled by the client for various reasons,

including development opportunities. Some are cancelable on as little as 30 days notice without cause. As a result, leased facilities generally require a longer commitment and a larger capital investment by the parking facility operator than do managed facilities.

The parking industry is comprised of two major markets: urban parking and airport parking. The urban parking market includes commercial, office, residential, event, entertainment, retail, shopping centers, hospitals and hotels. In contrast, the airport parking market consists of a relatively small number of clients with large revenue-generating parking operations and specialized needs.

Industry Growth Dynamics. A number of opportunities for growth exist for larger parking facility operators:

Growth of Large Property Managers, Owners and Developers. The growth of property management companies favors larger parking service providers that can provide specialized, value-added professional services with nationwide coverage, and help, ultimately, to reduce the number of suppliers with which property managers

conduct business. Sophisticated property owners consider parking a profit center that experienced parking facility managers can maximize. The Company believes that it is well positioned to take advantage of these developments because of its reputation for high-quality services, its broad geographic scope and its long-standing relationships with national property managers.

Increased Outsourcing of Parking Management. Growth in the parking industry has resulted from a continuing trend by parking facility owners to outsource the management of their operations to private operators. Outsourcing allows national and local property owners, including municipalities, hospitals and universities, to focus on their core competencies while turning their parking facilities into revenue sources. The Company believes that cities and municipal authorities will increasingly retain private firms to operate facilities and parking-related services in an effort to reduce operating budgets and increase profitability and efficiency.

Industry Consolidation. The parking industry is highly fragmented, with over 1,700 commercial parking operators in the United States managing approximately 40,000 parking facilities as of December 31, 2001. Based on management's belief that five national operators manage approximately 20% of these facilities, the Company believes significant opportunities exist for national parking facility managers to consolidate smaller local or regional operators. The Company believes sophisticated, national parking facility managers have a competitive advantage over local and regional operators through (i) broad product and service offerings, (ii) relationships with large, national property managers, developers and owners and (iii) efficient cost structure due to economies of scale. As the second largest parking facility manager based on number of locations managed, the Company believes that it will be able increase its market share cost effectively through strategic acquisitions, winning new clients from its competitors and enhancing its competitive position within its core cities.

Business Strategy

The Company believes its innovative parking facility amenities, value-added services and experienced management, coupled with its service-enhancing information technology and reporting systems, strengthens the Company's position as a leading provider of parking services. Specific elements of its business strategy include:

Growing the Contract Portfolio in Core Cities. The Company believes it has a leading market share in its core cities. The Company's reputation for premium service, its local market knowledge and its management infrastructure, allows it to retain existing contracts and compete aggressively for new business in these core cities. The Company intends to increase its presence in certain core cities, and strategically in other markets, to capitalize on economies of scale, including the ability to spread administrative overhead costs across a large number of parking facilities in a single market. Over the three-year period ended December 31, 2001, the Company has grown its total number of locations

from 1,826 to 1,958, including sites acquired through acquisitions. The Company is also using its success in these core cities to expand its services to include on-street parking, university campus parking and hospital parking.

Focusing on Lower Risk Contracts. The Company focuses on entering into lower risk parking services contracts that provide it with stable revenues. For the three-year period ended December 31, 2001, the Company increased the percentage of its management contracts from 78% to 83%. Under a management contract, the Company typically receives a fixed monthly fee and the costs of parking services are generally the responsibility of the property owner. When entering into lease contracts, the Company seeks to obtain low minimum rental commitments.

Expanding Leading Client Base. The Company's diversified, long-standing client base consists of many of the premier national property management companies in the United States and Canada. These national property owners and real estate asset managers have presences in a variety of markets, which provide the Company with opportunities to leverage these relationships to expand to new locations and develop new core cities. In addition, the Company's client base includes 151 parking facilities at 74 airports including many of the major airports in North America, such as Chicago O'Hare International Airport, Cleveland Hopkins International Airport and Newark International Airport.

Consistently High Level of Service. The Company's goal is to provide a uniformly high level of service across all of the facilities it manages, characterized by clean, well-lit, secure and pleasant surroundings, attractive graphics and signage, and a professional, courteous and well-dressed staff. The Company's employees undergo an award-winning training program to ensure that they provide the highest level of customer service. The Company offers a comprehensive package of on-site parking services and amenities, including a musical themed floor reminder system with distinctive signage, a traffic information system, valet parking, car washing and vehicle repair as part of its *Ambiance in Parking*® program.

The Company believes its clients increasingly value its broad suite of services for its positive impact on their customers' overall satisfaction with the property and parking facility. Renewal rates for the Company's management contracts and leases averaged approximately 90% for the three years ended December 31, 2001.

Ambiance in Parking®

The Company offers a comprehensive package of on-site parking services and amenities, which the Company calls *Ambiance in Parking*®. The package includes:

Patented Musical Theme Floor Reminder System. The Company's patented musical theme floor reminder system is designed to help customers remember the garage level on which they parked. A different song is played on each floor of the parking garage. Each floor also displays distinctive signs and graphics that correspond with the floor's theme. For example, in one garage with U.S. cities as a theme, songs played include "I Left My Heart in San Francisco" on one floor and "New York, New York" on a different floor. Other garages have themes such as college fight songs, Broadway musicals, classic movies and professional sports teams.

Little Parkers® is our child-friendly environment program, featuring baby-changing facilities and free toys for kids.

Books-To-Go® is an audiotape library that is provided free-of-charge for monthly parkers.

Films-To-Go® is a videotape library that is provided free-of-charge for monthly parkers.

ParkNet® traffic information system allows parking customers to obtain continuous, site-specific traffic reports relating to current traffic conditions on area expressways as well as the routes used to get from the specific parking facility to the expressways.

CarCare™ service program is provided in conjunction with local car service vendors. Parking customers can have their cars picked up from the parking facility, serviced and returned before the end of the business day.

Complimentary Windshield and Headlight Cleaning. During off-peak hours, the Company's parking attendants clean windshields and headlights of cars and place a card on the windshield informing the parking customer that this service has been provided.

Emergency Car Services. The Company offers complimentary services such as battery starts, lost car assistance, tire inflation, tire change and vehicle escort service.

The owners of premier properties, as they begin to recognize that the parking experience often provides both the first and last impression of their properties to tenants and users, are seeking to offer the highest possible level of quality in their parking services as a means of distinguishing their properties from those of competitors. These value-added services are typically offered to owners of first-class projects who seek to provide their tenants with the highest possible level of service to help differentiate their property from competing properties.

Information Technology

The Company's technology provides valuable benefits to its clients. *Client View*®, a proprietary Windows®-based client reporting system, allows the Company's clients to access, on a real-time basis, site-level financial and operating information.

The Company has created advanced information systems that connect local offices across the country to its corporate office. These systems include accounting and financial management and reporting practices, general operating procedures, training, employment policies, cash controls, marketing procedures and visual image. The Company believes that its standardized systems and controls enhance its ability to successfully expand its operations into new markets. A centralized staff provides accounting and administrative expertise and controls that mitigate duplication of administrative and accounting functions at the field level. *ParkStat*®, one of the Company's proprietary software tools, enhances the performance of the parking facilities it manages. By automatically polling information from on-site collection devices, *ParkStat*® uses location-specific information to calculate the impact of pricing alternatives, optimize staffing levels, improve forecasting and assist in long-range planning. Technological innovations such as an automated credit card lane and a radio-activated hands-free parking access system allow fast and hassle-free service for parking customers.

The Company believes that automation and technology can enhance customer convenience, lower labor costs, improve cash management and increase overall profitability. The Company has been a leader in the field of introducing automation and technology to the parking business and was among the first to adopt electronic fund transfer (EFT) payment options, pay-on-foot (ATM) technology, and bar code decal technology.

Regulation

Regulations by the FAA may affect the Company's business. Effective September 13, 2001, the FAA prohibited parking within 300 feet of airport terminals, as they previously did during the Persian Gulf War in the early 1990s. While the FAA is still in the process of finalizing their rules regarding parking, substantially all of our airport and air transportation related facilities were affected by the terrorist attacks of September 11, 2001, including regulations enacted following the attacks. While the Company believes that existing regulations may be relaxed in the future, new regulations may nevertheless prevent the Company from using a number of existing spaces. Reductions in the number of parking spaces may reduce the Company's revenues and cash flow for both its leased facilities and those facilities it operates under management contracts.

The Company's business is not otherwise substantially affected by direct governmental regulation, although both municipal and state authorities sometimes directly regulate parking facilities. The Company is affected by laws and regulations (such as zoning ordinances) that are common to any business that deals with real estate and by regulations (such as labor and tax laws) that affect companies with a large number of employees. In addition, several state and local laws have been passed in recent years that encourage car pooling and the use of mass transit. For example, a Los Angeles, California law prohibits employers from reimbursing employee parking expenses. Laws and regulations that reduce the number of cars and vehicles being driven could adversely impact the Company's business.

The Company collects and remits sales/parking taxes and files tax returns for and on behalf of the Company and its clients. The Company is affected by laws and regulations that may impose a direct assessment on the Company for failure to remit sales/parking taxes and filing of tax returns for and on behalf of its clients.

Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real property may be liable for the costs of removal or remediation of hazardous or toxic substances on, under or in such property. Such laws typically impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. In connection with the operation of parking facilities, the Company may be potentially liable for any such costs. Although the Company is currently not aware of any material environmental claims pending or threatened against it or any of the parking facilities which it operates, there can be no assurance that a material environmental claim will not be asserted against the Company or against the parking facilities which it operates. The cost of defending against claims of liability, or of remediating a contaminated property, could have a material adverse affect on the Company's financial condition or results of operations.

Various other governmental regulations affect the Company's operation of parking facilities, both directly and indirectly, including the ADA. Under the ADA, all public accommodations, including parking facilities, are required to meet certain federal requirements related to access and use by disabled persons. For example, the ADA requires parking facilities to include handicapped spaces, headroom for wheelchair vans, attendants' booths that accommodate wheelchairs and elevators that are operable by disabled persons. When negotiating management contracts and leases with clients, the Company generally requires that the property owner contractually assume responsibility for any ADA liability in connection with the property; however, there can be no assurance that the property owner has assumed such liability for any given property and there can be no assurance that the Company would not be held liable despite assumption of responsibility for such liability by the property owner. Management believes that the parking facilities the Company operates are in substantial compliance with ADA requirements.

Employees

As of December 31, 2001, the Company employed approximately 13,600 individuals, including approximately 7,800 full-time and 5,800 part-time employees. As of December 31, 2000, the Company employed approximately 14,000 individuals, including approximately 8,400 full-time and 5,600 part-time employees. Approximately 25% of the Company's employees are covered by collective bargaining agreements. No single collective bargaining agreement covers a material number of employees. The Company believes that its employee relations are good.

Intellectual Property

The APCOA® name and logo and the Standard Parking® name and logo are registered with the United States Patent and Trademark Office. In addition, the Company has registered the names and, as applicable, the logos of all material subsidiaries and divisions of the Company in the United States Patent and Trademark Office or the equivalent State registry, including the right to the exclusive use of the name *Central Park* in the Chicago metropolitan area. The Company has also obtained a United States patent for its *Multi-Level Vehicle Parking Facility* (the musical Theme Floor Reminder System), which expires in 2005, and trademark protection for its proprietary parker programs, such as *Books-To-Go®*, *Films-To-Go®*, *Little Parkers™ and Ambiance in Parking®*. Proprietary software developed by the Company, such as *Client View®*, *Hand Held Program®*, *License Plate Inventory program®*, *ParkNet®* and *ParkStat®* are registered in the United States Copyright Office.

Competition

The parking industry is fragmented and highly competitive, with limited barriers to entry. The Company faces direct competition for additional facilities to manage or lease, while the Company's facilities themselves compete with nearby facilities for its parking customers, and in the labor market generally for qualified employees. Moreover, the construction of new parking facilities near the Company's existing facilities can adversely affect the Company's business.

The Company competes for additional facilities with a variety of other companies. Although there are relatively few large, national parking companies that compete with the Company, the Company also faces competition from numerous smaller, locally-owned independent operators, as well as from developers, hotels, national financial services companies and other institutions that self-manage both their own parking facilities as well as facilities owned by others. Many municipalities and other governmental entities also operate their own parking facilities, thus eliminating those facilities as potential management or lease opportunities for the Company. Some of the Company's present and potential competitors have or may obtain greater financial and marketing resources than those of the Company, which may negatively impact the Company's ability to retain existing contracts and gain new contracts.

ITEM 2. PROPERTIES

Parking Facilities

The Company operates parking facilities in 43 states, Washington D.C. and three provinces of Canada pursuant to management contracts or leases. The Company does not currently own any parking facilities. The following table summarizes certain information regarding the Company's facilities as of December 31, 2001:

		# of Locations			# of Spaces		
States/Provinces	Airports and Urban Cities	Airport	Urban	Total	Airport	Urban	Total
Alabama	Airports	3		3	1,430		1,430
Alaska	Airports	2		2	3,200		3,200
Arizona	Phoenix		19	19		17,864	17,864
British Columbia	Richmond, Vancouver, Victoria and Whistler		38	38		3,192	3,192
California	Airports, Los Angeles, Long Beach, Sacramento, San Diego, San Francisco, and San Jose	7	526	533	25,384	173,170	198,554
Colorado	Airports, Colorado Springs, and Denver	2	22	24	9,752	13,787	23,539

Connecticut	Airports, Greenwich and Stamford	9	1	10	8,500	850	9,350
District of Columbia	Washington, DC		47	47		17,140	17,140
Delaware	Wilmington		1	1		473	473
Florida	Airports, Miami, Orlando and Pensacola	8	65	73	8,524	35,688	44,212
Georgia	Airports and Atlanta	2	18	20	2,142	13,817	15,959
Hawaii	Airports and Honolulu	3	48	51	2,393	18,447	20,840
Iowa	Airports	2		2	3,487		3,487
Idaho	Airports	1		1	372		372
Illinois	Airports and Chicago	9	190	199	30,540	102,149	132,689
Indiana	Airports, Indianapolis and Ft. Wayne	1	15	16	1,234	5,190	6,424
Kansas	Topeka, Wichita, and Bonner Springs		4	4		13,894	13,894
Kentucky	Louisville		2	2		716	716
Louisiana	Airports and New Orleans	1	49	50	1,302	17,488	18,790
Maine	Airports and Portland	4	1	5	2,090	528	2,618
Maryland	Baltimore, Bethesda and Towson		20	20		5,502	5,502
Massachusetts	Boston, Cambridge, Worchester and Medford		134	134		53,873	53,873
Michigan	Airports, Detroit and Southfield	6	7	13	5,879	5,719	11,598
Minnesota	Airports, Minneapolis and St. Paul	6	41	47	21,501	19,575	41,076
Missouri	Airports and Kansas City	16	95	111	24,242	20,608	44,850
Montana	Airports and Great Falls	4	4	8	1,952	2,217	4,169
Nebraska	Airports	2		2	1,307		1,307
Nevada	Las Vegas and Reno		4	4		1,484	1,484
New Jersey	Airports and Newark	9	2	11	18,500	4,202	22,702
New Mexico	Airports	1		1		0	0
New York	Airports, Buffalo Rochester and Westchester	6	40	46	7,259	19,133	26,392
North Carolina	Charlotte		1	1		818	818
North Dakota	Airports	2		2	1,415		1,415
Ohio	Airports, Akron, Cleveland, Cincinnati, Columbus and Toledo	6	114	120	10,373	56,126	66,499
Ontario	North York, Scarborough and		42	42		36,375	36,375

	Toronto						
Oregon	Airports	3		3	2,231		2,231
Pennsylvania	Airports and Wilkes Barre	2	1	3	1,600	431	2,031
Quebec	Airports	4		4	9,405		9,405
Rhode Island	Providence		4	4		6,045	6,045
South Carolina	Airports	4		4	4,232		4,232
South Dakota	Airports	2		2	1,508		1,508
Tennessee	Airports, Memphis and Nashville	2	17	19	3,077	5,146	8,223
Texas	Airports, Dallas, Forth Worth and Houston	4	99	103	4,341	83,863	88,204
Utah	Salt Lake City		2	2		5,780	5,780
Virginia	Airports, Alexandria, Richmond and Virginia Beach	6	111	117	3,468	27,308	30,776
Washington	Airports, Seattle, Carmel, Kirkland, Tacoma and Bellingham	2	14	16	822	2,975	3,797
Wisconsin	Airports and Milwaukee	10	9	19	9,885	1,688	11,573

Totals	151	1,807	1,958	233,347	793,261	1,026,608	

The Company has interests in 19 joint ventures that each operates between one and three parking facilities. The Company is the general partner of seven limited partnerships that each operates between one and twelve parking facilities. See "Management's Discussion and Analysis of Financial Condition and Results of Operations —Summary of Operating Facilities."

The Company leases approximately 45,000 square feet of office space for its corporate offices in Chicago, Illinois. The lease expires in 2008, and includes a renewal option for an additional five years. The lease also includes expansion options for up to 3,700 additional square feet of space, and the Company has a right of first refusal on 24,000 square feet more. The Company believes that the leased facility, together with expansion options, is adequate to meet current and foreseeable future needs.

The Company also leases regional offices. These lease agreements generally include renewal and expansion options, and the Company believes that these facilities are adequate to meet its current and foreseeable future needs.

ITEM 3. LEGAL PROCEEDINGS

The Company is subject to various claims and legal proceedings that consist principally of lease and contract disputes and include litigation with The County of Wayne relating to the management of parking lots at the Detroit Metropolitan Airport. The Company considers these claims and legal proceedings to be routine, and incidental to the Company's business, and in the opinion of management, the ultimate liability with respect to these proceedings and claims will not materially affect the financial position, operations, or liquidity of the Company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

There is no public trading market for the common stock of APCOA/Standard.

On March 11, 2002, APCOA/Standard issued shares of its Series D Redeemable Convertible Preferred Stock (the "Series D Stock") to AP Holdings in exchange for shares of APCOA/Standard Series C Preferred Stock on terms which the Company believes are no less favorable than what normally would be obtained through arms length transactions. The Series D Stock was issued without registration in reliance on section 4(2) of the Securities Act of 1933, as amended. The exemption was available on the basis that the issued shares were offered solely to the existing majority APCOA/Standard shareholder and was not, therefore, the subject of a public offering. If, upon the occurrence of an initial public offering, APCOA/Standard does not redeem all of the shares of the Series D Stock, APCOA/Standard or, if APCOA/Standard does not make an election, the holder thereof, may elect to convert all of such holder's shares of the Series D Stock into a number of shares of APCOA/Standard's capital stock offered in such initial public offering equal to, on a per-share basis, the quotient of 118% of the liquidation amount plus an amount equal to 118% of all accrued but unpaid dividends by the price per share of APCOA/Standard's capital stock sold in such initial public offering.

APCOA/Standard did not pay a cash dividend in respect of its common stock in 2001, 2000 or 1999. By the terms of the Company's amended senior credit facility, the Company is restricted from paying cash dividends on its capital stock while such facility is in effect. The Company accrued dividends in respect of its Class C Redeemable Preferred Stock in additional shares of Class C Redeemable Preferred Stock aggregating $6.4 million, $5.7 million and $5.1 million in 2001, 2000 and 1999, respectively.

The indenture governing the Company's $9^{1}/_{4}$% senior subordinated notes and its 14% senior subordinated second lien notes also limits the Company's ability to pay cash dividends. Unless the Company meets certain financial ratios, it may not pay dividends in respect of its stock except for those payable in additional shares of stock.

There are no restrictions on the ability of APCOA/Standard's wholly owned subsidiaries to pay cash dividends to APCOA/Standard.

Other Events

As previously disclosed in Item 3 of APCOA/Standard's Form 10-Q for the quarter ended September 30, 2000, the bankruptcy filing of AmeriServe Food Distribution, Inc. on January 31, 2000 was a default under certain debt instruments of Holberg Industries, Inc., ("Holberg") the former parent of AP Holdings. As a result of such defaults, the creditors of Holberg could have taken control of Holberg or AP Holdings, APCOA/Standard's parent. A change in control of Holberg or AP Holdings would also constitute a change in control of APCOA/Standard under APCOA/Standard's debt instruments and of AP Holdings under its bond indenture.

On March 5, 2001, Holberg restructured certain of its debt and eliminated the defaults thereunder, thereby eliminating the possibility of a change of control of AP Holdings under its bond indenture or the possibility of a change in control of APCOA/Standard under the APCOA/Standard debt instruments as a result of such defaults (see Item 12).

Steamboat Holdings, Inc. ("Steamboat") owns all of the outstanding common stock of our parent company, AP Holdings, and has pledged such stock to lenders to secure its borrowings. If Steamboat experiences certain defaults on its debt obligations, its creditor may be able to seize AP Holdings' common stock. Steamboat is currently in default under an existing bank loan. This creditor can not currently seize AP Holdings' capital stock but would have the ability to seize its stock in 2006 if this default is not cured. If Steamboat violates certain other covenants of this debt obligation, the lender would have an immediate ability to seize AP Holdings' stock. If the lender elected to foreclose on the stock, it would result in a change of control of AP Holdings. A change of control of AP Holdings could lead to an event of default under debt instruments under which AP Holdings is a borrower, which could cause a change of control under the indentures governing our $9^1/_4$% Senior Subordinated Notes due 2008 and our 14% Senior Subordinated Second Lien Notes due 2006. Consequently, an event of default by AP Holdings pursuant to its debt instruments could in turn lead to an event of default by us under our senior credit facility and other debt instruments. There can be no assurance that Steamboat will cure its existing default or will not default in a manner giving its creditor a right to seize AP Holdings' stock.

ITEM 6. SELECTED HISTORICAL FINANCIAL DATA

The following table presents selected historical consolidated financial data at and for the years ended December 31, 2001, 2000, 1999 and 1998, which have been derived from the audited financial statements of APCOA/Standard, and 1997, which has been derived from the audited financial statements of APCOA. The selected financial data set forth below should be read in conjunction with

"Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical consolidated financial statements and notes thereto included elsewhere herein.

	Year Ended December 31,				
	2001	2000	1999	1998(1)	1997
	(Dollars in Thousands)				
Income Statement Data:					
Parking services revenue	$ 243,814	$ 252,482	$ 247,899	$ 195,517	$ 117,704
Cost of parking services	186,827	192,345	193,094	155,230	94,846
General and administrative expenses	29,979	36,121	32,453	23,506	13,528
Other special charges	15,869	4,636	5,577	18,050	—
Depreciation and amortization	15,501	12,635	9,343	7,435	3,767
Operating (loss) income	(4,362)	6,745	7,432	(8,704)	5,563
Interest expense, net	17,599	17,382	15,684	10,938	3,243
Bad debt provision related to non-operating receivables	12,878	—	—	—	—
Minority interest	209	341	468	487	321
Income tax expense	406	503	752	430	140
Extraordinary loss	—	—	—	2,816	—
Net (loss) income	$ (35,454)	$ (11,481)	$ (9,472)	$ (23,375)	$ 1,859
Other Data:					
Gross customer collections	$ 1,505,645	$ 1,545,690	$ 1,369,319	$ 1,026,085	$ 476,183
Capital expenditures	1,537	4,684	10,261	7,691	2,357
Net cash provided by (used in):					
Operating activities	8,894	(3,217)	(17,709)	(20,381)	931
Investing activities	(1,547)	(4,897)	(13,531)	(96,025)	(3,592)
Financing activities	(2,855)	7,240	16,844	132,267	3,451
Effect of exchange rate changes	(429)	(802)	428	—	—
Number of managed locations	1,625	1,560	1,422	1,165	378
Number of leased locations	333	364	404	439	267
Number of total locations	1,958	1,924	1,826	1,604	645
Number of parking spaces	1,026,608	1,033,587	1,012,000	794,000	273,000
Balance Sheet Data (at end of year):					
Cash and cash equivalents	$ 7,602	$ 3,539	$ 5,215	$ 19,183	$ 3,322
Working capital deficiency	(20,156)	(11,941)	(12,180)	(9,119)	(17,059)
Total assets	192,234	208,341	213,270	216,769	59,095
Total debt	175,257	174,996	167,469	149,431	38,283
Redeemable preferred stock	61,330	54,976	49,280	44,174	8,728
Common stock subject to put/call rights	8,500	6,304	4,589	4,589	—
Common stockholders' deficit	(133,185)	(100,731)	(79,611)	(54,908)	(22,259)

(1) Includes the results of Standard Parking effective from March 30, 1998.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of APCOA/Standard's results of operations should be read in conjunction with the consolidated financial statements of APCOA/Standard and the notes thereto included elsewhere herein.

Overview

APCOA/Standard operates in a single reportable segment, operating parking facilities under two types of arrangements: management contracts and leases. Under a management contract, APCOA/Standard typically receives a base monthly fee for managing the property and may also receive a small incentive bonus based on the achievement of facility revenues above a base amount among other factors. In some small instances, APCOA/Standard also receives certain fees for ancillary services. Typically, all of the underlying revenues, expenses and capital expenditures under a management contract flow through to the property owner rather than to APCOA/Standard. Under lease arrangements, APCOA/Standard generally pays to the property owner either a fixed annual rental, a percentage of gross customer collections or a combination thereof. APCOA/Standard collects all revenues under lease arrangements and is responsible for most operating expenses, but it is typically not responsible for major maintenance or capital expenditures. As of December 31, 2001, the Company operated approximately 83% of its 1,958 parking facilities under management contracts and approximately 17% under leases.

Gross customer collections. Gross customer collections consist of gross receipts collected at all leased and managed properties, including unconsolidated affiliates.

Parking services revenue—lease contracts. Parking services revenues related to lease contracts consist of all revenues received at a leased facility, including development fees, gains on sales of contracts and payments for exercising termination rights.

Parking services revenue—management contracts. Management contract revenue consists of management fees, including both fixed and revenue-based fees, and fees for ancillary services such as accounting, equipment leasing, payments received for exercising termination rights, consulting, insurance and other value-added services with respect to managed locations. Management contract revenue excludes gross customer collections at such locations. Management contracts generally provide APCOA/Standard with a management fee regardless of the operating performance of the underlying facility.

Cost of parking services—lease contracts. The cost of parking services under a lease arrangement consists of contractual rental fees paid to the facility owner and all operating expenses incurred in connection with operating the leased facility. Contractual fees paid to the facility owner are based on either a fixed contractual amount or a percentage of gross revenue, or a combination thereof. Generally under a lease arrangement, APCOA/Standard is not responsible for major capital expenditures or property taxes.

Cost of parking services—management contracts. The cost of parking services under a management contract is generally passed through to the facility owner. As a result, these costs are not included in the results of operations of the Company. Several APCOA/Standard contracts, which are referred to as reverse management contracts however, require APCOA/Standard to pay for certain costs that are offset by larger management fees.

General and administrative expenses. General and administrative expenses include salaries, wages, travel and office related expenses for the headquarters, field offices and supervisory employees.

Summary of Operating Facilities

The following table reflects the Company's facilities at the end of the periods indicated:

	December 31, 2001	December 31, 2000	December 31, 1999
Managed Facilities	1,625	1,560	1,422
Leased Facilities	333	364	404
Total Facilities	1,958	1,924	1,826

The Company's strategy is to add locations in core cities where a concentration of locations improves customer service levels and operating margins. In general, contracts added as set forth in the table above followed this strategy.

Results of Operations

The following information should be read in conjunction with the Consolidated Financial Statements.

	Year Ended December 31,		
	2001	2000	1999
		(In Thousands)	
Gross customer collections	$ 1,505,645	$ 1,545,690	$ 1,369,319
Parking services revenue:			
Lease contracts	$ 156,411	$ 181,828	$ 196,441
Management contracts	87,403	70,654	51,458
	243,814	252,482	247,899
Cost of parking services:			
Lease contracts	142,555	159,702	172,217
Management contracts	44,272	32,643	20,877
	186,827	192,345	193,094
General and administrative expenses	29,979	36,121	32,453

Other special charges	15,869	4,636	5,577
Depreciation and amortization	15,501	12,635	9,343
Operating (loss) income	(4,362)	6,745	7,432
Bad debt provision related to non-operating receivable	12,878	—	—
Interest expense, net	17,599	17,382	15,684
Minority interest	209	341	468
Income tax expense	406	503	752
Net loss	$ (35,454)	$ (11,481)	$ (9,472)

In analyzing the gross margins of APCOA/Standard, it should be noted that the cost of parking services for parking facilities under management contracts incurred in connection with the provision of management services is generally paid by the clients. Several management contracts, however, which are referred to as reverse management contracts, require APCOA/Standard to pay for certain costs that are offset by larger management fees. Margins for lease contracts vary significantly not only due to operating performance, but also variability of parking rates in different cities and varying space utilization by parking facility type and location.

The attacks that occurred on September 11th had an immediate effect on the Company's business at all 74 airports the Company operates and, to a lesser extent, at isolated urban facilities near governmental institutions. Although business at airports had been declining prior to the September 11th attacks, an immediate significant decrease in airport revenues occurred following those attacks. Parking revenue at the airports served by the Company declined 45.3% during the period of September 16 - 30, 2001, compared to the same period of 2000. Revenues at airports have recovered since the attacks to a 16.6% decline for the period December 15-30, 2001, and has improved further to a 10.9% decline for the period February 16-28, 2002 as compared to the same periods in the prior year. The Company does not know what the lasting effect of the September 11th attacks will be. However, there remain in place several stringent security measures that prohibit parking within a certain distance of the terminal, which continues to impact utilization of parking spaces. The airport parking and transportation market represents approximately 21% of the Company's gross profit.

The results of the Company for the year ended December 31, 2001, reflect depreciation and amortization expense of $15.5 million. The Company estimates that, with the application of SFAS No. 142 for goodwill and other intangible assets and the disposition of certain assets in 2001, depreciation and amortization for the year ended December 31, 2002 will approximate $6.0 million.

Fiscal 2001 Compared to Fiscal 2000

Gross customer collections. Gross customer collections decreased $40.1 million, or 2.6%, to $1,505.6 million in fiscal 2001, compared to $1,545.7 million in fiscal 2000. This decrease is attributable to the attacks of September 11th, which impacted all airport operations, special event venues and hotels and the cancellation of the Detroit Airport contract in the fourth quarter of 2000, which was partially offset by the net increase of 34 new contracts.

Parking services revenue—lease contracts. Lease contract revenue decreased $25.4 million, or 14.0%, to $156.4 million in the year ended December 31, 2001, compared to $181.8 million in the year-ago period. This decrease resulted from the net reduction of 31 leases through contract expirations, conversions to management contracts and the attacks of September 11th.

Parking services revenue—management contracts. Management contract revenue increased $16.7 million, or 23.7%, to $87.4 million in the year ended December 31, 2001, compared to $70.7 million in the year-ago period. This increase resulted from the net increase of 65 contracts through internal growth; conversions from lease contracts, and the full year impact of the addition of a large airport contract in the second half of 2000. In addition, the Company received a payment of $4.8 million in 2001 related to the exercise of owner termination rights associated with certain management contracts.

Cost of parking services—lease contracts. Cost of parking for lease contracts decreased $17.1 million or 10.7%, to $142.6 million for the year ended December 31, 2001, from $159.7 million for the year-ago period. This decrease resulted from the net reduction of 31 leases through contract expirations and conversions to management contracts. Gross margin for leases declined to 8.9% during 2001 compared to 12.2% during 2000. This decrease was due to the loss of volume following the attacks of September 11th, and the reduction of 31 leases through contract expirations and conversions to management contracts.

Cost of parking services—management contracts. Cost of parking for management contracts increased $11.7 million or 35.9%, to $44.3 million for the year ended December 31, 2001, compared to $32.6 million for the year-ago period. This increase resulted from the net addition of 65 new contracts through internal growth, conversions from lease contracts and the full year impact of the addition of a large airport contract in the second half of 2000. Gross margin for management contracts declined to 49.3% during 2001 compared to 53.8% during 2000. Most management contracts have no cost of

parking services related to them, as all costs are reimbursable to the Company. However, several contracts, which are referred to as reverse management contracts, require the Company to pay for certain costs that are offset by larger management fees. This increase in cost of parking management contracts was related to the addition of several contracts of this type.

General and administrative expenses. General and administrative expenses decreased $6.1 million or 17.0%, to $30.0 million for the year ended December 31, 2001, compared to $36.1 million for the year-ago period. This decrease resulted from implementation of cost savings, staff reductions and operating efficiencies.

Other special charges. The Company recorded $15.9 million of other special charges for the year ended December 31, 2001, compared to $4.6 million for the period ending December 31, 2000. The charges for 2001 included $11.8 million related to the exchange (see Note D of the Notes to the Consolidated Financial Statements), $1.7 million related to a provision for abandoned businesses, $0.9 million for legal costs, $0.8 million in a provision for headquarters reorganization, $0.3 million in prior period retroactive insurance premium increases, $0.3 million in outside consultant costs related to prior periods, and $0.1 million in severance costs. The charges for 2000 included $2.5 million of severance costs, $0.9 million of prior period retroactive insurance premium increases and $1.2 million of incremental integration costs and other costs.

Non-operating income (expense). The Company recorded a $12.9 million bad debt provision related to non-operating receivables for the year ended December 31, 2001, compared to no charges for the period ending December 31, 2000. The 2001 bad debt provision for non-operating receivables relates to advances to and deposits with affiliates that had previously been reclassified from a long-term asset to stockholders' deficit. This provision was made due to uncertainty regarding the ability of the affiliates to repay such amounts without potentially receiving distributions from the Company.

Other income and expense. Interest expense, net of interest income increased $0.2 million to $17.6 million in 2001, from $17.4 million in 2000. Minority interest decreased $0.1 million to $0.2 million in 2001 from $0.3 million in 2000. Income tax expense decreased $0.1 million, to $0.4 million in 2001 from $0.5 million in 2000.

Fiscal 2000 Compared to Fiscal 1999

Gross customer collections. Gross customer collections increased $176.4 million, or 12.9%, to $1,545.7 million in fiscal 2000, compared to $1,369.3 million in fiscal 1999. This increase is attributable to the addition of 117 locations during the period and growth at existing locations.

Parking services revenue—lease contracts. Lease contract revenue decreased $14.6, million or 7.4%, to $181.8 million in the year ended December 31, 2000, compared to $196.4 million in the year-ago period. This decrease resulted from the net reduction of 37 leases through contract expirations and conversions to management contracts. One large airport lease contract was converted to a management contract in the second half of 2000, a large airport contract was lost in the second half of 1999, and a change was made in reclassification of reimbursable costs.

Parking services revenue—management contracts. Management contract revenue increased $19.2 million, or 37.3% to $70.7 million in the year ended December 31, 2000, compared to $51.5 million in the year-ago period. This increase resulted from the net increase of 154 contracts through internal growth, conversions from lease contracts, an addition of a large airport contract in the second half of 2000 and a conversion of a large airport contract from a lease to a management contract.

Cost of parking services—lease contracts. Cost of parking for lease contracts decreased $12.5 million, or 7.3%, to $159.7 million for the year ended December 31, 2000, from $172.2 million

during the year-ago period. This decrease resulted from the net reduction of 37 leases through contract expirations, conversions to management contracts and the loss of one large airport contract in the second half of 1999. Gross margin for leases declined slightly to 12.2% during 2000 compared to 12.3% during 1999. The nominal decrease was due to slightly higher operating expenses.

Cost of parking services—management contracts. Cost of parking for management contracts increased $11.8 million, or 56.4%, to $32.6 million for the year ended December 31, 2000, compared to $20.8 million in 1999. The increase resulted from the addition of a net total of 154 new contracts through internal growth and conversions from lease contracts. Gross margins for management contracts declined to 53.8% in the year 2000 compared to 59.4% in the previous year. Most management contracts have no cost of parking services related to them as all costs are reimbursable to the Company. However, several contracts, which are referred to as reverse management contracts, require the Company to pay for certain costs that are offset by larger management fees. The increase in cost of parking management contracts was related to the addition of several contracts of this type.

General and administrative expenses. General and administrative expenses increased $3.7 million, or 11.3%, to $36.1 million during 2000 compared to $32.5 million during 1999. This increase resulted from investment in the Company's infrastructure in the first half of 2000.

Other special charges. The Company recorded $4.6 million of other special charges during 2000. The charge included $2.5 million of severance costs, $0.9 million of prior period retroactive insurance premium increases, and $1.2 million of incremental integration costs and other costs.

Other income and expense. Interest expense, net of interest income, totaled $17.4 million in the current year, up from $15.7 million in 1999. This increase is the result of increased borrowings under the Company's Senior Credit Facility. Minority interest decreased $0.1 million to $0.4 million in 2000 compared to $0.5 million in 1999. Income tax expense, which consists primarily of Canadian income tax, decreased to $0.5 million in 2000 from $0.8 million in 1999 as a result of the decrease in Canadian income.

Liquidity and Capital Resources

On January 11, 2002, the Company completed a restructuring of its publicly issued debt. The Company exchanged $91.1 million of its outstanding $9^1/_4$% Senior Subordinated Notes due 2008 for $59.3 million of its newly issued 14% Senior Subordinated Second Lien Notes due 2006 and shares of its newly issued 18% Senior Convertible Redeemable Preferred Stock. As part of these transactions, the Company also received $20.0 million in cash. The cash was used to repay borrowings under the Company's old credit facility, repurchase shares of existing redeemable Series C preferred stock owned by its parent company and pay expenses incurred in connection with the transaction (including approximately $3.0 million to its parent company as a transaction advisory fee).

As a result of day-to-day activity at the parking locations, APCOA/Standard collects significant amounts of cash. Lease contract revenue is generally deposited into local APCOA/Standard bank accounts, with a portion remitted to the clients in the form of rental payments according to the terms of the leases. Under management contracts, some clients require APCOA/Standard to deposit the daily receipts into a local APCOA/Standard bank account, with the cash in excess of the Company's operating expenses and management fees remitted to the client at negotiated intervals. Other clients require the Company to deposit the daily receipts into client accounts and the clients then reimburse the Company for operating expenses and pay the Company's management fee subsequent to month-end. Some clients require a segregated account for the receipts and disbursements of locations.

Gross daily collections are collected by APCOA/Standard and deposited into banks in one of three methods, which impact the Company's investment in working capital: (i) locations with revenues deposited into APCOA/Standard's bank accounts reduce the Company's investment in working capital,

(ii) locations that have segregated accounts generally require no investment in working capital and (iii) accounts where the revenues are deposited into the clients' accounts increase the Company's investment in working capital. The Company's average investment in working capital depends on its contract mix. For example, an increase in contracts that required all cash deposited in our bank accounts reduces our investment in working capital and improves our liquidity. During the period of January 1, 2001 to December 31, 2001, a decrease in these types of contracts resulted in a loss of liquidity to us of approximately $2.4 million.

APCOA/Standard's liquidity also fluctuates on an intra-month and intra-year basis depending on the contract mix and timing of significant cash payments such as the Company's semi-annual interest payments. Additionally, the Company's ability to utilize cash deposited into APCOA/Standard local accounts is dependent upon the availability and movement of that cash into the Company's corporate account. For all these reasons, the Company from time to time carries significant cash balances, while at the same time utilizing the senior credit facility.

APCOA/Standard is required under certain contracts to provide performance bonds. These bonds are renewed on an annual basis. The market for performance bonds has been severely impacted by the events of September 11 and general economic conditions. Consequently, the market has contracted resulting in an industry-wide requirement to provide additional collateral to the surety providers.

As of December 31, 2001, APCOA/Standard had provided $3.0 million in letters of credit to collateralize its current program. APCOA/Standard expects that it will have to provide additional collateral as the current bonds reach their respective expiration dates. While APCOA/Standard expects that it will be able to provide sufficient collateral, given the market conditions there can be no assurance that the Company will be able to do so.

Based on the Company's current level of operations, APCOA/Standard believes its cash flow from operations, available cash and available borrowings under the senior credit facility will be adequate to meet its future liquidity needs through the maturity of its amended senior credit agreement.

APCOA/Standard's ability to generate cash from operations is partially dependent upon cash collected and generated from airport parking facilities. As a result of reduced air traffic and the impact of restrictions on the use of parking facilities within 300 feet of airport terminals and also reduced traffic at hotel and retail facilities, the Company may continue to experience a reduction in its revenue and cash flow from these operations.

Fiscal 2001 Compared to Fiscal 2000.

The Company had cash and cash equivalents of $7.6 million at December 31, 2001 compared to $3.5 million at December 31, 2000.

Net cash provided by operating activities totaled $8.9 million for 2001 compared to cash used of $3.2 million for 2000. Cash provided during 2001 included $6.6 million from a decrease in accounts receivable due to improved collections and a reduction of activity at certain client locations, $0.9 million from a decrease in advances and deposits, a $0.5 million decrease in prepaids, and $0.9 million from increases in compensation and other items.

Net cash used in investing activities totaled $1.5 million in 2001 compared to cash used of $4.9 million in 2000. Cash used in investing for 2001 included capital expenditures of $1.5 million for capital investments to secure and/or extend leased facilities and investment in information system enhancements.

Net cash used in financing activities totaled $2.9 million in 2001, compared to cash provided from financing activities of $7.2 million in 2000. The 2001 activity included $2.8 million in cash used for repayments on long-term borrowings and joint venture borrowings and $1.7 million in debt issuance

costs in connection with amendments to the Company's senior credit facility and the amended and restated credit agreement. (See Note D of the Notes to the Consolidated Financial Statements). In addition, the Company provided funds from increases in borrowings on its senior credit facility of $1.7 million.

Fiscal 2000 Compared to Fiscal 1999

The Company had cash and cash equivalents of $3.5 million at December 31, 2000, compared to $5.2 million at December 31, 1999.

Net cash used in operating activities totaled $3.2 million for 2000, compared to cash used of $17.7 million for 1999. Cash used during 2000 included $4.6 million of cash for other special charges, $2.8 million in final rent payment for terminated lease contracts, $2.5 million held for a client construction project and $1.2 million in compensation and other items. Notes and accounts receivable increased $4.1 million in 2000 relating to new contracts and existing locations. Cash was provided by an increase in accounts payable of $9.8 million primarily related to an increase in the number of clients depositing revenues into APCOA/Standard banks from segregated accounts of $6.0 million and an increase of $3.8 million in trade accounts payable. Other assets declined by $1.1 million.

Net cash used in investing activities totaled $4.9 million in 2000 compared to cash used of $13.5 million in 1999. Cash used in investing included capital expenditures of $4.9 million for capital investments to secure and/or extend leased facilities and investment in information system enhancements.

Net cash provided by financing activities totaled $7.2 million in 2000 compared to cash provided from financing activities that totaled $16.8 million in 1999. The 2000 activity included $8.9 million in borrowings from the senior credit facility, which was partially offset by repayments on long term borrowings and joint venture borrowings of $1.3 million. In addition, the Company incurred additional debt issuance costs of $0.3 million in connection with amendments to the Company's senior credit facility.

Other Liquidity and Capital Resources Information

The Company entered into an amended and restated credit agreement as of January 11, 2002 with the LaSalle Bank National Association ("LaSalle") and Bank One, N.A., ("Bank One") (the lenders under our prior senior credit facility) that restructures our prior $40.0 million senior credit facility ("Facility") into a new senior credit facility ("New Facility"). The new facility consists of a $25.0 million revolving credit facility provided by LaSalle, which will expire on March 1, 2004 and a $15.0 million term loan held by Bank One amortizing with $5.0 million due on December 31, 2002 and the remainder due on March 10, 2004. APCOA/Standard utilizes the revolving new facility to provide readily accessible cash for working capital purposes and general corporate purposes and to provide standby letters of credit. The revolving new facility provides for cash borrowings up to the lesser of $25.0 million or 80% of our eligible accounts receivable (as defined therein) and includes a letter of credit facility with a sublimit of $8.0 million (or such greater amount as LaSalle may agree to for letters of credit). The revolving new facility bears interest based, at our option, either on LIBOR plus 3.75% or the Alternate Base Rate (as defined below) plus 1.50%. We may elect interest periods of 1, 2, or 3 months for LIBOR based borrowings. The Alternate Base Rate is the higher of (i) the rate publicly announced from time to time by LaSalle as its "prime rate" and (ii) the overnight federal funds rates plus 0.50%. LIBOR will at all times be determined by taking into account maximum statutory reserves required (if any). The interest rate applicable to the term loan is a fixed rate of 13.0%, of which cash interest at 9.5% will be payable monthly in arrears and 3.5% will accrue without compounding and be payable on March 10, 2004 or earlier maturity, whether pursuant to any permitted prepayment acceleration or otherwise. The new senior credit facility includes covenants that limit our ability to

incur additional indebtedness, issue preferred stock or pay dividends and will contain certain other restrictions on our activities. It is secured by substantially all of our existing and future domestic subsidiaries' existing and after-acquired assets (including 100% of the stock of our existing and future domestic subsidiaries and 65% of the stock of our existing and future foreign subsidiaries), by a first priority pledge of all of the common stock of the Company owned by AP Holdings and by all other existing and after-acquired property of the parent company. At March 28, 2002 the Company had $3.0 million of letters of credit outstanding under the new facility and borrowings against the new facility aggregated $28.0 million.

At December 31, 2001 the Company's old senior credit facility provided cash borrowings up to $40.0 million with sublimits for letters of credit up to $10.0 million, at variable rates based, at the Company's option, either on LIBOR, the overnight federal funds rate, or the bank's base rate. At December 31, 2001, the Company had $3.0 million of letters of credit outstanding under the Facility and borrowings against the facility aggregated $28.6 million. The facility was amended on March 30, 2000, with the principal changes to the agreement providing for revisions to interest rates charged on borrowings and certain financial covenants. The facility was amended on May 12, 2000, with the principal change to the agreement relating to the definition of a change in control. The facility was amended on November 14, 2000, with the principal changes to the agreement providing for revisions to interest rates charged on borrowings and certain financial covenants. The facility was amended on March 30, 2001 with the principal changes to the agreement providing for revisions to interest rates charged on borrowings, certain financial covenants, a change to restore the original borrowing limits, and a change in the expiration date from March 30, 2004 to July 1, 2002. The facility was amended as of September 30, 2001, with the principal changes to the agreement providing for revisions to certain financial covenants.

The Company has significant indebtedness. As of December 31, 2001, the Company had indebtedness under Senior Subordinated Notes, Senior Credit Facility, joint venture debentures, capital lease obligations and other asset financing totaling approximately $175.3 million. Had the exchange offer closed on December 31, 2001 the Company's indebtedness under its $9^1/_4$% senior subordinated notes, amended senior credit facility, 14% senior subordinated second lien notes, joint venture debentures, capital lease obligations and other asset financing would have totaled $150.8 million.

The Company's ability to meet its anticipated future requirements for working capital, capital expenditures, scheduled payments of interest and principal on its indebtedness depends on the Company's future performance, which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors beyond its control. Based upon the current level of operations and anticipated growth, the Company believes that, together with available borrowings under its Facility and New Facility, its cash flow and available liquidity will be adequate to meet the Company's anticipated requirements up to the expiration date of the New Facility. However, there can be no assurance that the Company's business will generate sufficient cash flow or that future borrowings will be available in an amount sufficient to enable the Company to meet its future requirements, or that any refinancing of existing indebtedness (including the Facility, the New Facility and the Bank One Term Loan) would be available on commercially reasonable terms, or at all.

The Company has lease commitments of $28.0 million for fiscal 2002. The leased properties generated sufficient cash flow to meet the base rent payments.

If the Company identifies investment opportunities requiring cash in excess of the Company's cash flows and existing cash, the Company may borrow under the amended senior credit facility.

In January 1999, the Company completed the combination of the insurance programs of APCOA and Standard into one program. In conjunction therewith, the Company purchased an insurance policy to cover amounts previously self-insured by APCOA and its affiliates. The APCOA insurance program had historically included a self-insured retention component, which required the establishment of

reserves to reflect the estimated final settlement value of open claims. The purchase of a tail policy to eliminate future exposure from retrospective adjustments resulted in a use of cash of $5.6 million in January of 1999, $2.6 million of which was included in other special charges. This transaction provided an offsetting increase in availability of funds by allowing the elimination of letters of credit in the amount of $4.7 million.

The Company has in the past pursued a strategy of growth through acquisition. On April 1, 1999, the Company acquired the assets of Pacific Rim Parking, Inc. ("Pacific Rim") in Los Angeles for $.75 million in cash and up to $.75 million in non-interest bearing notes payable over five years. On May 1, 1999 the Company acquired various contracts of System Parking Inc. in Atlanta for $.25 million in cash. Effective as of July 1, 1999 the Company acquired all of the outstanding stock of Universal Park Holdings, Inc., operating under the names U-Park and Select Valet Parking, in Vancouver B.C. for $1.61 million. All of the acquisitions have been accounted for under the purchase method. The historical operating results of the businesses prior to acquisition were not material relative to the consolidated results of APCOA/Standard. There can be no assurance as to the Company's ability to effect future acquisitions, nor as to the effect of any such acquisition on the Company's operations, financial condition and profitability.

The exchange offer completed in the recapitalization on January 11, 2002 will be accounted for as a "modification of terms" type of troubled debt restructuring as prescribed by FASB Statement No. 15, *Accounting by Debtors and Creditors for Troubled Debt Restructurings ("FAS 15")*. Under this type of FAS 15 troubled debt restructuring, an effective reduction in principal or accrued interest does not result in the debtor recording a gain as long as the future contractual payments (principal and interest combined) under the restructured debt are more than the carrying amount of the debt before the restructuring. Instead, the carrying amount of the original debt or investment is not adjusted, and the effects of any changes are reflected in future periods as a reduction in interest expense. That is, a constant effective interest rate is applied to the carrying amount of the debt between restructuring and maturity. The effective interest rate is the discount rate that equates the present value of the future cash payments specified by the new terms with the unadjusted carrying amount of the debt.

In addition, under FAS 15, when a debtor issues an equity interest in partial satisfaction of debt in conjunction with a modification of terms, the debtor recognizes no gain and the equity is recorded at its estimated fair value. Legal fees and other direct costs incurred by a debtor to effect a troubled debt restructuring are expensed as incurred, except for amounts incurred directly in granting an equity interest, if any.

Based on the proposed terms, the accounting for this exchange under FAS 15 would be as follows:

- No gain will be recognized by us for the excess of (a) the principal of the unregistered notes exchanged for the registered notes, over (b) the principal of the registered notes.

- The unrecorded gain, which will remain part of the carrying value of the debt, will be amortized as a reduction to future interest expense using an effective interest rate applied to the combined balance of the unregistered and registered notes.

Business Risks

To service our indebtedness we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.

Our ability to make payments on and to refinance our indebtedness, including the 9 1/4% senior subordinated notes, the Bank One Term Loan and the 14% senior subordinated second lien notes, and to fund working capital and planned capital expenditures will depend on our ability to generate cash in

the future. This ability depends on general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

Our working capital and liquidity may also be affected if a significant number of our clients require us to deposit all parking revenues into their respective accounts. This type of arrangement requires us to pay costs as they are incurred and receive reimbursement and our management fee after the end of the month. There can be no assurance that a significant number of our clients will not switch to the practice of requiring us to deposit all parking revenues into their respective accounts, which would result in a loss of liquidity.

During 2001, the sureties of our performance bond program required us to collateralize a greater percentage of our performance bonds with letters of credit in order to issue new performance bonds or renew existing performance bonds upon their expiration. As a result, our available liquidity decreased. Any letters of credit used by us to collateralize surety bonds reduces the availability of funds under the senior credit facility or the amended senior credit agreement and limits funds available for debt service, working capital and capital expenditure requirements. If we are unable to provide sufficient collateral in the future, our sureties may not issue performance bonds to support our obligations under certain contracts. As of December 31, 2001, we had approximately $3.0 million of letters of credit as collateral for our sureties to issue performance bonds.

Our new performance bond surety program will likely require additional collateral to issue new performance bonds in support of our contracts, which will reduce our available working capital, and our sureties may refuse to issue performance bonds for us.

Under substantially all of our contracts with municipalities and government entities and airports, we are required to provide a performance bond to support our obligations under the contract. Due to our financial condition and the financial state of the surety bond industry, during 2001, the sureties of our performance bond program required us to collateralize a greater percentage of their performance bonds with letters of credit. As a result, our working capital needs increased. If we are unable to provide sufficient collateral in the future, our sureties may not issue performance bonds to support our obligations under certain contracts.

Our surety providers, as is customary in the industry, can refuse to provide us with new surety bonds. If our surety providers or any surety provider in the future refuses to provide us with surety bonds, there can be no assurance that we would be able to find alternate providers on acceptable terms, or at all. Our inability to provide surety bonds would prevent us from obtaining new business from those entities requiring performance bonds and from renewing contracts with those entities which require performance bonds. Our inability to provide surety bonds could also result in the loss of existing contracts. Failure to find a provider of surety bonds, and the resulting inability to bid for new or renew existing contracts, could have a material adverse effect on our business and financial condition.

Our business would suffer if the use of parking facilities we operate decreased.

We expect to derive substantially all of our revenues from the operation and management of parking facilities. Our business would suffer if the use of parking facilities in urban areas or near airports decreased. Further, our success depends on our ability to adapt and improve our products in response to evolving client needs and industry trends. If demand for parking facilities is low due to decreased car and airplane travel, increased regulation, competition or other factors, our business, financial condition and results of operations and our ability to achieve sufficient cash flow to service our indebtedness, will be materially adversely affected. See "Business."

Our management contracts and leases expose us to certain risks.

Our revenues, net income and cash flow are dependent on the performance of the parking facilities we lease and manage. This performance depends, in part, on our ability to negotiate favorable contract terms, the ability to control operating expenses, financial conditions prevailing generally and, in areas where parking facilities are located, the nature and extent of competitive parking facilities in the area, weather conditions at certain properties (particularly with respect to airports), governmental-mandated security measures at parking facilities (particularly with respect to airports) and the real estate market generally.

Approximately 83% of our contracts to manage parking facilities are management contracts. Under these contracts, we receive a fixed management fee and, under certain contracts, an additional incentive bonus based on facility utilization among other factors. Many of these contracts are for a one year term and may be canceled by the client for various reasons, including developmental opportunities. Some are cancelable on as little as 30 days' notice without cause. Our only ability to continue in these facilities is based on the client's satisfaction with our performance.

Approximately 17% of our contracts to manage parking facilities are leases. Although there is generally more potential for income from leased facilities than from management contracts, they also carry more risk. Under these lease contracts, we are obligated to pay a fixed lease charge to the owner of the facility, often regardless of the actual utilization of the facility. Maintenance and operating expenses for leased facilities are borne by us and are not passed through to the owner, as is the case with management contracts. A decline in facility utilization could result in our lease payments exceeding the revenues we receive for running the parking facility. Approximately 12% of these leases are at or around airports. The client for various reasons, including developmental opportunities, may cancel many of these contracts. Some are cancelable on as little as 30 days' notice without cause.

We are the lessee under a 25-year lease (that expires on April 6, 2025) with the State of Connecticut under which we lease the surface parking and 3,500 new garage parking spaces at Bradley International Airport in Windsor Locks, Connecticut. The parking garages were financed on April 6, 2000 with $47.7 million of special facility revenue bonds. The Bradley lease provides that we deposit with a fiduciary for the State all gross revenues collected from operations of the surface and garage parking, and the fiduciary pays debt service on the garage bonds, operating and capital maintenance expenses of the surface and garage parking facilities and specific annual guaranteed minimum payments to the State. Principal and interest on the Bradley special facility revenue bonds increases from approximately $3.6 million in lease year 2002 to approximately $4.5 million in lease year 2025. Annual guaranteed minimum payments to the State increase from approximately $8.3 million in lease year 2002 to approximately $10.3 million in lease year 2025.

We have guaranteed the fiduciary's payments. To the extent there are insufficient parking revenues on hand with the fiduciary to make these payments, we are obligated to deliver the deficiency amount to the fiduciary within three business days of notice to us. We are responsible for these deficiency payment regardless of utilization of the Bradley parking facilities. Although the State has an obligation to raise parking rates to offset a decline in usage, there is no guarantee that the State will raise rates enough to offset a decline in usage or that any change in rates will result in revenues sufficient to cover the fiduciary's payments without a call on our guaranty.

Subsequent to December 31, 2001, we have made deficiency payments of $0.7 million and expect to make an additional $0.4 million prior to July 2002. Further payments may be required.

The loss, or renewal on less favorable terms, of a substantial number of management contracts or leases could have a material adverse effect on our business, financial condition and results of operations. In addition, because certain management contracts and leases are with state, local and quasi-governmental entities, changes to certain governmental entities' approaches to contracting regarding parking facilities could affect such contracts. A material reduction in the profit margins

associated with ancillary services provided by us under our management contracts and leases, including increases in costs or claims associated with, or reduction in the number of clients purchasing, insurance provided by us, could have a material adverse effect on the business, financial condition and results of operations. To the extent that our management contracts and leases are cancelable without cause on 30-days' notice, most of these contracts would also be cancelable in the event of a bankruptcy, despite the automatic stay provisions under bankruptcy law.

Our business may be harmed as a result of continued terrorist attacks in the United States and Canada.

The terrorist attacks of September 11, 2001, and any future terrorist attacks in the United States and Canada, may negatively impact our business and results of operations. Attacks have resulted in, and may continue to result in, increased government regulation of airlines and airport facilities, including the imposition of minimum distances between parking facilities and terminals resulting in the elimination of currently managed parking facilities, and increased security checks of employees at airport facilities. These types of regulations could impose costs on us which we may not be able to pass on to our clients and thereby reduce our revenues.

In so far as these attacks have deterred, and continue to deter, people either from flying or congregating in public areas, demand for parking at airports and at urban centers may decline. This decline may result in fewer owners of these facilities hiring us to manage their parking facilities and lower incentive payments to us under those contracts where we receive an incentive bonus based on facility utilization among other factors. To the extent that these attacks cause or exacerbate a slowdown in the general economy resulting in reduced air travel, a similar effect may occur. An overall economic slowdown could reduce parking facility traffic at our facilities.

There can be no assurance that continued terrorists attacks, an escalation of hostilities abroad or war would not have a material adverse impact on our business, financial condition and results of operations.

Our bad debt reserves may ultimately become inadequate.

The current economic downturn and the economic impact of the terrorist attacks on September 11, 2001 have had an unknown impact on the financial condition of some of our clients. We expect that our clients involved in the airline and travel industries may be experiencing significant declines in revenue. Failure by our clients to pay us money owed, or failure to pay in a timely manner could have a material adverse effect on our business, financial condition and results of operations.

Increased government regulation of airports and reduced air travel may affect our performance.

We operate a significant percentage of our parking facilities in and around airports. For the twelve months ended December 31, 2001, approximately 21% of our gross profit was derived from those operations. Effective September 13, 2001, the federal government prohibited parking within 300 feet of airport terminals, as they previously did during the Persian Gulf War in the early 1990s. While various government entities are still in the process of finalizing their rules regarding parking, as of December 31, 2001, all of our airport parking and airport transportation related facilities were affected by the attacks of September 11, 2001, including reduced air travel and regulation enacted following the attacks. While we believe that existing regulations may be relaxed in the future, future regulations may nevertheless prevent us from using a number of spaces. While airport business has rebounded significantly, they continue to experience some lingering effects resulting from the FAA regulation. Immediately after the September 11th attacks, parking revenue at our airports declined 45.3% during the period of September 16 - 30, 2001 as compared to the same period 2000. This percentage has improved to a 16.6% decline for the period December 15 - 30, 2001 and has improved further to a

10.9% decline for the period February 16 - 28, 2002 as compared to the same periods in the prior year. Reductions in the number of parking spaces and the number of air travelers may reduce our revenues and cash flow for both our leased facilities and those facilities we operate under management contracts.

We may be unable to renew our insurance coverage.

Our current liability and worker's compensation insurance coverage expires on December 31, 2002. Our current carrier renewed our coverage for 2002 at a premium increase in excess of 65%. There can be no assurance that the carrier will in fact be willing to renew our coverage at any rate at the expiration date.

We will solicit insurance quotes from alternate insurance carriers, but there can be no assurance, given the current state of insurance industry and our current financial condition, that any alternate carrier will offer to provide similar coverage to us or, if it will, that its quoted premiums will not exceed those received from our current carrier.

Failure to renew the existing coverage or to procure new coverage would have a material adverse effect on our business, financial condition and results of operations by preventing us from accepting new contracts and by placing us in default under a majority of our existing contracts.

The operation of our business is dependent on key personnel.

Our success is, and will continue to be, substantially dependent upon the continued services of our management team. On October 15, 2001, Myron C. Warshauer resigned his position as a director and as chief executive officer. His resignation could have an adverse effect on our relationship with certain clients.

The loss of the services of one or more additional members of senior management could have a material adverse effect on our financial condition and results of operations. Although we have entered into employment agreements with, and historically has been successful in retaining the services of, our senior management, there can be no assurance that we will be able to retain this personnel in the future. In addition, our continued growth depends on our ability to attract and retain skilled operating managers and employees.

We operate in a very competitive business environment.

Competition in the field of parking facility management is intense. The market is fragmented and is served by a variety of entities ranging from single lot operators to large regional and national multi-facility operators, as well as municipal and other governmental entities. Because of greater resources, many of our competitors may be able to adapt more quickly to changes in customer requirements, or devote greater resources to the promotion and sale of their products than we can. Competitors with greater financial resources than us may be able to win contracts that require larger investments in working capital or capital expenditures on the parking facility. In addition, we may not seek to obtain certain contracts due to our limited capital. Many of these competitors also have long-standing relationships with our clients. Providers of parking facility management have traditionally competed on the basis of cost and service. As we have worked to establish ourself as one of the pre-eminent members of our industry, we compete predominantly on the basis of our high level of service and strong relationships. We may not be able to compete with some of our competitors on the basis of price. As a result, a greater proportion of our clients may switch to other service providers or self-manage during an economic downturn than our competitor's clients. We believe that developing and maintaining a competitive advantage will require continued investment by us in information technology, product development, sales and marketing. We cannot make assurances that we will have sufficient resources to make the necessary investments to do so, and we cannot make assurances that

we will be able to compete successfully in this market or against these competitors. See "Business—Competition."

Furthermore, we compete for qualified management personnel with other parking facility operators, with property management companies and with property owners. We compete for acquisitions with other parking facility operators.

We believe that our client base is becoming more concentrated.

We believe that over time, real estate investments trusts, commonly known as REITs, or other property management companies will represent a larger portion of our client base. As each REIT or other property management companies own many properties, our ability to provide parking services for a large number of properties becomes dependent on our relationship with a single REIT or other property management companies. As this consolidation happens, some REITs or other property management companies may become significant clients. In that event, the loss of one of those REITs or other property management companies as a client or the sale of properties they own to clients of our competitors could have a material adverse impact on our business and financial condition. Additionally, REITs or property managers with extensive portfolios have greater negotiating power when negotiating contracts with us.

Because a small number of stockholders own a significant percentage of our stock, they may control all major corporate decisions, and the other stockholders may not be able to influence these corporate decisions.

Steamboat Holdings, Inc., which is controlled by a trust, the beneficiaries of which are family members of our chairman, John V. Holten, beneficially owns 100% of our parent company's outstanding common stock as of January 18, 2002. Our parent company beneficially owns 84% of our outstanding common stock. As a result, our parent company will be in a position to control all matters affecting us.

Our concentrated ownership may have the effect of preventing a change in control. Further, as a result, these stockholders will continue to have the ability to elect and remove directors and determine the outcome of matters presented for approval by our stockholders. Circumstances may occur in which the interests of these stockholders could be in conflict with the holders of our notes.

We must comply with regulations that may impose significant costs on us.

Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real property may be liable for the costs of removal or remediation of hazardous or toxic substances on, under or in this property. These laws typically impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. In connection with the operation of parking facilities, we may be potentially liable for such costs. Although we are currently aware of a threatened environmental claim in Washington State by a private party, we are currently not aware of any material environmental claims pending by any party, or threatened, by a government entity, against us or any of our operated parking facilities, no assurances can be given that a material environmental claim will not be asserted against us or against the parking facilities we operate. The cost of defending against claims of liability, or of remediating a contaminated property, could have a material adverse effect on our business, financial condition and results of operations.

Various other governmental regulations affect our operation of parking facilities, both directly and indirectly, including air quality laws, licensing laws and the Americans with Disabilities Act of 1990 (the "ADA"). Under the ADA, all public accommodations, including parking facilities, are required to meet certain federal requirements related to access and use by disabled persons. A determination that we or

the facility owner is not in compliance with the ADA could result in the imposition of fines or damage awards against us. In addition, several state and local laws have been passed in recent years that encourage car pooling and the use of mass transit. For example, a Los Angeles, California law prohibits employers from reimbursing employee parking expenses. Laws and regulations that reduce the number of cars and vehicles being driven could adversely impact our business.

The Company collects and remits sales/parking taxes and files tax returns for and on behalf of the Company and its clients. The Company is affected by laws and regulations that may impose a direct assessment on the Company for failure to remit sales/parking taxes and filing of tax returns for and on behalf of its clients.

Our airport facilities are governed by the Federal Aviation Administration (the "FAA"). Effective September 13, 2001, the FAA prohibited parking within 300 feet of airport terminals, as they previously did during the Persian Gulf War in the early 1990s. While the FAA is still in the process of finalizing their rules regarding parking, as of December 31, 2001, substantially all our airport parking and air transportation related facilities were affected by the attacks of September 11, 2001, including regulations enacted following the attacks. While we believe that existing regulations may be relaxed in the future, future regulations may nevertheless prevent us from using a number of spaces. Reductions in the number of parking spaces may reduce our revenues and cash flow for both our leased facilities and those facilities we operate under management contracts.

Certain recapitalization transactions will likely decrease the amount of our net operating losses and may limit our ability to utilize our remaining net operating losses.

We have substantial net operating losses for U.S. federal income tax purposes. The exchange offer (see Business—The Exchange) will likely generate substantial amounts of cancellation of indebtedness income for the U.S. federal income tax purposes. That income will be offset by our net operating losses. Therefore, the amount of our net operating losses will decrease as a result of the exchange offer, and we will have less net operating losses to reduce our taxable income in future years.

Depending on the value of any equity interests issued within any three-year period to unaffiliated parties in relation to the total value of our equity interests, an ownership change may be deemed to occur for purposes of a U.S. federal income tax rule that may limit our ability to utilize our remaining net operating losses in future taxable years and thereby reduce our taxable income.

Many of our employees are covered by collective bargaining agreements.

Approximately 25% of our employees are represented by labor unions. Approximately 34% of our collective bargaining contracts, representing 11% of our employees, are up for renewal in 2002. There can be no assurance that we will be able to renew existing labor union contracts on acceptable terms. Employees could exercise their rights under the labor union contract, which could include a strike or walk-out. In such cases, there are no assurances that we would be able to staff sufficient employees for our short-term needs. Any such labor strike or our inability to negotiate a satisfactory contract upon expiration of the current agreements could have a negative effect on our business and financial results.

We could face considerable business and financial risk in implementing our growth strategy.

We face substantial risks in growing our business, either organically or through acquisitions. Some risks we could face with respect to growth include:

- Difficulties in the integration of the operations, technologies, products and personnel;
- Risks of entering markets in which we have no or limited prior experience;
- Potential loss of employees;

- Ability to obtain necessary licenses and approvals;
- Limited availability of capital for working capital, capital expenditures, acquisitions and investment in information technology systems upgrades (hardware and software);
- Diversion of management's attention away from other business concerns; and
- Expenses of any undisclosed or potential liabilities of the acquired company.

Our growth will be directly affected by results of operations of added parking facilities, which will depend, in turn, upon our ability to obtain suitable financing, contract terms, government licenses and approvals and the competitive environment for acquisitions. In that regard, the nature of licenses and approvals, and the timing and likelihood of obtaining them, vary widely from state to state and from country to country.

Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt and contingent liabilities. Some of our acquired operations or new contracts may be located in geographic markets in which we have little or no presence. Successful integration and management of additional facilities will depend on a number of factors, many of which are beyond our control. Any acquisition or new contract we complete may result in adverse effects on our reported operating results, divert management's attention, introduce difficulties in retaining, hiring and training key personnel, and introduce risks associated with unanticipated problems or legal liabilities, some or all of which could have a negative effect on our business and financial results. There can be no assurance that suitable acquisitions or new contract candidates will be identified, that such acquisitions can be consummated or that the acquired operations can be integrated successfully.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's primary market risk exposure consists of risk related to changes in interest rates. Historically, the Company has not used derivative financial instruments for speculative or trading purposes.

As of December 31, 2001, Company had a $40.0 million revolving variable rate senior credit facility (see Note D of the Notes to the Consolidated Financial Statements). Interest expense on such borrowing is sensitive to changes in the market rate of interest. If the Company were to borrow the entire $40.0 million cash available under the facility, a 1% increase in the average market rate would result in an increase in the Company's annual interest expense of $0.4 million.

This amount is determined by considering the impact of the hypothetical interest rates on the Company's borrowing cost, but does not consider the effects of the reduced level of overall economic activity that could exist in such an environment. Due to the uncertainty of the specific changes and their possible effects, the foregoing sensitivity analysis assumes no changes in the Company's financial structure.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements required by this Item are attached to and are hereby incorporated into this Report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY.

The following table sets forth certain information with respect to each person who is an executive officer or director of the Company as of March 27, 2002:

Name	Age	Title

John V. Holten	45	Director and Chairman
James A. Wilhelm	48	Director, President and Chief Executive Officer
Herbert W. Anderson, Jr.	43	Executive Vice President, Operations
G. Marc Baumann	46	Executive Vice President, Chief Financial Officer, and Treasurer
Gunnar E. Klintberg	53	Director and Vice President
Robert N. Sacks	49	Executive Vice President, General Counsel and Secretary
Edward Simmons	52	Executive Vice President, Operations
Steven A. Warshauer	47	Executive Vice President, Operations
Michael K. Wolf	52	Executive Vice President, Chief Administrative Officer and Associate General Counsel

John V. Holten. Mr. Holten has served as a director and chairman of the board of directors of APCOA/Standard since March 30, 1998 when APCOA consummated its combination with Standard. Mr. Holten has also served as a director and chairman of the board of directors of AP Holdings, Inc., the parent company of APCOA/Standard, since April 14, 1989. Mr. Holten is the chairman and chief executive officer of Steamboat Holdings, Inc., the parent company of AP Holdings. Mr. Holten has also served as the chairman and chief executive officer of Holberg Industries, Inc. since 1989. Holberg was the indirect parent of APCOA/Standard until March 5, 2001. Mr. Holten was chairman and chief

executive officer as well as a director of each of Nebco Evans Holding Company and Ameriserve Food Distribution, Inc., each of which filed for bankruptcy on or about January 31, 2000. Mr. Holten received his M.B.A. from Harvard University in 1982, and graduated from the Norwegian School of Economic and Business Administration in 1980.

James A. Wilhelm. Mr. Wilhelm has served as president of APCOA/Standard since September 2000 and as chief executive officer and director of APCOA/Standard since October 2001. Mr. Wilhelm served as executive vice president—operations since APCOA acquired Standard Parking, Inc. in March 1998, and he served as senior executive vice president and chief operations officer from September 1999 to August 2000. Mr. Wilhelm joined Standard in 1985, serving as executive vice president beginning in January 1998. Prior to March 1998, Mr. Wilhelm was responsible for managing Standard's Midwest and Western Regions, which include parking facilities in Chicago and sixteen other cities throughout the United States and Canada. Mr. Wilhelm received his B.A. Degree from Northeastern Illinois University in 1976. Mr. Wilhelm is a member of the National Parking Association and the International Parking Institute.

Herbert W. Anderson, Jr. Mr. Anderson has served as executive vice president—operations of APCOA/Standard since March 1998. Mr. Anderson joined APCOA in 1994, and served as corporate vice president—urban properties from 1995 until March 1998. Mr. Anderson graduated from LaSalle University and began his career in the parking industry in 1984. Mr. Anderson is a member of the board of directors of the National Parking Association.

G. Marc Baumann. Mr. Baumann has served as executive vice president, chief financial officer and treasurer of APCOA/Standard since October 2000. Mr. Baumann has also served as treasurer of AP Holdings since October 2000. Prior to joining APCOA/Standard, Mr. Baumann was chief financial officer for Warburtons Ltd. in Bolton, England. Mr. Baumann joined Warburtons, Inc. in Chicago in 1989 as executive vice president and chief financial officer and was promoted to the positions of president and chief executive officer in 1990. In 1993, Mr. Baumann relocated to England in connection with his appointment as chief financial officer of Warburtons, Ltd., the largest independent bakery in the United Kingdom. Prior to his employment with Warburtons, Mr. Baumann was executive vice president and chief operating officer for Hammacher Schlemmer & Co. Mr. Baumann is a certified public accountant and a member of both the American Institute of Certified Public Accountants and the Illinois CPA Society. He received his B.S. degree in 1977 from Northwestern University and an M.B.A. from the Kellogg School of Management at Northwestern University in 1979.

Gunnar E. Klintberg. Mr. Klintberg has been a director of APCOA since 1989, and has served as director of the Company since consummation of the combination. Mr. Klintberg has been vice president of APCOA/Standard since 1998. Mr. Klintberg is the vice chairman of Steamboat Holdings, Inc. Mr. Klintberg is also a director and vice chairman of Holberg since 1986. Mr. Klintberg was a Managing Partner of DnC Capital Corporation, a merchant banking firm in New York City, from 1983 to 1986. From 1975 to 1983, Mr. Klintberg held various management positions with the Axel Johnson Group, headquartered in Stockholm, Sweden. Mr. Klintberg managed the Axel Johnson Group's headquarters in Moscow from 1976 to 1979 and served as assistant to the president of Axel Johnson Group's $10 billion operation in the U.S., headquartered in New York City, from 1979 to 1983. Mr. Klintberg was a director of Nebco Evans Holding Company and Ameriserve Food Distribution, Inc., each of which filed for bankruptcy on or about January 31, 2000. Mr. Klintberg received his undergraduate degree from Dartmouth College in 1972 and a degree in Business Administration from the University of Eppsala, Sweden, 1974.

Robert N. Sacks. Mr. Sacks has served as executive vice president—general counsel and secretary of APCOA/Standard since March 1998. Mr. Sacks joined APCOA in 1988, and served as general counsel and secretary since 1988, as vice president, secretary, and general counsel from 1989, and as senior vice president, secretary and general counsel from 1997 to March 1998. Mr. Sacks received his

B.A. Degree, *cum laude*, from Northwestern University in 1976 and, in 1979, received his J.D. Degree from Suffolk University where he was a member of the Suffolk University Law Review. Mr. Sacks has spoken on legal issues concerning the parking industry at the National Parking Association National Convention and the Institutional and Municipal Parking Congress.

Edward Simmons. Mr. Simmons has served as executive vice president—operations of APCOA/Standard since May 1998. Mr. Simmons has also served as ceo/western region of APCOA/Standard since August 1999. Previously, he was president, chief executive officer and co-founder of Executive Parking, Inc. Prior to joining Executive Parking, Mr. Simmons was vice president/general manager for Red Carpet Parking Service and a consultant on facility layout and design and general manager of J & J Parking. Mr. Simmons is a current board member of the National Parking Association and the International Park Institute. Mr. Simmons is a past executive board member and past president of the Parking Association of California.

Steven A. Warshauer. Mr. Warshauer has served as executive vice president—operations of APCOA/Standard since March 1998. Mr. Warshauer joined Standard in 1982, initially serving as Vice President, then becoming senior vice president. Prior to joining Standard, he practiced with a national accounting firm. Mr. Warshauer is a certified public accountant and a member of both the American Institute of Certified Public Accountants and the Illinois Society of Certified Public Accountants. Mr. Warshauer received his Bachelor of Science Degree from the University of Northern Colorado in 1976 with dual majors in Accounting and Finance.

Michael K. Wolf. Mr. Wolf has served as executive vice president—chief administrative officer and associate general counsel of APCOA/Standard Parking since March 1998. Mr. Wolf served as senior vice president and general counsel of Standard from 1990 to January 1998. Mr. Wolf was subsequently appointed executive vice

president of Standard. Prior to joining Standard, Mr. Wolf was a partner of the international law firm of Jones, Day, Reavis & Pogue, resident in the Chicago office, where his primary concentration was in the field of real estate. Mr. Wolf received his B.A. Degree in 1971 from the University of Pennsylvania, and in 1974 received his J.D. Degree from Washington University, where he served as *Notes and Comments* editor of the Washington University Law Quarterly. Upon graduation from law school, Mr. Wolf was elected to the Order of the Coif.

Vice Chairman Emeritus

Myron C. Warshauer. Mr. Warshauer was appointed vice chairman emeritus in October 2001. Prior to that time, Mr. Warshauer served as a director and as the chief executive officer of APCOA/Standard from March 1998 to October 2001. Mr. Warshauer served as chief executive officer of Standard from 1973 and, prior to such time, had been associated with Standard since 1963. Mr. Warshauer received his B.S. Degree in Finance from the University of Illinois 1962 and received a Masters Degree in Business Administration from Northwestern University in 1963.

Summary Compensation Table

The following table sets forth information for 2001, 2000 and 1999 with regard to compensation for services rendered in all capacities. Information set forth in the table reflects compensation earned

by such individuals for services with APCOA/Standard, APCOA, Standard and their respective subsidiaries.

Name and Principal Position	Fiscal Year	Salary ($)(3)	Bonus $	Other Annual Compensation $(5)	All Other Compensation ($)
Myron C. Warshauer(1)	2001	626,085	66,000	62,090	66,208(6)
	2000	603,400	—	34,216	68,435(6)
	1999	601,615	—	33,087	53,265(6)
James A. Wilhelm(2)	2001	385,511	150,000	14,993	13,870(4)
Chief Executive Officer, President	2000	337,632	108,625	3,263	9,417(4)
	1999	311,685	75,000	—	10,662(4)
Michael K. Wolf	2001	379,802	52,467	10,164	11,090(4)
Executive Vice President,	2000	379,802	35,306	—	18,588(4)
Chief Administrative Officer	1999	378,284	20,000	—	19,452(4)
Steven A. Warshauer	2001	312,137	79,448	14,384	—
Executive Vice President—Operations	2000	313,106	63,900	5,868	—
	1999	301,514	50,000	—	—
Herbert W. Anderson, Jr.	2001	221,160	54,728	25,434	10,067(4)
Executive Vice President—Operations	2000	211,152	44,368	19,773	10,067(4)
	1999	202,981	70,000	19,768	14,922(4)
Robert N. Sacks	2001	201,380	74,329	29,734	5,336(4)
Executive Vice President, General Counsel	2000	178,863	70,612	22,613	5,336(4)
	1999	177,036	61,000	16,304	5,336(4)

(1) As of October 15, 2001, Mr. Warshauer resigned as chief executive officer.

(2) As of October 19, 2001, Mr. Wilhelm assumed the position of chief executive officer.

(3) The amount shown includes amounts contributed by the Company, if any, to its 401(k) plans under a contribution matching program.

(4) The amount shown reflects deposits made by APCOA/Standard on behalf of the named executive officers into a supplemental pension plan pursuant to which the named executive officers will be entitled to monthly cash retirement and death benefit payments.

(5) The amount shown includes, if applicable, car allowances, club dues, health insurance premiums and legal fees related to estate planning.

(6) The amount shown reflects premiums paid by APCOA/Standard on behalf of Myron C. Warshauer for life insurance policies to which Mr. Warshauer is entitled to the cash surrender value.

Director Compensation

Directors of the Company do not receive compensation for serving on the Company's Board of Directors.

Compensation Committee Interlocks and Insider Participation

The Company did not have a Compensation Committee in the year ended December 31, 2001. During 2001, no executive officer of the Company served as a member of the Compensation Committee of another entity. Mr. Wilhelm participates in deliberations with the board concerning executive officer compensation from time to time.

Employment Contracts

James A. Wilhelm, Michael K. Wolf and Steven Warshauer each have employment agreements with the Company. The agreements fix each of the officers' base compensation. Mr. Wilhelm's base

compensation was $369,204 until October 18, 2001. As of October 19, 2001, Mr. Wilhelm's base compensation increased to $530,000; Mr. Wolf's base compensation is $391,458; and Mr. Warshauer's base compensation is $312,014. As of October 19, 2001, Mr. Wilhelm is entitled to an annual bonus based on corporate performance up to a maximum of $150,000 per year. In addition, he is now entitled to reimbursement for country club initiation fees and monthly dues. The agreements also provide for reimbursement of travel and other expenses in connection with such officers' employment. The employment agreements terminate on the following dates, subject to annual renewal: Mr. Wilhelm's agreement terminates on July 31, 2002; Mr. Wolf's agreement terminates on March 26, 2003; and Mr. Warshauer's agreement terminates on March 26, 2003. In general, Messrs. Wolf, Wilhelm and Warshauer are subject to standard confidentiality agreements, and they are subject to nonsolicitation and noncompetition agreements for a minimum of 18 months following termination of their respective employment agreements.

If Mr. Wilhelm's employment is terminated for any reason, the Company is obligated to pay Mr. Wilhelm or Mr. Wilhelm's estate, as applicable, an amount equal to the sum of (a) Mr. Wilhelm's annual base salary through the date of termination and (b) accrued but unused vacation pay and other vested benefits. If Mr. Wilhelm's employment shall be terminated for Cause or Performance Reasons, the Company shall also pay Mr. Wilhelm's Salary Continuation Payments (each term as defined in his employment agreement).

If Mr. Wilhelm voluntarily terminates his employment with the Company, the Company is obligated to pay Mr. Wilhelm (a) his annual base salary through the date of termination, (b) any accrued but unused vacation pay and other vested benefits and (c) Salary Continuation Payments, equal to $265,000 in equal monthly installments for 18 months. If Mr. Wilhelm terminates his employment voluntarily, he shall not be entitled to Severance Pay (as defined below); *provided*, that any such termination by Mr. Wilhelm for Good Reason (as defined in the agreement) shall not be considered a voluntary termination and Mr. Wilhelm will be treated as if he had been terminated by the Company other than for Cause or Performance Reasons (each of them as defined in his employment agreement).

If Mr. Wilhelm's employment is terminated by the Company other than for death or disability, without Cause and not due to Performance Reasons, the Company is required to (a) pay Mr. Wilhelm Severance Pay equal to the product of three times the sum of (x) Mr. Wilhelm's current annual salary, plus (y) the amount of any annual bonus paid to Mr. Wilhelm for the preceding year, minus (z) the aggregate amount of Salary Continuation Payments, payable in equal monthly installments over a 36-month period commencing on the date of termination, (b) pay Mr. Wilhelm Salary Continuation Payments and (c) provide Mr. Wilhelm and his family with certain other welfare benefits.

Each of our employment agreements with Messrs. Wolf and Steven Warshauer is terminable by the Company with Cause (as defined in their respective employment agreements). If employment is terminated by reasons of his death, the Company is obligated to pay the respective estates of Messrs. Wolf or Warshauer an amount equal to the sum of (i) the executive's annual base salary through the end of the calendar month in which death occurs and (ii) any earned and unpaid annual bonus, vacation pay and other vested benefits. If the employment of Messrs. Wolf or Warshauer is terminated by reason of his Disability (as defined in their respective agreements), the Company is obligated to pay the executive or his legal representative (a) an amount equal to his annual base salary for the duration of the employment period in effect on the date of termination, reduced by amounts received under any disability benefit program and (b) any earned and unpaid annual bonus and other vested benefits. Upon termination by the board without Cause, the Company must pay the executive his annual base salary and annual bonus(es) through the end of the then-current employment period and provide the executive and/or his family with certain other benefits.

If the Company terminates Mr. Wolf or Steven Warshauer for any reasons other than for Cause during the three-year period following a Change in Control (as defined in their respective agreements),

the Company is obligated to (x) pay the executive an amount ("Severance Pay") equal to the greater of (1) one and one-half times the sum of (I) the executive's current annual base salary plus (II) the amount of any bonus paid to the executive in the preceding twelve months and (2) the annual base salary and annual bonuses through the end of the then-current employment period and (y) continue to provide the executive with certain other benefits for a certain period of time. If either of these executives terminates his employment voluntarily following a Change in Control, he shall not be entitled to Severance Pay; *provided*, that any such termination by the executive for Good Reason (as defined in their respective agreements) shall not be considered a voluntary termination and the executive will be treated as if he had been terminated by us other than for Cause.

Herbert W. Anderson, Jr. and Robert N. Sacks each have employment agreements with the Company, for an initial three-year term ending on March 30, 2001, with default annual renewals. The agreements fix each of the officers' base compensation. Mr. Anderson's base compensation is $220,000, subject to annual review plus an annual bonus of up to forty percent of the annual base salary. Mr. Sacks' base compensation was $170,000 until November 12, 2001. As of November 12, 2001, Mr. Sacks' base compensation increased to $240,000, subject to annual review and an annual bonus of thirty percent of the annual base salary, which for 2001 is not less than $72,000. Mr. Anderson and Mr. Sacks each received a $250,000 housing differential loan bearing interest at an annual rate of 5.39% with a term of three years, commencing March 30, 1998, of which one-third of the principal balance and the accrued interest due thereon was forgiven by the Company, and treated as additional compensation to Mr. Anderson and Mr. Sacks in the year of such forgiveness (and the Company was required to make Mr. Anderson and Mr. Sacks whole with respect to the tax consequences of any such forgiveness). In general, Mr. Anderson and Mr. Sacks are subject to standard confidentiality agreements, and they are subject to nonsolicitation and noncompetition agreements for a one-year period following termination of their respective employment agreements. Neither agreement contains a change of control provision.

Each of the employment agreements with Messrs. Anderson and Sacks is terminable by the Company with Cause (as defined in their respective employment agreements). If employment is terminated by reason of his death, the Company is obligated to pay the respective estates of Messrs. Anderson and Sacks an amount equal to the sum of (i) the executive's annual base salary through the end of the calendar month in which death occurs and (ii) any earned and unpaid annual bonus, vacation pay and other vested benefits. If employment is terminated by reason of the executive's Disability (as defined in their respective agreements), the Company is obligated to pay the executive or his legal representative (a) an amount equal to his annual base salary for the duration of the employment period in effect on the date of termination, reduced by amounts received under any disability benefit program and (b) any earned and unpaid annual bonus and other vested benefits.

If the employment agreements with Messrs. Anderson and Sacks are terminated by the Company, other than for death, Disability or Cause or if the executives terminate their respective employment for Good Reason (a defined in the their respective employment agreements), the Company is required to continue (A) to pay the executive for the remainder of the employment period in effect immediately before the date of termination his annual base salary and annual bonus through the end of the then-current employment period and (B) to provide each executive and/or his respective family certain other benefits.

Myron C. Warshauer Consulting Agreement

On October 16, 2001, APCOA/Standard entered into a consulting agreement with Shoreline Enterprises, LLC, affiliate of Myron C. Warshauer, pursuant to which Shoreline and Mr. Warshauer will provide consulting services to the Company. Mr. Warshauer is free to determine the extent and manner of his service. Under the consulting agreement, Mr. Warshauer's title with the Company will be "Vice Chairman (Emeritus)."

The consulting agreement obligates the Company to pay Shoreline $150,000 annually, plus expenses adjusted to reflect changes in the consumer price index. The consulting agreement will end on the earlier of his 75th birthday, his death or the date that Mr. Warshauer informs the Company of his election to terminate the consulting agreement.

As of October 15, 2001, Myron C. Warshauer resigned as chief executive officer of the Company. The employment agreement with Mr. Warshauer, the terms to which Mr. Warshauer is still bound, provides that until his 75th birthday, he shall not, without written consent of the board of directors, engage in or become associated with any business or other endeavor that engages in construction, ownership, leasing, design and/or management of parking lots, parking garages, or other parking facilities or consulting with respect thereto, subject to certain limited exceptions.

Myron C. Warshauer Employment Agreement

The employment agreement also provides that the Company is obligated to (i) pay Mr. Warshauer a lump sum cash payment in an amount equal to the aggregate annual base salary that he would have received for the remainder of the employment period, (ii) continue to provide welfare benefits to Mr. Warshauer and/or his family, at least as favorable as those that would have been provided to them under his employment agreement if Mr. Warshauer's employment had continued until the end of the employment period and (iii) provide other benefits described in a letter agreement between Mr. Warshauer and John Holten in an amount estimated in 1998 to be approximately $165,000.

In addition to the above compensation and benefits, the Company is obligated, until the first to occur of his 75th birthday or his death, to (i) pay Mr. Warshauer $200,000 annually, adjusted for inflation, and (ii) provide Mr. Warshauer with an executive office and secretarial services. In consideration for such benefits, Mr. Warshauer is obligated to provide reasonable consulting services to the Company from the date of termination of his employment through his 75th birthday.

Pursuant to his employment agreement, the Company has established a stock option plan providing for grants of actual options with respect to the common stock, of the Company, under which Myron C. Warshauer will be granted options to purchase a number of its shares of common stock equal to 1% of the total number of shares of common stock. All such options will have a term of ten years from the date of the grant. This option plan was finalized on June 12, 2001.

New Stock Option Plan

We adopted a stock option plan (the "2001 Option Plan"). The 2001 Option Plan is intended to further our success by increasing the ownership of certain executives, employees and/or directors in, and/or consultants to, us, and to enhance our ability to attract and retain executives, employees, directors and/or consultants.

We may issue up to 1,000 shares of our Series D preferred stock, subject to adjustment if particular capital changes affect the preferred stock, upon the exercise of options granted under the 2001 Option Plan. The options may be incentive stock options, which are intended to provide employees with beneficial income tax consequences, or non-qualified stock options. The shares of preferred stock that may be issued under the 2001 Option Plan may be either authorized and unissued shares or previously issued shares held as treasury stock.

The chairman of our board of directors will administer the 2001 Option Plan, select eligible executives, employees, directors and/or consultants to receive options, determine the number of shares of preferred stock covered by options, determine the exercise price of an option, the terms under which options may be exercised, but in no event may such options be exercised later than 10 years from the grant date of an option, and the other terms and conditions of options in accordance with the provisions of the 2001 Option Plan.

If we undergo a change in control, effect an initial public offering of our common stock, or an optional redemption as such terms defined in the 2001 Option Plan, all outstanding options will immediately become fully vested and exercisable. In the event of a change of control, the chairman of our board of directors may adjust outstanding options by substituting stock or other securities of any successor or another party to the change in control transaction, generally based on the consideration received by our shareholders in the transaction.

Subject to particular limitations specified in the 2001 Option Plan, our board of directors may amend or terminate the 2001 Option Plan. The 2001 Option Plan will terminate no later than 10 years from the effective date of the 2001 Option Plan; however, any options outstanding when the 2001 Option Plan terminate will remain outstanding in accordance with their terms.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL HOLDERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of Company Common Stock, as of March 27, 2002, by (i) each person known to the Company to own beneficially more than 5% of Company Common Stock, (ii) each director of the Company, (iii) each Named Executive Officer and (iv) all executive officers and directors of the Company, as a group. No other director or named executive officer of APCOA/Standard has any beneficial ownership interest in the Company as set forth in this chart. All information with respect to beneficial ownership has been furnished to the Company by the respective stockholders of the Company. Except as otherwise indicated in the footnotes, each beneficial owner has the sole power to vote and to dispose of all shares held by such holder.

Name and Address	Amount and Nature of Beneficial Ownership	Percent of Shares Outstanding
AP Holdings Inc.*	26.3 shares of Common Stock	84.0%
Steamboat Holdings, Inc.**	(1)	
John V. Holten**	(1)	
Carol R. Warshauer GST Exempt Trust*	1.25 shares of Common Stock(2)	4.0
Waverly Partners, L.P.*	1.25 shares of Common Stock(3)	4.0
Myron C. Warshauer*	(2)(3)	
SP Associates*	2.5 shares of Common Stock(4)	8.0
Directors and Executive Officers as a Group	(1)(2)(3)	

* The address of AP Holdings, Carol R. Warshauer GST Exempt Trust, Waverly Partners, L.P., SP Associates and the business address of Mr. Warshauer is 900 N. Michigan Avenue, Chicago, Illinois 60611-1542.

** The address of Steamboat Holdings, Inc. and the business address of Mr. Holten is 545 Steamboat Road, Greenwich, Connecticut 06830.

(1) Mr. Holten may be deemed to be the beneficial owner of all of the outstanding common stock of Steamboat Holdings, Inc. ("Steamboat"), which owns 100% as of January 18, 2002 of the outstanding common stock of AP Holdings. The AP Holdings common stock owned by Steamboat has been pledged to its lenders to secure borrowings made by Steamboat. A specified event of default related to the indebtedness has occurred, and the lender may assume control of AP Holdings.

(2) Myron C. Warshauer is trustee of the Carol R. Warshauer GST Exempt Trust. Mr. Warshauer disclaims beneficial ownership of the assets of the Carol R. Warshauer GST Exempt Trust,

including the shares of common stock held by it, to the extent those interests are held for the benefit of such trusts. Pursuant to a notice dated October 15, 2001, the GST trust has exercised its put option under a stockholders agreement. As a result, APCOA/Standard is required to repurchase 1.25 shares of its common stock for an aggregate amount of $2.06 million. This amount accretes at 11.75% per year. Pursuant to the terms of the stockholders agreement, however, APCOA/Standard cannot make payment to the trust as such payment is currently prohibited by the terms of its existing senior credit facility and restricted under other debt instruments. The payment is also prohibited by the terms of the amended and restated credit agreement.

(3) Waverly Partners, L.P. is a limited partnership in which Myron C. Warshauer is general partner. Mr. Warshauer disclaims beneficial ownership of the assets of Waverly, including the shares of common stock held by it. Pursuant to a notice dated October 15, 2001, Waverly Partners, L.P. has exercised its put option under a stockholders agreement. APCOA/Standard is required to repurchase 1.25 shares of its common stock for an aggregate amount of $2.06 million. This amount accretes at 11.75% per year. Pursuant to the terms of the stockholders agreement, however APCOA/Standard cannot make payment to Waverly Partners, L.P. as such payment is currently prohibited by the terms of its existing senior credit facility and restricted under other debt instruments. The payment is also prohibited by the terms of the amended and restated credit agreement.

(4) SP Associates is a general partnership controlled by affiliates of JMB Realty Corp. SP Associates sent the Company a notice dated September 28, 2001 exercising its right under a stockholders agreement to require the Company to repurchase 2.5 shares of its common stock from SP Associates for an aggregate amount of $4.1 million. This amount accretes at 11.75% per year. Pursuant to the terms of the stockholders agreement, however, the Company cannot make payment to SP Associates as such payment is currently prohibited by the terms of its existing senior credit facility and restricted under other debt instruments. The payment is also prohibited by the terms of the amended and restated credit agreement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Exchange and Amendment Agreement

In connection with its restructuring of its outstanding $9^1/4$% Senior Subordinated Notes due 2008, the Company entered into an Exchange and Amendment Agreement with Fiducia Ltd. ("Fiducia"), whereby Fiducia agreed to exchange the $35 million of $9^1/4$% notes that it owned for $35 million of the Company's newly issued 18% Senior Convertible Redeemable Preferred Stock and to consent to the proposed amendments to the indenture governing the $9^1/4$% notes. Certain beneficial owners of Fiducia are members of the immediate family of John V. Holten. All qualifying holders of $9^1/4$% notes were given the opportunity pursuant to the Company's exchange offer and consent solicitation to consent to the amendments to the indenture and receive preferred stock on the same terms as Fiducia.

Company Stockholders Agreement

Upon consummation of the combination on March 30, 1998, the Company entered into a Stockholders' Agreement (the "Stockholders' Agreement") with Dosher Partners, L.P. ("Dosher"), and SP Associates (collectively, the "Standard Parties") and Holberg and AP Holdings (collectively with the Standard Parties, the "Stockholders"). Holberg is an affiliate of John V. Holten, the Company's chairman and chief executive officer. AP Holdings is APCOA/Standard's direct parent, which was formerly owned by Holberg. The Stockholders' Agreement provides, among other things, for (i) prior to the earliest of (a) the seventh anniversary of the consummation of the Combination, (b) the termination of Myron C. Warshauer's employment with the Company under certain circumstances and (c) the consummation of an initial public offering of Company Common Stock, certain obligations of

Holberg to allow Dosher the opportunity to acquire all, but not less than all, of the Company Common Stock held by Holberg and/or its affiliates before Holberg may directly or indirectly sell an amount of Company Common Stock which would constitute a Control Transaction (as defined in the Stockholders Agreement); *provided* that, under certain circumstances, Holberg may sell such shares to a party other than Dosher if the terms of such other party's offer are more favorable to Holberg, (ii) until the consummation of an initial public offering of Company Common Stock, certain rights of each Standard Party to purchase shares of Company Common Stock to the extent necessary to maintain such Standard Party's percentage ownership of the Company, (iii) the right of the Standard Parties to participate in, and the right of Holberg to require the Standard Parties to participate in, certain sales of Company Common Stock, (iv) following the third anniversary of the consummation of the Combination and prior to an initial public offering of Company Common Stock, certain rights of the Company to purchase, and certain rights of the Standard Parties to require the Company to purchase, shares of Company Common Stock at prices determined in accordance with the Stockholders Agreement and (v) certain additional restrictions on the rights of the Standard Parties to transfer shares of Company Common Stock. The Stockholders' Agreement also contains certain provisions granting the Stockholders certain rights in connection with registrations of Company Common Stock in certain offerings and provides for indemnification and certain other rights, restrictions and obligations in connection with such registrations. Steamboat Holdings, Inc. acquired all of the stock of AP Holdings owned by Holberg and, pursuant to the terms of the Stockholders Agreement, assumed all of Holberg's rights and obligations under the Stockholders Agreement and agreed to be bound by the terms of the Stockholders Agreement.

Effective October 1, 1998, Dosher transferred a 4% interest in APCOA/Standard common stock to Waverly Partners, L.P. ("Waverly"), a limited partnership in which Myron C. Warshauer is general partner, Douglas Warshauer individually is a limited partner and Douglas Warshauer as Trustee for the Douglas Warshauer Family Trust is a limited partner. Waverly and each original signatory to the Stockholders' Agreement consented to the transfer pursuant to a Consent and Joinder to Stockholders' Agreement dated as of October 1, 1998.

Effective July 31, 2001, Dosher transferred its remaining 4% interest in APCOA/Standard common stock to the Carol R. Warshauer GST Exempt Trust, a trust wherein Myron C. Warshauer is trustee. The trust is for the benefit of certain members of his family. Waverly, Steamboat and each original signatory to the Stockholders Agreement consented to the transfer pursuant to a Consent and Joinder to Stockholders Agreement dated as of July 31, 2001. Effective October 15, 2001, Myron Warshauer resigned as the Company's chief executive officer and director. On October 19, 2001, James Wilhelm was appointed to the Company's board of directors. As a result of the Warshauer resignation and pursuant to the terms of the Stockholders' Agreement, Steamboat Holdings is no longer obligated to allow Waverly and the Carol R. Warshauer GST Exempt Trust the right to acquire all of the common stock of Steamboat Holdings or its affiliates before Steamboat Holdings may enter into a Control Transaction.

Pursuant to the Stockholders' Agreement, Waverly, Carol R. Warshauer GST Exempt Trust and SP Associates exercised their put rights. APCOA/Standard is required to purchase an aggregate of five shares of its common stock for an aggregate purchase price of $8.2 million. The Company's obligation to repurchase these shares will accrete at 11.75% per year until discharged. In accordance with the terms of the Stockholders' Agreement, the Company will not make any payment for these shares while such payment is prohibited under the terms of any of its debt instruments. Payment for these shares is currently restricted by the terms of existing debt obligations including the senior subordinated second lien notes and the terms of the amended and restated credit agreement.

Preferred Stock

Prior to the consummation of the combination, Holberg held $8.7 million of preferred stock of APCOA. A portion of the proceeds of the financing obtained in conjunction with the combination with Standard (see Note B of the Notes to Consolidated Financial Statements) was used to redeem $8.0 million of the preferred stock. The remaining $0.7 million was contributed to the capital of the Company.

The Series C preferred stock issued by the Company to AP Holdings in conjunction with the combination with Standard has a maturity date as of March 2008, has an initial liquidation preference equal to $40.7 million, which increases at $11^{1}/_{4}$% per year.

Management Contracts and Related Arrangements with Affiliates

The Company has management contracts to operate two surface parking lots in Chicago. Myron C. Warshauer, Steven A. Warshauer, Stanley Warshauer, Michael K. Wolf and SP Associates own membership interests in a limited liability company that is a member of the limited liability companies that own such surface parking lots. The Company received a total of $132,500 in management fees for such lots in 2000 under the applicable management contracts. In 2001, the Company negotiated an extension of the management contract, which was to expire on April 30, 2001. Because the management contract results from continuing substantial personal investments from the above individuals that were made prior and subsequent to March 30, 1998, the Company agreed, in conjunction with the 2001 extension, to limit its management fees from the lots to market rates for 2001 and subsequent years. As a result, the Company earned $37,500 in 2001 management fees. The Company estimates that such management fees are no less favorable than would normally be obtained through arms-length negotiations.

SP Associates is an affiliate of JMB Realty Corp., from which the Company leases office space for its corporate offices in Chicago. Payments pursuant to the lease agreement aggregated approximately $1.2 million during 2000 and $1.3 million in 2001.

The Company purchases workers' compensation and health insurance covering certain parking facilities from JMB Insurance Agency, Inc., an affiliate of JMB Realty Corp. which in turn is an affiliate of SP Associates. The Company estimates that the premiums and commissions paid for such insurance are comparable to premiums it would pay for comparable coverage from an unrelated third party. Additionally, the Company paid $25,000 to JMB Insurance Agency, Inc. for consulting services during 2000 and 2001.

In March 1998, the Company acquired a lease for $1.4 million from an entity which is 15% owned by certain members of the management group. The lease is for a term of eleven years and calls for annual rent of $185,000 per year plus percentage rent if the property achieves certain earnings levels. The lease was terminated in September 2000, in connection with the sale of the property by the owner. The management group received $172,000 representing their pro-rata share of the sale proceeds.

In connection with the acquisition of a 76% interest in Executive Parking Industries, LLC, through the acquisition of its parent company, S&S Parking, Inc., a California corporation, the Company entered into a management agreement dated May 1, 1998, with D&E Parking, Inc., ("D&E") a California corporation, in which certain officers of the Company have an interest, to assure the continuation services previously provided by Edward Simmons and Dale Stark, the principal shareholders of D&E. Ed Simmons is now an executive vice president of the Company and Dale Stark is now a senior vice president of the Company. The management agreement is for a period of nine years, terminating on April 30, 2007. In consideration of the services to be provided by D&E, the Company agreed to pay D&E an annual base fee, payable in equal monthly installments, in the first

year equaling $500,000 and increasing to $719,000 in the ninth year of the agreement. Holberg guarantees all of the Company's payment obligations pursuant to the management agreement.

On December 31, 2000, the Company entered into an agreement to sell, at fair market value, certain contract assets to D & E Parking, Inc. The Company recorded a gain of $1.0 million from this transaction in 2000. The Company will continue to operate the parking facilities and receive management fees and reimbursement for support services in connection with the operation of the parking facilities.

The Company entered into a management agreement dated as of September 19, 2000, with Circle Line Sightseeing Yachts, Inc. to manage and operate certain parking facilities located along the Hudson River and Piers located in New York City and under the control of Circle Line. Circle Line is approximately 83% owned by members of John Holten's immediate family. The Company is paid a management fee based on a percentage of net cash flow, which for 2001 was $58,500. The Company estimates that such management fees are no less favorable than would normally be obtained through arms-length negotiations. Additionally, Circle Line has the right to require the Company to temporarily advance to Circle Line each December 31st and April 1st funds, each fiscal year based upon Circle Lines anticipated net profit from operations. The Company made advances of $100,000 in 2000 and $300,000 in 2001.

Consulting Agreement with Sidney Warshauer

Consummation of the combination was conditioned by Standard, among other things, upon the execution of a Consulting Agreement (the "Agreement") between the Company and Sidney Warshauer, the father of Myron C. Warshauer. Sidney Warshauer is 86 years old.

The Agreement provides that Sidney Warshauer render such services as may be requested, from time to time, by the Board of Directors of the Company (the "Board") and/or the Chief Executive Officer of the Company, consistent with Mr. Warshauer's past practices and experience, for a period beginning on the date of the consummation of the combination and ending on Sidney Warshauer's death. Sidney Warshauer will receive, during such period, annual payments of $552,000 along with certain other benefits.

The Agreement provides that, from the date of the closing of the combination until his death, Sidney Warshauer will not disclose Company confidential information or compete with the Company. The Agreement is not terminable by the Company for any reason other than the death of Sidney Warshauer, or a breach by Sidney Warshauer of his obligations under the Agreement with respect to non-disclosure of Company confidential information or his obligation to refrain from engaging in competition with the Company. The parties intended that all payments under the Agreement represent additional purchase price in the form of supplemental retirement benefits in recognition of Sidney Warshauer's significant contributions to Standard. The actuarial value, as of March 30, 1998, of the payments under the Agreement was approximately $5.0 million. See Note B of the Notes to the Consolidated Financial Statements.

Liability Insurance

Prior to 1999, APCOA/Standard participated in a master insurance program with Holberg which served to reduce the insurance costs of the combined group. In connection with the insurance program, during 1998 the Company placed $2.2 million on deposit with an affiliate for insurance collateral purposes.

In January of 1999, the Company completed the combination of all the insurance programs of all merger and acquired entities into one program. In connection therewith the Company purchased

coverage for its previously self-insured layer, and a tail policy to eliminate exposure from retrospective adjustments.

These amounts had previously been reclassified from a long-term asset to stockholders' deficit. For the year ended December 31, 2001 the Company recorded a $2.2 million bad debt provision related to the aforementioned amounts due to uncertainty regarding the ability of Holberg and the affiliate of Holberg to repay such amounts.

Certain Other Matters Relating to Holberg

Holberg received in March 1998 investment banking and advisory fees from APCOA in connection with certain prior transactions, and received a $1.0 million advisory fee (and reimbursement of expenses) upon consummation of the combination. The Company also may pay a management fee to Holberg and otherwise reimburse Holberg for certain expenses incurred by Holberg on behalf of the Company. All of these fees and other amounts paid to Holberg are subject to the limits and restrictions imposed by the indentures and the covenants in the senior credit facility and the amended and restated credit agreement.

Prior to Holberg's transfer of shares to Steamboat in March 2001, APCOA/Standard, Holberg and its affiliates periodically engaged in bi-lateral loans and advances. The Company, from time to time, entered into such bi-lateral loans and advances as permitted under the indenture and the senior credit facility. These loans and advances were interest bearing at a variable rate that approximated the prime interest rate. The accumulated interest was added to, or deducted from (as appropriate), the balance in the loan or advance account. In connection with the combination, APCOA made a $6.5 million non-cash distribution to Holberg of the receivable in such amount due from Holberg to APCOA, at the date of the combination. As of December 31, 2001, APCOA/Standard Parking had advanced to Holberg $2.6 in aggregate amount. These amounts had previously been reclassified from a long-term asset to stockholders' deficit. For the year ended December 31, 2001, the Company recorded a $2.6 million bad debt provision related to the aforementioned amounts due to uncertainty regarding the ability of Holberg to repay such amounts.

Certain Other Matters Relating to AP Holdings and Steamboat

In connection with the Company's recapitalization, on January 11, 2002, APCOA/Standard paid a $3.0 million transaction advisory fee to AP Holdings and redeemed $1.6 million of Series C preferred stock held by AP Holdings for $1.6 million in cash (See Note D of the Notes to Consolidated Financial Statements).

APCOA/Standard may also pay an annual management fee to AP Holdings or Steamboat and otherwise reimburse AP Holdings or Steamboat for certain expenses incurred by them on the Company's behalf. Some of these fees and other amounts paid to AP Holdings and Steamboat are subject to the limits and restrictions imposed by the indenture governing the $9^1/_4$% Senior Subordinated Notes and the 14% Senior Subordinated Second Lien Notes and the amended and restated senior credit agreement.

APCOA/Standard may also, from time to time, enter into bilateral loans and advances with AP Holdings or Steamboat as permitted under the indenture governing the 14% Senior Subordinated Second Lien Notes, the indenture governing the outstanding $9^1/_4$% Senior Subordinated Notes and, subject to certain conditions, the amended and restated senior credit agreement. These loans and advances bear interest at a variable rate that approximates the prime interest rate. The accumulated interest is added to, or deducted from (as appropriate), the balance in the loan or advance account. As of December 31, 2001, APCOA/Standard had advanced to AP Holdings $8.1 million in aggregate amount. This amount had previously been reclassified from a long-term asset to stockholders' deficit. For the year ended December 31, 2001, APCOA/Standard recorded an $8.1 million bad debt provision

related to the aforementioned amounts due to uncertainty regarding the ability of AP Holdings to repay such amounts without potentially receiving distributions from the Company.

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a)

The following documents are filed as part of this Report:

1. Financial Statements.

Report of Independent Auditors

Audited Consolidated Financial Statements
Consolidated Balance Sheets at December 31, 2001 and 2000

For the years ended December 31, 2001, 2000 and 1999:
Consolidated Statements of Operations
Consolidated Statements of Stockholders' Deficit
Consolidated Statements of Cash Flows

Notes to Consolidated Financial Statements

2. Financial statement schedule.

Schedule II—Valuation and Qualifying Accounts

All other schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements or the notes thereto.

3. **Exhibits**

Exhibit Number	
2.1	Combination Agreement, dated as of January 15, 1998, by and between APCOA, Inc. and the Standard Owners (incorporated by reference to Exhibit 2.1 to the Company's Registration Statement on Form S-4 (No. 333-50437) filed on April 17, 1998, as amended on June 9, 1998, July 15, 1998, August 11, 1998 and August 14, 1998 (the "Registration Statement")).
3.1	Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Registration Statement).
3.2	Amended and Restated By-Laws of the Company dated as of December 29, 2000 (incorporated by reference to Exhibit 3.3 to the Company's annual report on Form 10-K filed for December 31, 2000)
3.5	Certificate of designations, preferences and relative, participating, optional and other special rights of qualifications, limitations and restrictions thereof of 18% convertible redeemable Series D preferred stock of the Company dated January 10, 2002.
4.1	Indenture, dated as of March 30, 1998, amended as of July 6, 1998 and September 21, 1998, by and among the Company, the Subsidiary Guarantors and State Street Bank and Trust Company (incorporated by reference to Exhibit 4.1 to the Registration Statement).
4.2	Form of $9^1/_4$% Note (included as Exhibit A to Exhibit 4.1).
4.3	Form of $9^1/_4$% Note Guarantee (included as Exhibit D to Exhibit 4.1).

4.4	Supplemental Indenture, dated as of January 12, 1999 by and among the Company, the Subsidiary Guarantors and State Street Bank and Trust Company (incorporated by reference to Exhibit 4.4 to the Company's Annual Report on Form 10-K filed for December 31, 1998).
4.5	Supplemental Indenture, dated as of September 21, 1998, among Virginia Parking Service, Inc., the Company, and State Street Bank and Trust Company (incorporated by reference to Exhibit 4.5 to the Company's Annual Report on Form 10-K filed for December 31, 1998).
4.6	Supplemental Indenture, dated as of July 6, 1998, among S&S Parking, Century Parking, Inc. and Sentry Parking Corporation, the Company, and State Street Bank and Trust Company (incorporated by reference to Exhibit 4.6 to the Company's Annual Report on Form 10-K filed for December 31, 1998).
4.15	Indenture governing the Company's 14% senior subordinated second lien notes due 2006, dated as of January 11, 2002, by and among the Company, the subsidiary guarantors and State Street Bank and Trust Company.
4.16	Form of the Company's 14% senior subordinated second lien note due 2006 (included in Exhibit 4.15 hereto).

4.17 Form of the Company's 14% senior subordinated second lien note guaranteed due 2006 (included in Exhibit 4.15 hereto).

10.1 Registration Rights Agreement, dated as of March 30, 1998, by and among the Company, the Subsidiary Guarantors, Donaldson, Lufkin & Jenrette Securities Corporation and First Chicago Capital Markets, Inc. (incorporated by reference to Exhibit 10.1 to the Registration Statement).

10.2 Credit Agreement, dated as of March 30, 1998, by and among the Company, The First National Bank of Chicago, as Agent and Lender, and the Other Institutions party thereto (incorporated by reference to Exhibit 10.2 to the Registration Statement).

10.3 Stockholders' Agreement, dated as of March 30, 1998, by and among Dosher Partners, L.P., SP Associates and Holberg, AP Holdings and the Company (incorporated by reference to Exhibit 10.3 to the Registration Statement).

10.4 Consent and Joinder to Stockholders' Agreement dated as of October 1, 1998, by and among the Company, Dosher Partners, L.P., SP Associates, Holberg, AP Holdings and Waverly (incorporated by reference to Exhibit 10.4 to the Company's Annual Report on Form 10-K filed by December 31, 1998).

10.5 Stockholders' Agreement, dated as of April 14, 1989, by and among AP Holdings, Holberg and each member of the management of the Company who is a stockholder of AP Holdings (incorporated by reference to Exhibit 10.4 to the Registration Statement).

10.7 Employment Agreement between the Company and Myron C. Warshauer (incorporated by reference to Exhibit 10.6 to the Registration Statement).

10.10 Employment Agreement between the Company and Michael K. Wolf (incorporated by reference to Exhibit 10.12 to the Registration Statement).

10.11 Deferred Compensation Agreement between the Company and Michael K. Wolf (incorporated by reference to Exhibit 10.13 to the Registration Statement).

10.12 Company Retirement Plan for Key Executive Officers (incorporated by reference to Exhibit 10.14 to the Registration Statement).

10.13 Consulting Agreement between the Company and Sidney Warshauer (incorporated by reference to Exhibit 10.15 to the Registration Statement).

10.14 Employment Agreement between the Company and James A. Wilhelm (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K filed for December 31, 1998).

10.16 Letter Agreement between the Company and The First National Bank of Chicago as Agent and Lender, dated March 30, 1999 (incorporated by reference to Exhibit 10.16 to the Company's Annual Report on Form 10-K filed for December 31, 1998).

10.17 Employment Agreement between the Company and Steven Warshauer (incorporated by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K filed for December 30, 1999).

10.22 Second Amendment to Employment Agreement between the Company and Michael K. Wolf dated December 6, 2000. (incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10K filed for December 31, 2000.

10.23 Employment Agreement between the Company and Herbert W. Anderson Jr. (incorporated by reference to Exhibit 10.10 to the Registration Statement).

10.24 Employment Agreement between the Company and Robert N. Sacks dated May 18, 1998.

10.25 First Amendment to the Employment Agreement between the Company and Robert N. Sacks dated November 7, 2001.

10.26 Employment Agreement between the Company and G. Marc Baumann dated October 9, 2000.

10.27 Amended and Restated Employment Agreement between the Company and G. Marc Baumann dated October 1, 2001.

10.28 Stock option plan between the Company and eligible executives, employees, directors and/or consultants.

10.29 Exchange Agreement by and between the Company and AP Holdings dated March 11, 2002.

10.30 Exchange and Amendment Agreement by and between the Company and Fiducia, Ltd. dated

November 20, 2001.

10.31	Amended and Restated Dealer Manager and Consent Solicitation Agreement between the Company and Credit Suisse First Boston Corporation dated December 19, 2001.
10.32	Stock Option Agreement by and between the Company and Myron C. Warshauer dated March 30, 1998.
10.33	Second Amendment to the Employment Agreement between the Company and James A. Wilhelm dated October 18, 2001.
10.34	Third Amendment to the Employment Agreement between the Company and James A. Wilhelm dated January 31, 2002.
10.35	Consulting Engagement Agreement dated January 11, 2002 between the Company and AP Holdings.
10.36	Consulting Agreement dated October 16, 2001 between the Company and Shoreline Enterprises.
10.37	Amended and Restated Senior Credit Agreement dated January 11, 2002 by and among the Company, the Lenders and LaSalle Bank, N.A., as agent for the Lenders.
10.38	Technical correction of the Amended and Restated Senior Credit Agreement dated February 27, 2002 by and among the Company, the Lenders and LaSalle Bank, N.A., as agent for the Lenders.
21.1	Subsidiaries of the Company.

(b) Reports on Form 8-K.

On November 6, 2001, the Company filed a Current Report on Form 8-K. This report disclosed that Myron C. Warshauer resigned from his position as Director and Chief Executive Officer of APCOA/Standard and was appointed as Vice Chairman Emeritus. The Company's President, James A. Wilhelm will assume the role of CEO.

On November 15, 2001, the Company filed a Current Report on Form 8-K. This report disclosed certain risk factors relating to its business, including the impact of continued terrorist attacks, impact of a decrease in car and air travel, if bad debt reserves ultimately become inadequate, impact of increased government regulation of airports, impact of additional collateral requirements related to performance bonds, impact of insurance coverage renewal, impact of a more concentrated client base and impact of regulations on the Company's business.

On November 21, 2001, the Company filed a Current Report on Form 8-K. This report disclosed that APCOA/Standard commenced an unregistered exchange offer and consent solicitation.

On December 27, 2001, the Company filed a Current Report on Form 8-K. This report disclosed an extension of its exchange offer.

INDEX TO HISTORICAL FINANCIAL STATEMENTS

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

Board of Directors
APCOA/Standard Parking, Inc.

We have audited the accompanying consolidated balance sheets of APCOA/Standard Parking, Inc. (the "Company") as of December 31, 2001 and 2000, and the related consolidated statements of operations, stockholders' deficit and cash flows for each of the three years in the period ended December 31, 2001. Our audits also included the financial statement schedule listed in the Index at Item 14(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2001 and 2000, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

ERNST & YOUNG LLP

Chicago, Illinois
March 22, 2002

APCOA/STANDARD PARKING, INC.
CONSOLIDATED BALANCE SHEETS
(In Thousands, Except for Share Data)

	December 31	
	2001	**2000**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,602	$ 3,539
Notes and accounts receivable, less allowances of $1,288 and $2,056 in 2001 and 2000, respectively	40,276	46,826
Prepaid expenses and supplies	1,194	1,775
Total current assets	49,072	52,140
Leaseholds and equipment:		
Equipment	15,526	15,741
Leasehold improvements	19,815	25,880
Leaseholds	39,006	41,568
Construction in progress	1,676	2,027
	76,023	85,216
Less accumulated depreciation and amortization	57,440	56,724
	18,583	28,492
Other assets:		
Advances and deposits	1,196	2,075
Cost in excess of net assets acquired, less accumulated amortization of $14,529 and $11,270 in 2001 and 2000, respectively	115,332	113,293
Intangible and other assets, less accumulated amortization of $5,693 and $4,807 and in 2001 and 2000, respectively	8,051	12,341
	124,579	127,709
Total assets	$ 192,234	$ 208,341
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 34,620	$ 35,079
Accrued rent	4,012	5,070
Compensation and payroll withholdings	6,293	5,649
Property, payroll and other taxes	2,025	3,998
Accrued insurance and expenses	8,667	9,885
Accrued other special charges	12,057	2,994
Current portion of long-term borrowings	1,554	1,406
Total current liabilities	69,228	64,081
Long-term borrowings, excluding current portion:		
Obligations under credit agreements	168,600	166,950
Other	5,103	6,640
	173,703	173,590
Other long-term liabilities	12,658	10,121

Redeemable preferred stock	61,330	54,976
Common stock subject to put/call rights; 5.01 shares issued and outstanding	8,500	6,304
Common stockholders' deficit:		
Common stock, par value $1.00 per share, 1,000 shares authorized; 26.3 shares issued and outstanding	1	1
Additional paid-in capital	11,422	11,422
Advances to and deposits with affiliates, net	—	(11,979)
Accumulated other comprehensive (loss) income	(803)	(374)
Accumulated deficit	(143,805)	(99,801)
Total common stockholders' deficit	(133,185)	(100,731)
Total liabilities and stockholders' deficit	$ 192,234	$ 208,341

See Notes to Consolidated Financial Statements.

APCOA/STANDARD PARKING, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands)

	Years Ended December 31		
	2001	2000	1999
Gross customer collections	$ 1,505,645	$ 1,545,690	$ 1,369,319
Parking services revenue:			
Lease contracts	$ 156,411	$ 181,828	$ 196,441
Management contracts	87,403	70,654	51,458
	243,814	252,482	247,899
Costs and expenses:			
Cost of parking services:			
Lease contracts	142,555	159,702	172,217
Management contracts	44,272	32,643	20,877
	186,827	192,345	193,094
General and administrative	29,979	36,121	32,453
Other special charges	15,869	4,636	5,577
Depreciation and amortization	15,501	12,635	9,343
Total costs and expenses	248,176	245,737	240,467
Operating (loss) income	(4,362)	6,745	7,432
Other expenses (income):			
Interest expense	18,403	18,311	16,743
Interest income	(804)	(929)	(1,059)
	17,599	17,382	15,684
Bad debt provision related to non-operating receivable	12,878	—	—
Loss before minority interest and income taxes	(34,839)	(10,637)	(8,252)
Minority interest expense	209	341	468
Income tax expense	406	503	752
Net loss	(35,454)	(11,481)	(9,472)
Preferred stock dividends	(6,354)	(5,696)	(5,106)
Increase in fair value of common stock subject to put/call	(2,196)	(1,715)	—
Net loss attributable to common stockholders	$ (44,004)	$ (18,892)	$ (14,578)

See Notes to Consolidated Financial Statements.

APCOA/STANDARD PARKING, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(In Thousands, Except for Share Data)

Common Stock

	Number of Shares	Par Value	Additional Paid-In Capital	Advances to And Deposits With Affiliates	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
Balance (deficit) at January 1, 1999	26.3	$ 1	$ 11,422	$ —	$ —	$ (66,331)	$ (54,908)
Net loss						(9,472)	(9,472)
Cumulative translation adjustment					428		428
Comprehensive loss							(9,044)
Preferred stock dividends						(5,106)	(5,106)
Advances to and deposits with affiliates			—	(10,553)	—	—	(10,553)
Balance (deficit) at December 31, 1999	26.3	1	11,422	(10,553)	428	(80,909)	(79,611)
Net loss						(11,481)	(11,481)
Cumulative translation adjustment					(802)		(802)
Comprehensive loss							(12,283)
Preferred stock dividends						(5,696)	(5,696)
Increase in fair value of common stock subject to put/call						(1,715)	(1,715)
Advances to and deposits with affiliates			—	(1,426)			(1,426)
Balance (deficit) at December 31, 2000	26.3	1	11,422	(11,979)	(374)	(99,801)	(100,731)
Net loss						(35,454)	(35,454)
Cumulative translation adjustment					(429)		(429)
Comprehensive loss							(35,883)
Preferred stock dividends						(6,354)	(6,354)
Increase in fair value of common stock subject to put/call						(2,196)	(2,196)
Advances to and deposits with affiliates				11,979			11,979
Balance (deficit) at December 31, 2001	26.3	$ 1	$ 11,422	$ —	$ (803)	$ (143,805)	$ (133,185)

See Notes to Consolidated Financial Statements.

APCOA/STANDARD PARKING, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)

	Year Ended December 31		
	2001	2000	1999
Operating activities			
Net loss	$ (35,454)	$ (11,481)	$ (9,472)
Adjustments to reconcile net loss to net cash provided by (used in) operations:			
Depreciation and amortization	15,501	12,635	9,343
Provision related to non-operating receivable	12,878	—	—
Changes in operating assets and liabilities, net of acquisitions:			
Notes and accounts receivable	6,550	(4,111)	(11,949)
Prepaid assets	581	(130)	1,089
Other assets	4,328	1,217	2,425
Accounts payable	(459)	9,790	6,802
Accrued liabilities	4,969	(11,137)	(12,115)
Due from affiliates	—	—	(3,832)
Net cash provided by (used in) operating activities	8,894	(3,217)	(17,709)
Investing activities			

Purchase of leaseholds and equipment	(1,537)	(4,684)	(10,261)
Purchase of leaseholds and equipment by joint ventures	(10)	(213)	(339)
Businesses acquired, net of cash acquired	—	—	(3,181)
Proceeds from disposition of leaseholds and equipment	—	—	250
Net cash used in investing activities	(1,547)	(4,897)	(13,531)
Financing activities			
Proceeds from long-term borrowings	1,650	8,850	18,100
Payments on long-term borrowings	(1,083)	(588)	(1,660)
Proceeds from joint venture borrowings	—	—	1,281
Payments on joint venture borrowings	(1,687)	(736)	(558)
Payments of debt issuance costs	(1,735)	(286)	(319)
Net cash (used in) provided by financing activities	(2,855)	7,240	16,844
Effect of exchange rate changes on cash and cash equivalents	(429)	(802)	428
Increase (decrease) in cash and cash equivalents	4,063	(1,676)	(13,968)
Cash and cash equivalents at beginning of year	3,539	5,215	19,183
Cash and cash equivalents at end of year	$ 7,602	$ 3,539	$ 5,215
Non-cash investing capital leases	728	—	—

See Notes to Consolidated Financial Statements.

APCOA/STANDARD PARKING, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2001, 2000 and 1999
(In thousands)

Note A. Significant Accounting Policies

APCOA/Standard Parking, Inc. ("APCOA/Standard" or "the Company"), formerly known as APCOA, Inc. ("APCOA"), and its subsidiaries and affiliates manage, operate and develop parking properties throughout the United States and Canada. The Company is a majority-owned subsidiary of AP Holdings, Inc. ("AP Holdings"). The Company provides on-site management services at multi-level and surface facilities in the two major markets of the parking industry: urban parking and airport parking. The Company manages approximately 1,958 parking facilities, containing approximately 1,026,000 parking spaces in over 260 cities across the United States and Canada.

Principles of Consolidation—The consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and joint ventures in which the Company has more than 50% ownership interest. Minority interest recorded in the consolidated statement of operations is the joint venture partner's noncontrolling interest in consolidated joint ventures. Minority interest included in the consolidated balance sheets was $243 and $121 at December 31, 2001 and 2000, respectively. Investments in joint ventures where the Company has a 50% or less noncontrolling ownership interest are reported on the equity method. Investments and losses in joint ventures accounted for using the equity method in the consolidated balance sheets were $83 and $(20) at December 31, 2001 and 2000, respectively. All significant intercompany profits, transactions and balances have been eliminated in consolidation.

Gross Customer Collections—Gross customer collections represent gross receipts collected at all leased and managed properties, including unconsolidated affiliates.

Parking Revenue—The Company recognizes gross receipts from leased locations and management fees earned from management contract properties as parking revenue as the related services are provided. Also included in parking revenue were $196 in 2001, $1,788 in 2000 and $2,116 in 1999 from gains on sales of parking contracts and development fees. In addition in 2001 is a net receipt of $4,805 related to the exercise of owner termination rights associated with certain management contracts in the ordinary course of business.

Cost of Parking Services—The Company recognizes costs for leases and nonreimbursed costs from managed facilities as cost of parking services. Cost of parking services consists primarily of rent and payroll related costs.

Advertising Costs—Advertising costs are expensed as incurred and are included in general and administrative expenses. Advertising expenses aggregated $218, $379 and $402 for 2001, 2000 and 1999, respectively.

Cash and Cash Equivalents—Cash equivalents represent funds temporarily invested in money market instruments with maturities of one to five days. Cash equivalents are stated at cost, which approximates market value.

Leaseholds and Equipment—Leaseholds, equipment and leasehold improvements are stated at cost. Leaseholds (cost of parking contracts) are amortized on a straight-line basis over the average contract life of 10 years. Equipment is depreciated on the straight-line basis over the estimated useful lives of approximately 5 years on average. Leasehold improvements are amortized on the straight-line basis over the terms of the respective leases or the service lives of the improvements, whichever is shorter (average of approximately 7 years). Depreciation and amortization includes (gains) losses on

abandonments of leaseholds and equipment of $4,579, $(2) and $105 in 2001, 2000 and 1999, respectively. Depreciation expense was $11,494 and $8,621 in 2001 and 2000, respectively. Included in 2001, is $2,043 related to costs of software programs that have been discontinued or have become obsolete, and $1,323 related to leasehold improvements that will not be utilized at the corporate headquarters.

Cost in Excess of Net Assets Acquired (Goodwill)—Cost in excess of net assets acquired arising from acquisitions is amortized using the straight-line method over 40 years.

In June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 142, "*Goodwill and Other Intangible Assets,*" effective for the Company in fiscal 2002.

Under the new rules, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized, but will be subject to impairment tests at least annually in accordance with SFAS No. 142. Other intangible assets will continue to be amortized over their contractual lives.

The Company will apply the new rules on accounting for goodwill and other intangible assets beginning in the first quarter of 2002. Application of the nonamortization provisions of SFAS No. 142 is expected to result in an increase in net earnings of approximately $3.3 million per year. The Company has performed the first of the required impairment tests of goodwill as of December 31, 2001, and has determined that no impairment exists as of December 31, 2001, and the effect of these tests on the earnings and financial position of the Company will not be material in 2002.

Long Lived Assets—The Company accounts for impairment of long-lived assets, which includes goodwill, in accordance with the provisions of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." This Statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

When indicators of impairment are present, the Company periodically reviews the carrying value of long-lived assets, including goodwill, contract and lease rights, and non-compete agreements, to determine if the net book values of such assets continue to be recoverable over the remainder of the original estimated useful life. In performing this review for recoverability, the Company estimates the future cash flows expected to result from the use of the asset and its eventful disposition. If the sum of the expected net future cash flows (undiscounted and without interest charges) is less than the carrying amount of the asset, an impairment loss is recognized based on the estimated diminution of value. If the assets involved are to be held and used in the operations of the Company, consideration is also given to actions or remediation the Company might take in order to achieve the original estimates of cash flows.

Intangible Assets—Debt issuance costs of $2,809 and $5,875 at December 31, 2001 and 2000 respectively, are amortized over the terms of the credit agreements using the straight-line method which approximates the interest method. Additionally, $3,387 and $3,983 of intangibles at December 31, 2001 and 2000 respectively, consisting primarily of a covenant not to compete (see Note B), are being amortized on a straight-line basis over the term of the respective agreements which range from 5 to 10 years. Debt issuance costs of $3,323 for the year ended December 31, 2001 were recorded as other special charges related to the exchange. (See Note C). Amortization expense was $4,007 and $9,014 in 2001 and 2000, respectively.

Financial Instruments—The carrying values of cash, accounts receivable and accounts payable are reasonable estimates of their fair value due to the short-term nature of these financial instruments. The Company's 9.25% Senior Subordinated Notes are included in the Consolidated Balance Sheet at $140,000, which represents the aggregate face value of the notes. Market value at December 31, 2001 aggregated $53,200. Other long-term debt has a carrying value that approximates fair value.

Foreign Currency Translation—The functional currency of the Company's foreign operations is the local currency. Accordingly, assets and liabilities of the Company's foreign operations are translated from foreign currencies into U.S. dollars at the rates in effect on the balance sheet date while income and expenses are translated at the weighted-average exchange rates for the year. Adjustments resulting from the translations of foreign currency financial statements are accumulated and classified as a separate component of stockholders' deficit.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Recent Accounting Pronouncements—In June 1998, the FASB issued SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities* (Statement 133), which the Company adopted effective January 1, 2001. Statement 133 requires all derivatives to be recognized in the balance sheet as either assets or liabilities at fair value. Derivatives that are not hedges, as defined in statement 133, must be adjusted to fair value through income. In addition, all hedging relationships must be designated, reassessed and documented pursuant to the provisions of SFAS No. 133. The adoption of this statement did not have an effect on the Company.

In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (FAS 144), which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of*, and the accounting and reporting provisions of APB Opinion No. 30, *Reporting the Results of Operations* for a disposal of a segment of a business. FAS 144 is effective for fiscal years beginning after December 15, 2001. The Company expects to adopt FAS 144 as of January 1, 2002, and it does not expect that the adoption of the Statement will have a significant impact on the Company's financial position and results of operations.

Reclassifications—Certain amounts previously presented in the financial statements of prior periods have been reclassified to conform to current year presentation.

Note B. Acquisitions

In January 1998, APCOA entered into a definitive combination agreement to acquire all of the outstanding capital stock, partnership and other equity interests of Standard Parking Corp. and certain of its affiliates ("Standard"). On March 30, 1998, APCOA acquired Standard for consideration consisting of $65,000 in cash, 16% of the common stock of APCOA outstanding as of January 15, 1998 and the assumption of certain liabilities, including a $5,000 consulting and non-compete obligation for one of the former owners of Standard, which represents the current value of the payments to be made, as determined by consulting actuaries. In addition, on March 30, 1998, APCOA paid to the Standard owners $2,822, generally representing Standard's earnings from January 1 through the date of the acquisition and Standard's cash on hand at such time. Financing of the acquisition included a contribution from AP Holdings of $40,683, in exchange for redeemable preferred stock, and other transactions as described below and in Notes D and H.

The acquisition was accounted for under the purchase method; accordingly, Standard's results are included in the consolidated financial statements of APCOA/Standard from the date of acquisition. Following is the final purchase price allocation, based on the estimated fair value of assets acquired and liabilities assumed.

Cash consideration	$ 65,000
5.01 shares of common stock issued, at calculated put/call value	4,589
Closing distribution to the Standard owners	2,822
Consulting and non-compete agreement with former owner	5,000
Direct acquisition costs	7,179
Total purchase price	$ 84,590
Cash	$ 1,632
Notes and accounts receivable	318
Prepaid expenses	180
Leaseholds and equipment	7,971
Consulting and non-compete agreement	5,000
Cost in excess of net assets acquired	77,557
Other assets	415
Accounts payable and accrued expenses	(3,855)
Other costs and liabilities	(4,628)
	$ 84,590

Pursuant to notices dated October 15, 2001 and September 28, 2001, the put options were exercised under a stockholders agreement. As a result, APCOA/Standard is required to purchase 5.01 shares of its common stock for an aggregate amount of $8.22 million. This amount accretes at 11.75% per year. Pursuant to the terms of the stockholders agreement, however, APCOA/Standard cannot make such payments as they are prohibited by the terms of the existing senior credit facility and restricted under other debt instruments. The payment is also prohibited by the terms of the amended and restated credit agreement.

Direct acquisition costs incurred in connection with the acquisition include investment banking fees of $3,289 and legal and other professional fees of $3,890.

On January 22, 1998, the Company acquired the assets of Huger Parking Company, LLC, d/b/a Dixie Parking, for $1,000 in cash at closing and $3,250 in notes payable, of which $1,000 was repaid in March of 1998. The $2,250 balance is payable over 20 years with interest based on prime. On May 1, 1998, the Company acquired the remaining 76% interest in Executive Parking Industries LLC, through the acquisition of all of the outstanding capital stock of S&S Parking, Inc., the sole asset of which was such 76% interest in EPI, for $7,020 in cash. In addition, on June 1, 1998, APCOA/Standard acquired all of the outstanding capital stock of Century Parking, Inc., and Sentry Parking Corporation, for $5,168 in cash at closing including direct acquisition costs and $700 paid on June 1, 2001. On September 1, 1998, APCOA/Standard acquired the operations of Virginia Parking Service, Inc. in a stock purchase transaction for $3,114 in cash including direct costs, and up to $1,250 in notes payable over five years with interest at the prime rate.

On April 1, 1999, the Company acquired the assets of Pacific Rim Parking, Inc. ("Pacific Rim") in Los Angeles for $750 in cash and up to $750 in non-interest bearing notes payable over five years. On May 1, 1999 the Company acquired various contracts of System Parking Inc. in Atlanta for $250 in cash. Effective as of July 1, 1999 the Company acquired all of the outstanding stock of Universal Park Holdings, Inc., operating under the names U-Park and Select Valet Parking, in Vancouver B.C. for $1,610.

All of these acquisitions have been accounted for under the purchase method and their operating results have been included in the consolidated results since their respective date of acquisition. The historical operating results of the businesses prior to acquisition were not material relative to the consolidated results of APCOA/Standard.

Note C. Other special charges

Included in "other special charges" in the accompanying consolidated statement of operations for the years ended December 31, 2001, 2000 and 1999 are the following (expenses are cash unless otherwise stated):

	December 31,		
	2001	2000	1999
Costs related to the exchange offering	$ 8,431	$ —	$ —
Write off of debt issuance costs related to the exchange (non-cash expense)	3,323	—	—
Provision for abandoned businesses	1,722	—	—
Employee severance costs	87	2,475	1,607
Increase in insurance reserves	314	895	—
Provision for headquarters reorganization	750	—	—
Incremental integration costs and other	1,242	1,266	3,070
Costs associated with terminated transactions	—	—	900
Total other special charges	$ 15,869	$ 4,636	$ 5,577

Supplement Disclosure—Other Special Charges

	December 31,		
	2001	2000	1999
Accrued at beginning of year	$ 2,994	$ 2,024	$ 6,163
Provision for other special charges (cash)	12,546	4,636	5,577
Paid during year	(3,483)	(3,666)	(9,716)
Accrued at end of year	$ 12,057	$ 2,994	$ 2,024

In 1999, the employee severance costs relate primarily to a provision for key management severance. The integration costs relate primarily to actions to facilitate the accounting system consolidation and activities to realign and centralize administrative and other support functions. The costs associated with terminated transactions relate to expenses incurred for acquisition activity that was terminated.

In 2000, the employee severance costs relate to a provision for key management severance of $1,400 and cash compensation and related expenses for approximately 15 other employees for whom employment was terminated of $1,075. The costs associated with the insurance program relate to retroactive prior period premium adjustments of $895. The costs associated with incremental integration costs and other include $294 for settlement costs and outside accounting firm costs related to the combination with Standard, $235 for closure of administrative office, and $736 for a provision related primarily to estimated settlements on disputed receivables.

In 2001, costs of $8,431 were provided for and debt issuance costs of $3,323 were written-off related to the exchange offer. The provision for abandoned businesses of $1,722 relate to minimum future lease payments at a closed location. The costs associated with incremental integration costs and other include $371 for settlement costs and outside accounting firm costs related to the combination

with Standard, $873 related primarily to legal costs incurred on terminated contracts. The provision for headquarter reorganization of $750 principally relates to the reorganization and decentralization of financial functions. The costs associated with the insurance program relate to retroactive prior period premiums adjustments of $312.

Note D. Borrowing Arrangements

Long-term borrowings consist of:

	Interest Rate(s)	Due Date	Amount Outstanding December 31, 2001	
			2001	2000
Senior Subordinated Notes	9.25%	March, 2008	$ 140,000	$ 140,000
Senior Credit Facility	Various	July, 2002	28,600	26,950
Joint venture debentures	11.00-15.00%	Various	3,432	5,118
Other	Various	Various	3,225	2,928
			175,257	174,996
Less current portion			1,554	1,406
			$ 173,703	$ 173,590

APCOA/Standard's 9.25% Senior Subordinated Notes, (the "Notes"), were issued in September of 1998 and are due in March of 2008. The Notes are registered with the Securities and Exchange Commission. The issuance was exchanged for unregistered notes with substantially identical terms, which had been issued earlier in 1998 to finance the acquisition of Standard and retire certain existing indebtedness, and for general working capital purposes.

The liquidation preference in order of preference, of the Company's long-term borrowings is: Senior Credit Facility and Amended Senior Credit Facility, 14.0% Senior Subordinated Second Lien Notes, $9^1/_4$% Senior Subordinated Notes, Joint Venture Debentures, other debt.

On January 11, 2002, the Company completed a restructuring of its publicly issued debt. The Company exchanged $91.1 million of its outstanding $9^1/_4$% Senior Subordinated Notes due 2008 for $59.3 million of its newly issued 14% Senior Subordinated Second Lien Notes due 2006 and 3,500 shares of its newly issued 18% Senior Convertible Redeemable Preferred Stock with a face value of $35.0 million. As part of these transactions, the Company also received $20.0 million in cash. The cash was used to repay borrowings under the Company's old credit facility, repurchase shares of existing redeemable preferred stock owned by its parent company and pay expenses incurred in connection with the transaction (including approximately $3.0 million to its parent company as a transaction advisory fee).

The Company's Senior Credit Facility (the "Facility") provides cash borrowings up to $40.0 million with sublimits for Letters of Credit up to $10.0 million, at variable rates based, at the Company's option, either on LIBOR, the overnight federal funds rate, or the bank's base rate. The Company utilizes the Facility to provide readily-accessible cash for working capital purposes. The Facility includes covenants that limit the Company from incurring additional indebtedness, issuing preferred stock or paying dividends, and contains certain other restrictions. At December 31, 2001, the Company had $3.0 million of letters of credit outstanding under the Facility and borrowings against the Facility aggregated $28.6 million. At December 31, 2001, the Company had $8.4 million of funds available under the Senior Credit Facility. The Facility was amended on March 30, 2000, with the principal changes to the agreement providing for revisions to interest rates charged on borrowings and certain financial covenants. The Facility was amended on May 12, 2000, with the principal change to the

agreement relating to the definition of a change in control. The Facility was amended on November 14, 2000, with the principal changes to the agreement providing for revisions to interest rates charged on borrowings and certain financial covenants. The Facility was amended on March 30, 2001 with the principal changes to the agreement providing for revisions to interest rates charged on borrowings, certain financial covenants, a change to restore the original borrowing limits, and a change in the expiration date from March 30, 2004 to July 1, 2002. The Facility was amended as of September 30, 2001, with the principal changes to the agreement providing for revisions to certain financial covenants.

The Company entered into an Amended and Restated Credit Agreement dated as of January 11, 2002, which restructured the senior credit facility. The Amended and Restated Credit Agreement provides cash borrowings up to $40.0 million with sub-limits for Letters of Credit up to $8.0 million. The Amended and Restated Credit Agreement consists of a $25.0 million revolving credit facility provided by LaSalle Bank N.A. which will expire on March 1, 2004 and a $15.0 million term loan held by Bank One N.A., amortizing with $5.0 million due on December 31, 2002 and the balance due on March 10, 2004. The revolving facility will provide for cash borrowings up to the lesser of $25.0 million or 80% of the Company's eligible accounts receivable as defined therein, at variable rates based, at the Company's option, either on LIBOR, the overnight federal funds rate, or the bank's base rate. The term loan will be at a fixed rate of 13%, with 9 1/2% payable monthly in arrears and 3 1/2% accruing without compounding and be payable on March 10, 2004 or at the time of any permitted prepayment of the principal balance of the term loan.

The Notes and New Facility contain covenants that limit APCOA/Standard from incurring additional indebtedness and issuing preferred stock, restrict dividend payments, limit transactions with affiliates and restrict certain other transactions. Substantially all of APCOA/Standard's net assets are restricted under these provisions and covenants (See Note J).

Consolidated joint ventures have entered into four agreements for stand-alone development projects providing nonrecourse funding. These joint venture debentures are collateralized by the specific contracts that were funded and approximate the net book value of the related assets.

The Company has entered into various financing agreements, which were used for the purchase of equipment.

The Company paid interest of $18,403, $18,133 and $15,778 in 2001, 2000, and 1999, respectively.

The aggregate maturities of borrowings outstanding including the effect of the amended and restated senior credit agreement and the exchange at December 31, 2001 are as follows:

2002	$ 1,554
2003	996
2004	29,398
2005	890
2006	76,682
2007 and thereafter	50,520
	$ 160,040

The amounts include PIK interest and the 5% premium on the 14% senior subordinated second lien notes as defined in the indenture.

Note E. Income Taxes

For the years 1999 and 2000, the Company was included in the Consolidated Federal Income Tax Return of Holberg. For 2001, the Company will file a separate Consolidated Federal Income Tax

Return, which is separate from Holberg. The Company's income tax provision is determined on this separate return basis for all years. Income tax expense consists of foreign, state, and local taxes.

At December 31, 2001, the Company has net operating loss carryforwards of $79,008 for federal income tax purposes that expire in years 2004 through 2021.

A reconciliation of the Company's reported income tax expense to the amount computed by multiplying loss before income taxes by the effective federal income tax rate is as follows:

	2001	2000	1999
Statutory benefit	($ 11,916)	($ 3,904)	($ 3,221)
Permanent Differences	1,481	412	377
	(10,435)	(3,492)	(2,844)
State taxes, net of federal benefit	123	172	191
Higher/(lower) effective income taxes of other countries	(54)	(39)	505
	(10,366)	(3,359)	(2,148)
Change in valuation allowance	10,772	3,862	2,900
Income tax expense	$ 406	$ 503	$ 752

Income tax expense consists of the following:

	2001	2000	1999
Current:			
Foreign	$ 219	$ 242	$ 462

State	187	261	290
Total current	406	503	752
Deferred:			
Foreign	—	—	—
State	—	—	—
Total deferred	—	—	—
Income tax expense	$ 406	$ 503	$ 752

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for income tax purposes. Significant components of the Company's deferred tax assets (liabilities) as of December 31, 2001 and 2000 are as follows:

	2001	2000
Net operating loss carryforwards	$ 30,813	$ 25,996
Accrued Compensation	2,403	2,256
Restructuring Reserves	8,519	—
Other, net	1,011	1,664
	42,746	29,916
Book over tax depreciation and amortization	(1,857)	(1,328)
	40,889	28,588
Less: valuation allowance for deferred tax assets	(40,889)	(28,588)
Net deferred tax assets	$ —	$ —

For financial reporting purposes, a valuation allowance for net deferred tax assets will continue to be recorded until realization of such assets is more likely than not. Taxes paid were $741, $320 and $679 in 2001, 2000 and 1999 respectively.

Note F. Benefit Plans

The Company offers deferred compensation arrangements for certain key executives and sponsors an employees' savings and retirement plan in which certain employees are eligible to participate. Subject to their continued employment by the Company, employees offered supplemental pension arrangements will receive a defined monthly benefit upon attaining age 65. At December 31, 2001 and 2000, the Company has accrued $2,178 and $2,740, respectively representing the present value of the future benefit payments. Participants in the savings and retirement plan may elect to contribute a portion of their compensation to the plan. The Company, in turn, contributes an amount in cash or other property as required by the plan. Expenses related to these plans amounted to $872, $985 and $750 in 2001, 2000 and 1999, respectively.

The Company also contributes to two multi-employer defined contributions and nine multi-employer defined benefit plans which cover certain union employees. Expenses related to these plans were $997, $583 and $815 in 2001, 2000 and 1999, respectively.

Note G. Leases and Contingencies

The Company operates parking facilities under operating leases expiring on various dates, generally prior to 2012. Certain of the leases contain options to renew at the Company's discretion.

At December 31, 2001, the Company was committed to install in future years, at an estimated cost of $66, certain capital improvements at leased facilities.

Future annual rent expense is not determinable due to the application of percentage factors based on revenues. At December 31, 2001, the Company's minimum rental commitments, excluding contingent rent provisions under all non-cancelable leases with remaining terms of more than one year, are as follows:

2002	$ 28,008
2003	19,018
2004	13,799
2005	10,042
2006	8,805
2007 and thereafter	33,445
	$ 113,117

Rent expense, including percentage rents, was $108,823, $124,900 and $133,962 in 2001, 2000 and 1999, respectively.

Contingent rent expense was $81,467, $100,258 and $114,197 in 2001, 2000 and 1999, respectively.

In the normal course of business, the Company is involved in disputes, generally regarding the terms of lease agreements. In the opinion of management, the outcome of these disputes and litigation will not have a material adverse effect on the consolidated financial position or operating results of the Company.

Note H. Redeemable Preferred Stock

In connection with the Standard acquisition on March 30, 1998, the Company received $40,683 from AP Holdings in exchange for $70,000 face amount of 11 1/4% Redeemable Preferred Stock. Cumulative preferred dividends are payable semi-annually at the rate of 11 1/4%. Any semi-annual dividend not declared or paid in cash automatically increases the liquidation preference of the stock by the amount of the unpaid dividend. The Company is required to redeem the stock no later than March 2008.

Proceeds from the issuance together with the proceeds from the Senior Subordinated Notes described in Note D, were used to finance the acquisition of Standard, to retire certain indebtedness, to redeem preferred stock held by an affiliate, and for general working capital purposes.

Note I. Contingency and Related Party Transactions

As previously disclosed in Item 3 of APCOA/Standard's Form 10-Q for the quarter ended September 30, 2000, the bankruptcy filing of AmeriServe Food Distribution, Inc. on January 31, 2000 was a default under certain debt instruments of Holberg, the former parent of AP Holdings. As a result of such defaults, the creditors of Holberg could have taken control of Holberg or AP Holdings, APCOA's parent. A change in control of Holberg or AP Holdings would also constitute a change in control of APCOA/Standard under APCOA/Standard's debt instrument and of AP Holdings under its bond indenture.

On March 5, 2001, Holberg restructured certain of its debt and eliminated the defaults thereunder, thereby eliminating the possibility of a change of control of AP Holdings under its bond indenture or the possibility of a change in control of APCOA/Standard under the APCOA/Standard debt instruments as a result of such defaults.

The Company is subject to various claims and legal proceedings which consist principally of lease and contract disputes and includes litigation with The County of Wayne relating to the management of parking facilities at the Detroit Metropolitan Airport. These claims and legal proceedings are considered routine, and incidental to the Company's business, and in the opinion of management, the ultimate liability with respect these proceedings and claims will not materially affect the financial position, operations, or liquidity of the Company.

Due to the current financial situation of Holberg and AP Holdings, the Company recorded a $12.9 million bad debt provision related to non-operating receivables for the year ended December 31, 2001. The 2001 bad debt provision for non-operating receivables relates to advances to and deposits with affiliates that had previously been reclassified from a long-term asset to stockholders' deficit. This provision was made due to uncertainty regarding the ability of the affiliates to repay such amounts.

On December 31, 2000, the Company entered into an agreement to sell, at fair market value, certain contract assets to D & E Parking, Inc. ("D & E"), a California corporation, in which certain officers of the Company have an interest. The Company recorded a gain of $1 million from this transaction in 2000. The Company will continue to operate the parking facilities and receive management fees and reimbursement for support services in connection with the operation of the parking facilities.

The Company has entered into various management contracts and related arrangements with affiliates to manage properties in which certain executives have an interest. The Company estimates that management fees it receives are no less favorable than would normally be obtained through arms-length negotiations.

Note J. Subsidiary Guarantors

All of the Company's direct or indirect wholly owned active domestic subsidiaries, including Standard, fully, unconditionally, jointly and severally guarantee the Senior Subordinated Notes discussed in Note D. Separate financial statements of the guarantor subsidiaries are not separately presented because, in the opinion of management, such financial statements are not material to investors. The non-guarantor subsidiaries include joint ventures, wholly owned subsidiaries of the Company organized under the laws of foreign jurisdictions and inactive subsidiaries, all of which are included in the consolidated financial statements. The following is summarized combining financial

information for APCOA/Standard, the guarantor subsidiaries of the Company and the non-guarantor subsidiaries of the Company:

	APCOA/ Standard	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Elimination	Total
2001					
Balance Sheet Data:					
Cash and cash equivalents	$ 8,522	$ (2,009)	$ 1,089	$ —	$ 7,602
Notes and accounts receivable	30,568	5,767	3,941	—	40,276
Current assets	40,105	3,822	5,145	—	49,072
Leaseholds and equipment, net	10,377	5,141	3,065	—	18,583
Cost in excess of net assets acquired, net	23,492	88,618	3,222	—	115,332
Investment in subsidiaries	92,335	—	—	(92,335)	—
Total assets	170,906	101,771	11,892	(92,335)	192,234
Accounts payable	25,238	6,865	2,517	—	34,620
Current liabilities	55,706	7,769	5,753	—	69,228
Long-term borrowings, excluding current portion	171,127	—	2,576	—	173,703
Redeemable preferred stock	61,330	—	—	—	61,330
Common stock subject to put/call rights	8,500	—	—	—	8,500
Total stockholders' equity (deficit)	(136,054)	93,034	2,170	(92,335)	(133,185)
Total liabilities and stockholders' equity (deficit)	170,906	101,771	11,892	(92,335)	192,234
Income Statement Data:					
Parking services revenue	$ 139,972	$ 82,586	$ 21,256	—	$ 243,814

Gross profit	37,919	15,057	4,011	—	56,987
Other special charges	15,869	—	—	—	15,869
Depreciation and amortization	8,683	5,058	1,760	—	15,501
Operating income (loss)	9,356	(15,708)	1,990	—	(4,362)
Interest expense (income), net	17,192	(51)	458	—	17,599
Equity in earnings of subsidiaries	(15,004)	—	—	15,004	—
Net income (loss)	(35,454)	(15,657)	653	15,004	(35,454)
Cash Flows Data:					
Net cash provided by (used in) operating activities	$ 13,890	$ (2,039)	$ (2,957)	—	8,894
Investing activities:					
Purchase of leaseholds and equipment	$ (1,491)	$ (46)	$ —	$ —	$ (1,537)
Purchase of leaseholds and equipment by joint venture	—	—	(10)	—	(10)
Net cash used in investing activities	(1,491)	(46)	(10)	—	(1,547)
Financing activities:					
Proceeds from long-term borrowings	1,650	—	—	—	1,650
Payments on long-term borrowings	(1,083)	—	—	—	(1,083)
Payments on joint venture borrowings	(1,687)	—	—	—	(1,687)
Payments on long-term borrowings	(1,735)	—	—	—	(1,735)
Net cash used in financing activities	(2,855)	—	—	—	(2,855)
Effect of exchange rate changes	(429)	—	—	—	(429)
2000					
Balance Sheet Data:					
Cash and cash equivalents	$ (593)	$ 76	$ 4,056	$ —	$ 3,539
Notes and accounts receivable	50,972	(7,529)	3,383	—	46,826
Current assets	50,792	(6,264)	7,612	—	52,140
Leaseholds and equipment, net	15,693	7,395	5,404	—	28,492
Cost in excess of net assets acquired, net	19,062	90,673	3,558	—	113,293
Investment in subsidiaries	93,211	—	—	(93,211)	—
Total assets	187,446	96,818	17,288	(93,211)	208,341
Accounts payable	21,744	10,172	3,163	—	35,079
Current liabilities	46,328	8,938	8,815	—	64,081
Long-term borrowings, excluding current portion	169,305	175	4,110	—	173,590
Redeemable preferred stock	54,976	—	—	—	54,976
Common stock subject to put/call rights	6,304	—	—	—	6,304
Total stockholders' equity (deficit)	(94,942)	83,504	3,918	(93,211)	(100,731)

Total liabilities and stockholders' equity (deficit)	187,446	96,818	17,288	(93,211)	208,341
Income Statement Data:					
Parking services revenue	$ 128,553	$ 92,336	$ 31,593	—	$ 252,482
Gross profit	36,081	17,762	6,294	—	60,137
Other special charges	4,636	—	—	—	4,636
Depreciation and amortization	6,249	5,155	1,231	—	12,635
Operating income (loss)	20,975	(18,970)	4,740	—	6,745
Interest expense (income), net	16,858	(84)	608	—	17,382
Equity in earnings of subsidiaries	(15,243)	—	—	15,243	—
Net income (loss)	(11,481)	(18,887)	3,644	15,243	(11,481)
Cash Flows Data:					
Net cash provided by (used in) operating activities	$ (5,332)	$ (1,471)	$ 3,586	—	$ (3,217)
Investing activities:					
Purchase of leaseholds and equipment	(4,268)	(416)	—	—	(4,684)
Purchase of leaseholds and equipment by joint venture	—	—	(213)	—	(213)
Net cash used in investing activities	(4,268)	(416)	(213)	—	(4,897)
Financing activities:					
Proceeds from long-term borrowings	8,850	—	—	—	8,850
Payments on long-term borrowings	(874)	—	—	—	(874)
Payments on joint venture borrowings	(736)	—	—	—	(736)
Net cash provided by financing activities	7,240	—	—	—	7,240
Effect of exchange rate changes	(802)	—	—	—	(802)
1999					
Balance Sheet Data:					
Cash and cash equivalents	$ 2,569	$ 1,963	$ 683	$ —	$ 5,215
Notes and accounts receivable	34,973	2,606	5,136	—	42,715
Current assets	39,130	4,608	5,837	—	49,575
Leaseholds and equipment, net	17,204	9,263	6,192	—	32,659
Cost in excess of net assets acquired, net	19,536	92,590	2,797	—	114,923

Investment in subsidiaries	102,639	—	—	(102,639)	—
Total assets	187,655	112,225	16,029	(102,639)	213,270
Accounts payable	15,860	5,962	3,467	—	25,289
Current liabilities	41,423	10,439	9,893	—	61,755
Long-term borrowings, excluding current portion	160,667	371	5,103	—	166,141
Redeemable preferred stock	49,280	—	—	—	49,280
Common stock subject to put/call rights	4,589	—	—	—	4,589
Total stockholders' equity (deficit)	(76,402)	98,889	541	(102,639)	(79,611)
Total liabilities and stockholders' equity	187,655	112,225	16,029	(102,639)	213,270
Income Statement Data:					
Parking services revenue	$ 107,555	$ 99,551	$ 40,793	—	$ 247,899
Gross profit	25,149	24,278	5,378	—	54,805
Other special charges	5,577	—	—	—	5,577
Depreciation and amortization	4,492	3,828	1,023	—	9,343
Operating income (loss)	10,839	(7,219)	3,812	—	7,432
Interest expense (income) net	15,225	(86)	545	—	15,684
Equity in earnings of subsidiaries	(4,700)	—	—	4,700	—
Operating income (loss)	(9,472)	(7,133)	2,433	4,700	(9,472)
Interest expense (income) net					
Net cash used in operating activities	$ (15,769)	$ (1,740)	$ (200)	$ —	$ (17,709)
Investing activities:					
Purchase of leaseholds and equipment	(7,126)	(3,135)	—	—	(10,261)
Purchase of leaseholds and equipment JV	—	—	(339)	—	(339)
Businesses acquired	(3,181)	—	—	—	(3,181)
Other	250	—	—	—	250
Net cash used in investing activities	(10,057)	(3,135)	(339)	—	(13,531)
Financing activities:					
Proceeds from long-term borrowings	$ 18,100	$ —	$ —	$ —	$ 18,100

Payments on long-term borrowings	(1,660)	—	—	—	(1,660)
Proceeds from joint venture borrowings	1,281	—	—	—	1,281
Payments on joint venture Borrowings	(558)	—	—	—	(558)
Payments of debt issuance costs	(319)	—	—	—	(319)
Net cash provided by financing activities	16,844	—	—	—	16,844
Effect of exchange rate changes	428	—	—	—	428

Note K. Legal Proceedings

The Company is subject to various claims and legal proceedings which consist principally of lease and contract disputes and includes litigation with The County of Wayne relating to the management of parking facilities at the Detroit Metropolitan Airport. These claims and legal proceedings are considered routine, and incidental to the Company's business, and in the opinion of management, the ultimate liability with respect to these proceedings and claims will not materially affect the financial position, operations, or liquidity of the Company.

Note L. Quarterly Results (Unaudited)

The following tables contain selected unaudited Statement of Operations information for each quarter of 2001, 2000 and 1999. The Company believes that the following information reflects all normal recurring adjustments necessary for a fair presentation of the information for the periods presented. The operating results for any quarter are not necessarily indicative of results for any future period.

	Year Ended December 31, 2001			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Revenue	$ 60,787	$ 58,790	$ 62,557	$ 61,680
Gross Profit	15,348	13,174	14,426	14,039
Net Loss	(26,933)	(5,528)	(1,179)	(1,814)

	Year Ended December 31, 2000			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Revenue	$ 64,207	$ 63,117	$ 62,067	$ 63,091
Gross Profit	15,461	15,137	15,376	14,163
Net Loss	(6,060)	(2,311)	(1,199)	(1,911)

	Year Ended December 31, 1999			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Revenue	$ 63,924	$ 60,276	$ 62,830	$ 60,869
Gross Profit	13,425	14,735	13,675	12,970
Net (Loss) Income	(7,637)	(1,205)	(730)	100

APCOA/STANDARD PARKING, INC.

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS
(In Thousands)

	Balance at Beginning of Year	Additions: Charged to and Costs Expenses	Additions: Charged to Other Accounts	Deductions(1)	Balance at End of Year
Year ended December 31, 1999:					
Deducted from asset accounts Allowance for doubtful accounts	$ 1,743	$ 873	$ —	$ (315)	$ 2,301
Year ended December 31, 2000:					
Deducted from asset accounts Allowance for doubtful accounts	2,301	—	482	(727)	2,056
Year ended December 31, 2001:					
Deducted from asset accounts Allowance for doubtful accounts	2,056	(93)	—	(675)	1,288

(1) Represents uncollectible account written off, net of recoveries.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

APCOA/STANDARD PARKING, INC.

By: /s/ JAMES A. WILHELM

James A. Wilhelm
Director, President and Chief Executive Officer

Date:

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ JAMES A. WILHELM James A. Wilhelm	Director, President and Chief Executive Officer (Principal Executive Officer)	March 27, 2002
/s/ G. MARC BAUMANN G. Marc Baumann	Executive Vice President, Chief Financial Officer, and Treasurer (Principal Financial and Accounting Officer)	March 27, 2002
/s/ JOHN V. HOLTEN John V. Holten	Director and Chairman	March 27, 2002
/s/ GUNNAR E. KLINTBERG Gunnar E. Klintberg	Director and Vice President	March 27, 2002
/s/ ROBERT N. SACKS Robert N. Sacks	Executive Vice President, General Counsel and Secretary	March 27, 2002

INDEX TO EXHIBITS

Exhibit Number	Description	Sequentially Numbered Page
2.1	Combination Agreement, dated as of January 15, 1998, by and between APCOA,	

Inc. and the Standard Owners (incorporated by reference to Exhibit 2.1 to the Company's Registration Statement on Form S-4 (No. 333-50437) filed on April 17, 1998, as amended on June 9, 1998, July 15, 1998, August 11, 1998 and August 14, 1998 (the "Registration Statement")).

3.1 Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Registration Statement).

3.2 Amended and Restated By-Laws of the Company dated as of December 29, 2000 (incorporated by reference to Exhibit 3.3 to the Company's annual report on Form 10-K filed for December 31, 2000)

3.5 Certificate of designations, preferences and relative, participating, optional and other special rights of qualifications, limitations and restrictions thereof of 18% convertible redeemable Series D preferred stock of the Company dated January 10, 2002.

4.1 Indenture, dated as of March 30, 1998, amended as of July 6, 1998 and September 21, 1998, by and among the Company, the Subsidiary Guarantors and State Street Bank and Trust Company (incorporated by reference to Exhibit 4.1 to the Registration Statement).

4.2 Form of $9^{1}/_{4}$% Note (included as Exhibit A to Exhibit 4.1).

4.3 Form of $9^{1}/_{4}$% Note Guarantee (included as Exhibit D to Exhibit 4.1).

4.4 Supplemental Indenture, dated as of January 12, 1999 by and among the Company, the Subsidiary Guarantors and State Street Bank and Trust Company (incorporated by reference to Exhibit 4.4 to the Company's Annual Report on Form 10-K filed for December 31, 1998).

4.5 Supplemental Indenture, dated as of September 21, 1998, among Virginia Parking Service, Inc., the Company, and State Street Bank and Trust Company (incorporated by reference to Exhibit 4.5 to the Company's Annual Report on Form 10-K filed for December 31, 1998).

4.6 Supplemental Indenture, dated as of July 6, 1998, among S&S Parking, Century Parking, Inc. and Sentry Parking Corporation, the Company, and State Street Bank and Trust Company (incorporated by reference to Exhibit 4.6 to the Company's Annual Report on Form 10-K filed for December 31, 1998).

4.15 Indenture governing the Company's 14% senior subordinated second lien notes due 2006, dated as of January 11, 2002, by and among the Company, the subsidiary guarantors and State Street Bank and Trust Company.

4.16 Form of the Company's 14% senior subordinated second lien note due 2006 (included in Exhibit 4.15 hereto).

4.17 Form of the Company's 14% senior subordinated second lien note guaranteed due 2006 (included in Exhibit 4.15 hereto).

10.1 Registration Rights Agreement, dated as of March 30, 1998, by and among the Company, the Subsidiary Guarantors, Donaldson, Lufkin & Jenrette Securities Corporation and First Chicago Capital Markets, Inc. (incorporated by reference to Exhibit 10.1 to the Registration Statement).

10.2 Credit Agreement, dated as of March 30, 1998, by and among the Company, The First National Bank of Chicago, as Agent and Lender, and the Other Institutions party thereto (incorporated by reference to Exhibit 10.2 to the Registration Statement).

10.3 Stockholders' Agreement, dated as of March 30, 1998, by and among Dosher Partners, L.P., SP Associates and Holberg, AP Holdings and the Company (incorporated by reference to Exhibit 10.3 to the Registration Statement).

10.4 Consent and Joinder to Stockholders' Agreement dated as of October 1, 1998, by and among the Company, Dosher Partners, L.P., SP Associates, Holberg, AP Holdings and Waverly (incorporated by reference to Exhibit 10.4 to the Company's Annual Report on Form 10-K filed by December 31, 1998).

10.5 Stockholders' Agreement, dated as of April 14, 1989, by and among AP Holdings, Holberg and each member of the management of the Company who is a stockholder of AP Holdings (incorporated by reference to Exhibit 10.4 to the Registration Statement).

10.7 Employment Agreement between the Company and Myron C. Warshauer (incorporated by reference to Exhibit 10.6 to the Registration Statement).

10.10 Employment Agreement between the Company and Michael K. Wolf (incorporated by reference to Exhibit 10.12 to the Registration Statement).

10.11 Deferred Compensation Agreement between the Company and Michael K. Wolf (incorporated by reference to Exhibit 10.13 to the Registration Statement).

10.12 Company Retirement Plan for Key Executive Officers (incorporated by reference to Exhibit 10.14 to the Registration Statement).

10.13 Consulting Agreement between the Company and Sidney Warshauer (incorporated by reference to Exhibit 10.15 to the Registration Statement).

10.14 Employment Agreement between the Company and James A. Wilhelm (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K filed for December 31, 1998).

10.16 Letter Agreement between the Company and The First National Bank of Chicago as Agent and Lender, dated March 30, 1999 (incorporated by reference to Exhibit 10.16 to the Company's Annual Report on Form 10-K filed for December 31, 1998).

10.17 Employment Agreement between the Company and Steven Warshauer (incorporated by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K filed for December 30, 1999).

10.22 Second Amendment to Employment Agreement between the Company and Michael K. Wolf dated December 6, 2000. (incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10K field for December 31, 2000.

10.23 Employment Agreement between the Company and Herbert W. Anderson Jr. (incorporated by reference to Exhibit 10.10 to the Registration Statement).

10.24 Employment Agreement between the Company and Robert N. Sacks dated May 18, 1998.

10.25 First Amendment to the Employment Agreement between the Company and Robert N. Sacks dated November 7, 2001.

10.26 Employment Agreement between the Company and G. Marc Baumann dated October 9, 2000.

10.27 Amended and Restated Employment Agreement between the Company and G. Marc Baumann dated October 1, 2001.

10.28 Stock option plan between the Company and eligible executives, employees, directors and/or consultants.

10.29 Exchange Agreement by and between the Company and AP Holdings dated March 11, 2002.

10.30 Exchange and Amendment Agreement by and between the Company and Fiducia, Ltd. dated November 20, 2001.

10.31 Amended and Restated Dealer Manager and Consent Solicitation Agreement between the Company and Credit Suisse First Boston Corporation dated December 19, 2001.

10.32 Stock Option Agreement by and between the Company and Myron C. Warshauer dated March 30, 1998.

10.33 Second Amendment to the Employment Agreement between the Company and James A. Wilhelm dated October 18, 2001.

10.34 Third Amendment to the Employment Agreement between the Company and

James A. Wilhelm dated January 31, 2002.

10.35 Consulting Engagement Agreement dated January 11, 2002 between the Company and AP Holdings.

10.36 Consulting Agreement dated October 16, 2001 between the Company and Shoreline Enterprises.

10.37 Amended and Restated Senior Credit Agreement dated January 11, 2002 by and among the Company, the Lenders and LaSalle Bank, N.A., as agent for the Lenders.

10.38 Technical correction of the Amended and Restated Senior Credit Agreement dated February 2, 2002 by and among the Company, the Lenders and LaSalle Bank, N.A., as agent for the Lenders.

21.1 Subsidiaries of the Company.

(b) Reports on Form 8-K

On November 6, 2001, the Company filed a Form 8-K under Item 5.

On November 15, 2001, the Company filed a Form 8-K under Item 9

On November 21, 2001, the Company filed a Form 8-K under Item 5.

On December 27, 2001, the Company filed a Form 8-K under Item 5.

QuickLinks

CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL AND OTHER SPECIAL RIGHTS OF PREFERRED STOCK AND QUALIFICATIONS, LIMITATIONS AND RESTRICTIONS THEREOF

OF

18% SENIOR CONVERTIBLE REDEEMABLE SERIES D PREFERRED STOCK

OF

APCOA/STANDARD PARKING, INC.

Pursuant to Section 151 of the
General Corporation Law of the State of Delaware

APCOA/Standard Parking, Inc. (the "COMPANY"), a corporation organized and existing under the General Corporation Law of the State of Delaware (the "DGCL"), does hereby certify that, pursuant to the provisions of Section 151 of the DGCL, the Company's Board of Directors has adopted the following resolution, which resolution remains in full force and effect as of the date hereof:

WHEREAS, the Board of Directors of the Company (the "BOARD") is authorized, within the limitations and restrictions stated in the Company's Amended and Restated Certificate of Incorporation (the "CERTIFICATE OF INCORPORATION"), to fix by resolution or resolutions the designation of each series of Preferred Stock of the Company (the "PREFERRED STOCK") and the powers, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof, including, without limiting the generality of the foregoing, such provisions as may be desired concerning voting, redemption, dividends, dissolution or the distribution of assets, conversion or exchange, and such other subjects or matters as may be fixed by resolution or resolutions of the Board under the DGCL; and

WHEREAS, it is the desire of the Board, pursuant to its authority as aforesaid, to designate and fix the powers, preferences and relative, participating, optional and other special rights, and the qualifications, limitations and restrictions of a series of the Preferred Stock and the number of shares constituting such series.

NOW, THEREFORE, BE IT RESOLVED, that there is hereby authorized and designated such a series of the Preferred Stock and that the Board hereby fixes the designations, powers, preferences and relative, participating, optional and other special rights, and the qualifications, limitations and restrictions thereof as herein set forth:

1. DESIGNATION. The designation of the series of the Preferred Stock authorized by this resolution shall be "18% Senior Convertible Redeemable Series D Preferred Stock" (the "SERIES D STOCK"). The number of shares of Series D Stock authorized for issuance shall be 17,500, and each such share shall have a par value of $0.01.

2. RANK. The Series D Stock shall, with respect to dividend rights and rights on liquidation, rank (a) junior to, or on a parity with, as the case may be, any other series of the Preferred Stock established by the Board, the terms of which shall specifically provide that such series shall rank senior to, or on parity with, as the case may be, the Series D Stock with respect to dividend rights and rights on liquidation, (b) senior to the existing Series C Preferred Stock of the Company (the "SERIES C STOCK"), and (c) senior to any other equity securities of the Company, including all classes of Company Common Stock. (All of such equity securities of the Company to which the Series D Stock ranks prior, including the Series C Stock and all classes of Company Common Stock, are at times collectively referred to herein as the "JUNIOR SECURITIES").

3. DIVIDENDS. (a) The holders of record of shares of Series D Stock on the record date specified by the Board at the time such dividend is declared shall be entitled to receive, when, as and if declared by the Board, to the extent permitted under the DGCL, preferred dividends cumulative quarterly and payable on the first day of March, June, September and December (each such day being a "DIVIDEND PAYMENT DATE"); PROVIDED, that such record date shall not be more than sixty (60) days nor less than ten (10) days prior to the respective Dividend Payment Date; PROVIDED, FURTHER, that such dividends may, at the option of the Board, accrue and accumulate. Each of such dividends shall be fully cumulative and shall accrue (whether or not declared, whether or not the Company has earnings or profits, and whether or not there are funds legally available for the payment of such dividends), without interest, from the first day of each of March, June, September and December, except that with respect to the first dividend, such dividend shall accrue from the date of the issuance of the Series D Stock. The per annum dividend rate on outstanding shares shall be 18% per

share, of which 3% may, at the option of the Board, be paid in cash and the remaining 15% shall accrue and accumulate until paid; PROVIDED, that the Company may not pay any portion of such dividend in cash until on or after December 15, 2002. The Company shall take all actions required or permitted under the DGCL to permit the payment of dividends on the Series D Stock, including, without limitation, through the revaluation of its assets in accordance with the DGCL, to make or keep funds legally available for the payment of dividends.

(b) (i) All dividends paid with respect to shares of Series D Stock pursuant to paragraph (3)(a) shall be paid PRO RATA to the holders entitled thereto. Dividends will be computed on the basis of a 360-day year comprised of twelve 30-day months.

(c) Each fractional share of Series D Stock outstanding shall be entitled to a ratably proportionate amount of all dividends accruing with respect to each outstanding share of Series D Stock pursuant to Paragraph (3)(a) hereof, and all such dividends with respect to such outstanding fractional shares shall be fully cumulative and shall accrue (whether or not declared) without interest, and shall be payable in the same manner and at such times as provided for in Paragraph (3)(a) hereof with respect to dividends on each outstanding share of Series D Stock.

(d) Notwithstanding anything contained herein to the contrary, no cash dividends on shares of Series D Stock shall be declared by the Board or paid or set apart for payment by the Company at such time as the terms and provisions of any agreement of the Company, including any agreement relating to its indebtedness, specifically prohibits such declaration, payment or setting apart for payment; PROVIDED, that nothing herein contained shall

in any way or under any circumstance be construed or deemed to require the Board to declare, or the Company to pay or set apart for payment, any dividends on shares of Series D Stock at any time, whether or not permitted by any of such agreements.

(e) If at any time the Company shall have failed to pay all dividends that have accrued on any outstanding shares of any other series of the Preferred Stock having cumulative dividend rights ranking prior to or on parity with the shares of Series D Stock at the times such dividends are payable, no cash dividend shall be declared by the Board or paid or set apart for payment by the Company on shares of Series D Stock unless prior to or concurrently with such declaration, payment or setting apart for payment, all accrued and unpaid dividends on all outstanding shares of such other series of the Preferred Stock shall have been or be declared, paid or set apart for payment, without interest; PROVIDED, that in the event such failure to pay accrued dividends is only with respect to the outstanding shares of Series D Stock and any outstanding shares of any other series of the Preferred Stock having cumulative dividend rights on parity with the shares of Series D Stock, subject to Paragraph 3(d) above, cash dividends may be declared, paid or set apart for payment, without interest, PRO RATA on shares of Series D Stock and shares of such other series of the Preferred Stock so that the amount of any cash dividends declared, paid or set apart for payment on shares of Series D Stock and shares of such other series of the Preferred Stock shall in all cases bear to each other the same ratio that, at the time of such declaration, payment or setting apart for payment, all accrued but unpaid cash dividends on shares of Series D Stock and shares of such other series of the Preferred Stock bear to each other. Any dividend not paid pursuant to Paragraph (3)(a) hereof or this Paragraph (3)(e) shall be fully cumulative and shall accrue (whether or not declared), without interest, as set forth in Paragraph (3)(a) hereof.

(f) Holders of shares of Series D Stock shall be entitled to receive the dividends provided for in Paragraph (3)(a) hereof in preference to and in priority over any dividends upon any of the Junior Securities.

(g) So long as any shares of Series D Stock are outstanding, the Company shall not declare, pay or set apart for payment any dividend on any of the Junior Securities or any warrants, rights, calls or options exercisable for any of the Junior Securities, or make any distribution in respect thereof, either directly or indirectly, and whether in cash, obligations or shares of the Company or other property (other than pursuant to the conversion rights set forth herein and other than distributions or dividends in stock to the holders of such stock), and shall not permit any corporation or other entity directly or indirectly controlled by the Company to purchase or redeem any of the Junior Securities or any warrants, rights, calls or options exercisable for any of the Junior Securities, UNLESS prior to or concurrently with such declaration, payment, setting apart for payment, purchase or distribution, as the case may be, all accrued and unpaid cash dividends on shares of Series D Stock not paid on the dates provided for in Paragraph (3)(a) hereof (including if not paid pursuant to the terms and conditions of paragraph (3)(a) or Paragraph (3)(e) hereof) shall have been or be paid; PROVIDED, that the Company may declare dividends on the Series C Stock and pay such dividends in cash so long as at the time of each such declaration, all dividends on the Series D Stock shall have been timely and properly declared; PROVIDED, FURTHER, that nothing herein contained shall limit or restrict the Company or any corporation or other entity

directly or indirectly controlled by the Company from purchasing, redeeming or otherwise retiring any securities of the Company, including any Junior Securities

and any warrants, rights, calls or options exercisable for any of the Junior Securities, (I) issued to any individual who was or is an employee or officer of the Company or any of its subsidiaries, or (II) that are subject to any stockholders agreement, any agreement providing for put/call rights or any similar agreement to which the Company or any of its subsidiaries is a party, which agreement provides for such purchase, redemption or retirement.

(h) Subject to the foregoing provisions of this Paragraph 3, the Board may declare, and the Company may pay or set apart for payment, dividends and other distributions on any of the Junior Securities, and pay, purchase or otherwise redeem any of the Junior Securities or any warrants, rights or options exercisable for any of the Junior Securities, and the holders of the shares of Series D Stock shall not be entitled to share therein.

4. LIQUIDATION PREFERENCE. (a) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, the holders of shares of Series D Stock then outstanding shall be entitled to be paid out of the assets of the Company available for distribution to its stockholders an amount in cash equal to ten thousand dollars ($10,000) for each share outstanding (the "LIQUIDATION AMOUNT") plus an amount in cash equal to all accrued but unpaid dividends thereon to the date fixed for liquidation, before any payment shall be made or any assets distributed to the holders of any of the Junior Securities; PROVIDED, that the holders of outstanding shares of Series D Stock shall not be entitled to receive such liquidation payment until the liquidation payments on all outstanding shares of any other series of the Preferred Stock having liquidation rights ranking prior to the shares of Series D Stock shall have been paid in full. If the assets of the Company are not sufficient to pay in full the liquidation payments payable to the holders of outstanding shares of Series D Stock and any outstanding shares of any other series of the Preferred Stock having liquidation rights on parity with the shares of Series D Stock, then the holders of all such shares shall share ratably in such distribution of assets in accordance with the amount which would be payable on such distribution if the amounts to which the holders of outstanding shares of Series D Stock and the holders of outstanding shares of such other series of the Preferred Stock are entitled were paid in full. The consolidation or merger of the Company with another entity shall not be deemed a voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company and shall not give rise to any rights provided for in this Paragraph 4.

(b) The liquidation payment with respect to each fractional share of Series D Stock outstanding or accrued but unpaid shall be equal to a ratably proportionate amount of the liquidation payment with respect to each outstanding share of Series D Stock.

5. REDEMPTION. (a) OPTIONAL.

(I) Shares of Series D Stock may be redeemed, in whole or from time to time in part, at the election of the Company (the "OPTIONAL REDEMPTION"), at a redemption price per share in cash (the "REDEMPTION PRICE") equal to 118% of (x) the then-effective Liquidation Amount applicable to such share (treating the applicable date of redemption as the date of liquidation, dissolution or winding-up for such purpose) and (y) all accrued but unpaid dividends thereon.

(II) Shares of Series D Stock may be redeemed, in whole or from time to time in part, at a price per share equal to the then-effective Redemption Price at the election of the holder thereof or the Company, upon the occurrence of a Change of Control (as defined below) (a "CHANGE OF CONTROL REDEMPTION"), in which case the Redemption Price shall be paid in cash; PROVIDED, that if, upon the occurrence of a Change of Control Redemption, (x) the Company does not have sufficient funds available to pay the Redemption Price in cash, and (y) the parties to the Credit Agreement have not foreclosed or exercised their right to vote the shares of capital stock that have been pledged to such parties as collateral under the Credit Agreement, then holders of a majority of the shares of Series D Stock shall have the right to appoint a number of directors to the Board equal to the then-current number of directors plus one, and the Board shall take all action necessary, including amending the by-laws of the Company, to ensure that such appointments are valid and effective; PROVIDED, FURTHER, that the Company shall not be required to make a Change of Control Redemption if such a redemption would be prohibited by the terms of the 9-1/4% Notes, the New Notes or the Credit Agreement. If the Redemption Price payable in respect of a Change of Control Redemption shall not be paid in cash, the Board shall promptly declare a special dividend, payable in shares of Series D

Stock, in an amount equal to the excess of the then-effective Redemption Price over the Liquidation Amount.

(III) Upon the occurrence of an IPO (an "IPO REDEMPTION"), each share of Series D Stock may, at the election of the Company, be redeemed for an amount in cash equal to the then-effective Redemption Price.

(b) MANDATORY. On June 15, 2008 (the "MANDATORY REDEMPTION DATE"), the Company shall redeem (subject to the legal availability of funds therefor) all outstanding shares of Series D Stock at the then-effective Redemption Price, payable in cash.

(c) ALLOCATION. If the Company elects to make an Optional Redemption, a Change of Control Redemption or an IPO Redemption, the Company may redeem all or any number of the shares of Series D Stock then outstanding. If the Company shall elect to redeem less than all of the shares of Series D Stock then outstanding, the Company shall determine the number of shares of Series D Stock to be redeemed and shall redeem from each holder a number of shares of Series D Stock equal to the product of (i) the number of shares of Series D Stock held by such holder multiplied by (ii) a fraction, the numerator of which shall be the number of shares of Series D Stock included in such redemption by the Company and the denominator of which shall be the total number of shares of Series D Stock then outstanding.

6. CONVERSION. If, upon the occurrence of an IPO, the Company does not redeem shares of Series D Stock pursuant to Paragraph 5(a)(III), at the election of the Company or, if the Company does not make such an election, at the election of the holder thereof, all of such holder's shares of Series D Stock shall be converted into a number of shares of Company Common Stock equal to the quotient of the then-effective Redemption Price divided by the price per share at which shares of Company Common Stock are sold in such IPO (a "CONVERSION").

7. PROCEDURE FOR REDEMPTION AND CONVERSION.

(a) REDEMPTION.

(I) In the event the Company shall redeem shares of Series D Stock, notice of such redemption shall be given by first class mail, postage prepaid, mailed not less than 30 days nor more than 60 days prior to the redemption date, to each holder of record of the shares to be redeemed, at such holder's address as the same appears on the stock register of the Company. Each such notice shall state: (v) the redemption date; (w) the number of shares of Series D Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of shares to be redeemed from such holder; (x) the Redemption Price; (y) the place or places where certificates for such shares are to be surrendered for payment of the Redemption Price; and (z) that dividends on the shares to be redeemed will cease to accrue on such redemption date.

(II) Notice having been mailed as aforesaid, from and after the redemption date (unless default shall be made by the Company in providing money for the payment of the redemption price of the shares called for redemption) dividends on the shares of Series D Stock so called for redemption shall cease to accrue, and said shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as stockholders of the Company (except the right to receive from the Company the Redemption Price) shall cease. Upon surrender in accordance with said notice of the certificates for any shares so redeemed (properly endorsed or assigned for transfer, if the Board shall so require and the notice shall so state), such shares shall be redeemed by the Company at the redemption price aforesaid. In case fewer than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without cost to the holder thereof.

(b) CONVERSION.

(I) In the event the Company or the holder thereof shall elect to convert shares of Series D Stock in connection with an IPO, notice of such Conversion shall be given by the party making such election by first class mail, postage prepaid, mailed not less than 30 days nor more than 60 days prior to the Conversion date, to (i) each holder of record of the shares to be converted, at such holder's address as the same appears on the stock register of the Company, if the Company shall be the party electing to convert shares, or (ii) to the Company, if a holder shall be the party electing to convert shares. Each such notice shall state: (v) the Conversion date; (w) the number of shares of Series D Stock to be converted; (x) the Redemption Price; (y) the place or places where certificates for such shares are to be surrendered for Conversion of such shares;

and (z) that dividends on the shares to be converted will cease to accrue on such Conversion date.

(II) Notice having been mailed as aforesaid, from and after the Conversion date dividends on the shares of Series D Stock so called for conversion shall cease to accrue, and said shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as holders of Series D Stock the Company (except the right to receive from the Company the number of shares of Company Common Stock applicable to such Conversion) shall cease. Upon surrender in accordance with said notice of the certificates for any shares so converted (properly endorsed or assigned for transfer, if the Board shall so require and the notice shall so state), a new certificate for the shares of Company Common Stock into which such shares of Series D Stock are converted shall be issued.

8. VOTING RIGHTS.

(a) The holders of record of Series D Stock shall not be entitled to any voting rights except as hereinafter provided in this Paragraph 8.

(b) So long as any shares of Series D Stock are outstanding, the Company will not, without the affirmative vote or consent at an annual or special meeting of its stockholders of at least a majority of the outstanding shares of Series D Stock (excluding treasury shares and shares held by Subsidiaries of the Company) voting as a separate class, create any class or series of shares ranking senior to the Series D Stock either as to dividends or upon liquidation, or amend, alter or repeal (whether by merger, consolidation or otherwise) the Certificate of Incorporation to affect adversely the voting powers (except as such powers may be limited by the voting rights given to additional shares of any class), rights or preferences of the Series D Stock.

(c) At any annual or special meeting of the stockholders of the Company at which a matter is submitted to the holders of Series D Stock, each holder shall be entitled to one vote per share of Series D Stock.

9. CERTAIN ADDITIONAL PROVISIONS. The Company shall comply with each of the covenants set forth below. If at any time the Company breaches any of such covenants (an "EVENT OF DEFAULT"), holders of a majority of the shares of Series D Stock shall have the right to appoint one (1) director to the Board and the Board shall take all action necessary, including amending the by-laws of the Company, to ensure that such appointment is valid and effective.

(a) LIMITATION ON ISSUANCES OF CAPITAL STOCK OF WHOLLY OWNED RESTRICTED SUBSIDIARIES. The Company (i) shall not, and shall not permit any Wholly Owned Restricted Subsidiary of the Company to, transfer, convey, sell, lease or otherwise dispose of any Capital Stock of any Wholly Owned Subsidiary of the Company to any Person (other than the Company or a Wholly Owned Restricted Subsidiary of the Company), unless (A) such transfer, conveyance, sale, lease or other disposition is of all the Capital Stock of such Wholly Owned Restricted Subsidiary, and (B) the cash Net Proceeds from such transfer, conveyance, sale, lease or other disposition are applied in accordance with Paragraph 9(g) of this Certificate of Designation, and (ii) will not permit any Wholly Owned Restricted Subsidiary of the Company to issue any of its

Equity Interests (other than, if necessary, shares of its Capital Stock constituting directors' qualifying shares) to any Person other than to the Company or a Wholly Owned Restricted Subsidiary of the Company.

(b) BUSINESS ACTIVITIES. The Company shall not, and shall not permit any Restricted Subsidiary to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Company and its Restricted Subsidiaries taken as a whole.

(c) RESTRICTED PAYMENTS.

(i) From and after the date of the first issuance of Series D Stock the Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(A) declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company);

(B) purchase, redeem or otherwise acquire or retire for value (including without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or any direct or indirect parent of the Company;

(C) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is PARI PASSU with or subordinated to the 9-1/4% Notes (other than the 9-1/4% Notes), except a payment of interest or principal at Stated Maturity; or

(D) make any Restricted Investment (all such payments and other actions set forth in these clauses (A) through (D) above being collectively referred to as "RESTRICTED PAYMENTS"),

unless, at the time of and after giving effect to such Restricted Payment:

(A) no Event of Default would occur as a consequence thereof;

(B) the Company would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Paragraph 9(e) hereof; and

(C) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Subsidiaries after the date of the

first issuance of Series D Stock (excluding Restricted Payments permitted by clauses (B) and (C) of paragraph (ii) below), is less than the sum of:

(1) 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period) from the beginning of the first fiscal quarter commencing after the date of the first issuance of Series D Stock to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit), plus

(2) 100% of the aggregate net cash proceeds received by the Company from the issue or sale since the date of the first issuance of Series D Stock of Equity Interests of the Company (other than Disqualified Stock) or of Disqualified Stock or debt securities of the Company that have been converted into such Equity Interests (other than Equity Interests (or Disqualified Stock or convertible debt securities) sold to a Subsidiary of the Company and other than Disqualified Stock or convertible debt securities that have been converted into Disqualified Stock), plus

(3) to the extent that any Restricted Investment that was made after the date of the first issuance of Series D Stock is sold for cash or otherwise liquidated or repaid for cash, the lesser of (x) the cash return of capital with respect to such Restricted Investment (less the cost of disposition, if any) and (y) the initial amount of such Restricted Investment, plus

(4) if any Unrestricted Subsidiary (x) is redesignated as a Restricted Subsidiary, the fair market value of such redesignated Subsidiary (as determined in good faith by the Board) as of the date of its redesignation or (y) pays any cash dividends or cash distributions to the Company or any of its Restricted Subsidiaries, 50% of any such cash dividends or cash distributions made after the date of the first issuance of Series D Stock.

(ii) The foregoing provisions will not prohibit:

(A) the payment of any dividend within 60 days after the date of declaration thereof, if at said date of declaration such payment would have complied with the provisions of this Certificate of Designation;

(B) the redemption, repurchase, retirement, defeasance or other acquisition of any PARI PASSU or subordinated Indebtedness or Equity Interests of the Company in exchange for,

or out of the net cash proceeds of the substantially concurrent sale or issuance (other than to a Restricted Subsidiary of the Company) of, other Equity Interests of the Company (other than any Disqualified Stock);

(C) the defeasance, redemption, repurchase or other acquisition of PARI PASSU or subordinated Indebtedness with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;

(D) the payment of any dividend by a Restricted Subsidiary of the Company to the holders of its Equity Interests on a PRO RATA basis;

(E) Investments in any Person (other than the Company or a Wholly Owned Restricted Subsidiary) engaged in a Permitted Business in an amount taken together with all other Investments made pursuant to this clause (E) that are at that time outstanding not to exceed $5.0 million;

(F) other Investments in Unrestricted Subsidiaries having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (F) that are at that time outstanding, not to exceed $2.0 million;

(G) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of Holdings or the Company held by any member of Holdings' or the Company's (or any of their Restricted Subsidiaries') management pursuant to any management equity subscription agreement or stock option agreement or in connection with the termination of employment of any employees or management of Holdings or the Company or their Subsidiaries; PROVIDED, that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests shall not exceed $2.0 million in the aggregate plus the aggregate cash proceeds received by Holdings or the Company after the date of the first issuance of Series D Stock from any reissuance of Equity Interests by Holdings or the Company to members of management of Holdings or the Company and their Restricted Subsidiaries; and

(I) other Restricted Payments in an aggregate amount not to exceed $10.0 million.

The Board may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if such designation would not cause an Event of Default; PROVIDED, that in no event shall the business currently operated by any Subsidiary Guarantor be transferred to or held by an Unrestricted Subsidiary. For purposes of making such determination, all outstanding Investments by the Company and its Restricted Subsidiaries (except to the extent repaid in cash) in the Subsidiary so designated will be deemed to be Restricted Payments at the time of such designation and will reduce the amount available for Restricted Payments under clause (i) of this Paragraph 9(c). All such outstanding Investments will be deemed to constitute Investments in an amount equal to the fair market value of such Investments at the time of such designation (as determined in good faith by the Board). Such designation will only be permitted if such Restricted Payment would be permitted at such time and if such Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any non-cash Restricted Payment shall be determined in good faith by the Board, such determination to be based upon an opinion or

appraisal issued by an accounting, appraisal or investment banking firm of national standing if such fair market value exceeds $10.0 million.

(d) DIVIDENDS AND OTHER PAYMENT RESTRICTIONS AFFECTING RESTRICTED SUBSIDIARIES.

(i) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:

(A) (1) pay dividends or make any other distributions to the Company or any of its Restricted

Subsidiaries (x) on its Capital Stock or (y) with respect to any other interest or participation in, or measured by, its profits, or (2) pay any indebtedness owed to the Company or any of its Restricted Subsidiaries;

(B) make loans or advances to the Company or any of its Restricted Subsidiaries; or

(C) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries.

(ii) The encumbrances and restrictions in Paragraph 9(d)(i) will not apply to encumbrances or restrictions existing under or by reason of:

(A) Existing Indebtedness as in effect on the date of the first issuance of Series D Stock;

(B) the Credit Agreement as in effect as of the date of the first issuance of Series D Stock, and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof; PROVIDED, that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacement or refinancings are no more restrictive in the aggregate (as determined by the Credit Agent in good faith) with respect to such dividend and other payment restrictions than those contained in the Credit Agreement as in effect on the date of the first issuance of Series D Stock;

(C) the Indenture, the 9-1/4% Notes, the New Indenture or the New Notes;

(D) any applicable law, rule, regulation or order;

(E) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person,

so acquired; PROVIDED, that in the case of Indebtedness, such Indebtedness was permitted by the terms of this Certificate of Designation to be incurred;

(F) by reason of customary non-assignment provisions in leases entered into in the ordinary course of business and consistent with past practices;

(G) purchase money obligations for property acquired in the ordinary course of business that impose restrictions of the nature described in clause (C) of Paragraph 9(d)(i) above on the property so acquired;

(H) Permitted Refinancing Indebtedness; PROVIDED, that the material restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive than those contained in the agreements governing the Indebtedness being refinanced;

(I) contracts for the sale of assets, including without limitation customary restrictions with respect to a Subsidiary pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary; and

(J) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business.

(e) INCURRENCE OF INDEBTEDNESS AND ISSUANCE OF PREFERRED STOCK.

(i) The Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "INCUR") any Indebtedness (including Acquired Debt), and the Company will not issue any Disqualified Stock and will not permit any of its Subsidiaries to issue any shares of preferred stock; PROVIDED, that the Company may

incur Indebtedness (including Acquired Debt) or issue shares of Disqualified Stock, if the Fixed Charge Coverage Ratio for the Company's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock is issued would have been at least 2.0 to 1, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock had been issued, as the case may be, at the beginning of such four-quarter period.

(ii) The provisions of Paragraph 9(e)(i) will not apply the incurrence of any of the following items of Indebtedness (collectively, "PERMITTED DEBT"):

(A) the incurrence by the Company of additional Indebtedness and letters of credit pursuant to the Credit Agreement in an aggregate principal amount at any one time outstanding under this clause (A) (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Subsidiaries thereunder) not to exceed $40.0 million less

the aggregate amount of all Net Proceeds of Asset Sales applied to permanently repay Indebtedness under the Credit Agreement pursuant to the covenant described in Paragraph 9(g);

(B) the incurrence by the Company and its Restricted Subsidiaries of the Existing Indebtedness;

(C) the incurrence by the Company and the Subsidiary Guarantors of Indebtedness represented by the 9-1/4% Notes, the New Notes, the Note Guarantees and the New Note Guarantees, respectively;

(D) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in the business of the Company or such Restricted Subsidiary (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets), in an aggregate principal amount not to exceed $7.5 million;

(E) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness in connection with the acquisition of assets or a new Restricted Subsidiary; PROVIDED, that such Indebtedness was incurred by the prior owner of such assets or such Restricted Subsidiary prior to such acquisition by the Company or one of its Subsidiaries and was not incurred in connection with, or in contemplation of, such acquisition by the Company or one of its Subsidiaries; PROVIDED, FURTHER, that the principal amount (or accreted value, as applicable) of such Indebtedness, together with any other outstanding Indebtedness incurred pursuant to this clause (E), does not exceed $5.0 million;

(F) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace Indebtedness that was permitted to be incurred under Paragraph 9(e)(i) or clause (A), (B), (C), (D), (E) or (O) of this Paragraph 9(e)(ii);

(G) the incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company and any of its Wholly Owned Restricted Subsidiaries; PROVIDED, that:

(x) if the Company is the obligor on such Indebtedness and the payee is not a Subsidiary Guarantor, such Indebtedness is expressly subordinated to the prior payment in full in cash of all Obligations with respect to the 9-1/4% Notes; and

(y) (I) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Wholly Owned Restricted Subsidiary, and (II) any sale or

other transfer of any such Indebtedness to a Person that is not either the Company or a Wholly Owned Restricted Subsidiary shall be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be;

(H) the incurrence by the Company or any of its Restricted Subsidiaries of Hedging Obligations that are incurred for the purpose of fixing or hedging currency risk or interest rate risk with respect to any floating rate Indebtedness that is permitted by the terms of this Certificate of Designation to be outstanding;

(I) the guarantee by the Company or any of its Restricted Subsidiaries of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be incurred by another provision of this covenant;

(J) the incurrence by the Company's Unrestricted Subsidiaries of Non-Recourse Debt; PROVIDED, that if any such Indebtedness ceases to be Non-Recourse Debt of an Unrestricted Subsidiary, such event shall be deemed to constitute an incurrence of Indebtedness by a Restricted Subsidiary of the Company that was not permitted by this clause (J);

(K) Indebtedness incurred by the Company or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business, including without limitation to letters of credit in respect to workers' compensation claims or self-insurance, surety bonds or other Indebtedness with respect to reimbursement type obligations regarding workers' compensation claims; PROVIDED, that upon the drawing of such letters of credit or the incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or incurrence;

(L) Indebtedness arising from agreements of the Company or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the disposition of any business, asset or Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition; PROVIDED, that the maximum aggregate liability of all such Indebtedness shall at no time exceed 50% of the gross proceeds actually received by the Company;

(M) obligations in respect of performance and surety bonds and completion guarantees provided by the Company or any Restricted Subsidiary in the ordinary course of business;

(N) guarantees incurred in the ordinary course of business in an aggregate principal amount not to exceed $5.0 million; and

(O) the issuance by the Company or any of its Restricted Subsidiaries of Disqualified Stock and/or the incurrence by the Company or any of its

Restricted Subsidiaries of additional Indebtedness, including Attributable Debt incurred after the date of the first issuance of Series D Stock, in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any other Disqualified Stock or Indebtedness incurred pursuant to this clause (O), not to exceed $25.0 million (which amount may but need not be incurred, in whole or in part, in clause (A) above).

For purposes of determining compliance with this Paragraph 9(e), in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (A) through (O) above or is entitled to be incurred pursuant to Paragraph 9(e)(i), the Company shall, in its sole discretion, classify such item of Indebtedness in any manner that complies with this Paragraph 9(e) and such item of Indebtedness will be treated as having been incurred pursuant to only one of such clauses or pursuant to Paragraph 9(e)(i). The incurrence of Indebtedness pursuant to Paragraph 9(e)(i) described above shall not be classified as any of the items in clauses (A) through (O) above. Accrual of interest and the accretion of accreted value shall not be deemed to be an incurrence of Indebtedness for purposes of this covenant.

(f) TRANSACTIONS WITH AFFILIATES.

(i) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (each of the foregoing, an "AFFILIATE TRANSACTION"), unless such Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person.

(ii) The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of Paragraph 9(f)(i):

(A) any employment agreement entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business and consistent with the past practice of the Company or such Restricted Subsidiary;

(B) transactions between or among the Company and/or its Restricted Subsidiaries;

(C) Permitted Investments and Restricted Payments that are permitted by Paragraph 9(c) hereof;

(D) customary loans, advances, fees and compensation paid to, and indemnity provided on behalf of, officers, directors, employees or consultants of the Company or any of its Restricted Subsidiaries;

(E) annual management fees paid to Holdings, Steamboat and their affiliates and successor entities not to exceed $5.0 million in any one year;

(F) transactions pursuant to any contract or agreement in effect on the date of the first issuance of Series D Stock, as the same may be amended, modified or replaced from time to time so long as any such amendment, modification or replacement is no less favorable to the Company and its Restricted Subsidiaries than the contract or agreement as in effect on the date of the first issuance of Series D Stock or is approved by a majority of the disinterested directors of Holdings;

(G) transactions between the Company or its Restricted Subsidiaries on the one hand, and Holdings, Steamboat and their affiliates and successor entities on the other hand, involving the procuring or provision of financial or advisory services by Holdings, Steamboat and their affiliates and successor entities; PROVIDED, that fees and expenses payable to Holdings, Steamboat and their affiliates and successor entities do not exceed the usual and customary fees and expenses or similar services; and

(H) the insurance arrangements between Holdings and its Subsidiaries and an Affiliate of Holberg, Holdings or Steamboat that are not less favorable to the Company or any of its Subsidiaries than those that are in effect on the date of the first issuance of Series D Stock; PROVIDED, that such arrangements are conducted in the ordinary course of business consistent with past practices.

(g) ASSET SALES. The Company shall not, and shall not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(i) the Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of such Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of; and

(ii) at least 80% of the consideration therefor received by the Company on such Restricted Subsidiary is in the form of cash; PROVIDED, that the amount of:

(A) any liabilities (as shown on the Company's or such Restricted Subsidiary's most recent balance sheet) of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the 9-1/4% Notes or any guarantee thereof) that are assumed by the transferee of any such assets pursuant to a customary novation

agreement that releases the Company or such Restricted Subsidiary from further liability; and

(B) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash within 180 days (to the extent of the cash received), shall be deemed to be cash for purposes of this provision.

Within 360 days after the receipt of any Net Proceeds from an Asset Sale, the Company may apply such Net Proceeds, at its option:

(x) to repay permanently Senior Debt, (and to correspondingly reduce commitments with respect thereto in the case of revolving borrowings), or

(y) to the acquisition of a controlling interest in another business, the making of a capital expenditure or the acquisition of other long-term assets and parking facility agreements, in each case, in a Permitted Business.

Pending the final application of any such Net Proceeds, the Company may temporarily reduce the revolving Indebtedness under the Credit Agreement or otherwise invest such Net Proceeds in any manner that is not prohibited by the terms of the Indenture.

10. DEFINITIONS. For purposes of this Certificate of Designation, the following terms shall have the respective meaning set forth below:

"9-1/4% NOTES" shall mean the 9-1/4% Senior Subordinated Notes due 2008 of the Company, as amended.

"ACQUIRED DEBT" shall mean, with respect to any specified Person (i) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, including, without limitation, Indebtedness incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and (ii) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"AFFILIATE" of any specified Person shall mean any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," (including, with correlative meanings, the terms, "controlling," "controlled by" and "under common control with") as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; PROVIDED, that beneficial ownership of 10% or more of the voting securities of a Person shall be deemed to be control.

"AGENT" shall mean any registrar, paying agent or co-registrar.

"ASSET SALE" shall mean:

(i) the sale, lease, conveyance or other disposition of any assets or rights (including, without limitation, by way of a sale and leaseback) other than sales of inventory in the ordinary course of business consistent with past practices; and

(ii) the issuance or sale of Equity Interests by any of the Company's Restricted Subsidiaries.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(i) any single transaction or series of related transactions that involves assets having a fair market value, or for net proceeds, of less than $3.0 million;

(ii) a transfer of assets between or among the Company and its Wholly Owned Restricted Subsidiaries;

(iii) an issuance of Equity Interests by a Restricted Subsidiary to the Company, Holdings or to another Wholly Owned Subsidiary; and

(iv) a Restricted Payment or Permitted Investment that is permitted by Paragraph 9(c) hereof.

"ATTRIBUTABLE DEBT" in respect of a sale and leaseback transaction shall mean, at the time of determination, the present value (discounted at the rate of interest implicit in such transaction, determined in accordance with GAAP) of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction (including any period for which such lease has been extended or may, at the option of the lessor, be extended).

"BANKRUPTCY LAW" means Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

"BOARD OF DIRECTORS" shall mean (i) with respect to a corporation, the board of directors of the corporation; (ii) with respect to a partnership, the Board of Directors of the general partner of the partnership; and (iii) with respect to any other Person, the board or committee of such Person serving a similar function.

"CAPITAL LEASE OBLIGATION" shall mean, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized on a balance sheet in accordance with GAAP.

"CAPITAL STOCK" shall mean (i) in the case of a corporation, corporate stock; (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock; (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"CASH EQUIVALENTS" shall mean

(i) United States dollars;

(ii) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof having maturities of not more than six months from the date of acquisition;

(iii) certificates of deposit and eurodollar time deposits with maturities of six months or less from the date of acquisition, bankers' acceptances with

maturities not exceeding six months and overnight bank deposits, in each case, with any lender party to the Credit Agreement or with any domestic commercial bank having capital and surplus in excess of $500.0 million and a Thomson Bank Watch Rating of "B" or better;

(iv) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (ii) and (iii) above entered into with any financial institution meeting the qualifications specified in clause (iii) above; and

(v) commercial paper having the highest rating obtainable from Moody's Investors Service, Inc. or Standard & Poor's Corporation and, in each case, maturing within six months after the date of acquisition.

"CHANGE OF CONTROL" shall mean the occurrence of any of the following: (i) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of Holdings and its Subsidiaries or of the Company and its Subsidiaries, in each case, taken as a whole to any "person" (as such term is used in Section 13(d)(3) of the Exchange Act) other than the Principals or their Related Parties and Permitted Holders, (ii) the adoption of a plan relating to the liquidation or dissolution of Holdings or the Company, (iii) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as defined above), other than the Principals and their Related Parties and Permitted Holders, becomes the "beneficial owner" (as such term is defined in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition), directly or indirectly, of more than 50% of the Voting Stock of Holdings or the Company (measured by voting power rather than number of shares), (iv) the first day on which a majority of the members of the Board are not Continuing Directors or (v) Holdings or the Company consolidates with, or merges with or into, any Person or sells, assigns, conveys, transfers, leases or otherwise disposes of all or

substantially all of its assets to any Person, or any Person consolidates with, or merges with or into, Holdings or the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of Holdings or the Company is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of Holdings or the Company outstanding immediately prior to such transaction is converted into or exchanged for Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of such Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance).

"COMPANY COMMON STOCK" shall mean the shares of common stock, par value $0.01, of the Company.

"CONSOLIDATED NET INCOME" shall mean, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; PROVIDED, that:

(i) the Net Income (but not loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or distributions paid in cash to the specified Person or a Wholly Owned Restricted Subsidiary of the Person;

(ii) the Net Income of any Restricted Subsidiary will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary or its stockholders;

(iii) the Net Income of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition will be excluded;

(iv) the cumulative effect of a change in accounting principles will be excluded; and

(v) the Net Income of any Unrestricted Subsidiary will be excluded, whether or not distributed to the Company or one of its Restricted Subsidiaries for purposes of Paragraph 9(e) of this Certificate of Designation.

"CONTINUING DIRECTORS" shall mean, as of any date of determination, any member of the board of directors of such Person who (a) was a member of such board of directors on the date of the first issuance of Series D Stock or (b) was nominated for election or elected to such board of directors with the approval of a majority of the Continuing Directors who were members of such board at the time of such nomination or election.

"CREDIT AGENT" shall mean LaSalle Bank National Association, in its capacity as Agent for the lenders party to the Credit Agreement or any successor thereto or any person otherwise appointed.

"CREDIT AGREEMENT" shall mean that certain Credit Agreement, dated as of January 11, 2002, by and among the Company and LaSalle Bank National Association as Agent, LaSalle Bank National Association and Bank One, N.A., together with all related agreements, instruments and documents executed or delivered pursuant thereto at any time, in each case as such agreements, instruments and documents may be amended, restated, modified or supplemented and in effect from time to time, including any agreements, instruments or documents extending the maturity of, refinancing, replacing or otherwise restructuring all or any portion of the indebtedness and other obligations under such credit agreement or any successor or replacement agreement, whether by the same or any other agent, lender or group of lenders.

"CREDIT FACILITIES" shall mean, one or more debt facilities (including, without limitation, the Credit Agreement) or commercial paper facilities, in each case with banks or other institutional lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended,

restated, modified, renewed, refunded, replaced or refinanced in whole or in

part from time to time.

"CUSTODIAN" shall mean any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

"DISQUALIFIED STOCK" shall mean any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the 9-1/4% Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale shall not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Paragraph 9(c) hereof.

"EQUITY INTERESTS" shall mean Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"EXCHANGE ACT" shall mean the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

"EXISTING INDEBTEDNESS" shall mean Indebtedness of the Company and its Subsidiaries (other than Indebtedness under the Credit Agreement) in existence on the date of the first issuance of Series D Stock, until such amounts are repaid.

"GAAP" shall mean generally accepted accounting principles in the United States of America set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the date of the first issuance of Series D Stock.

"GUARANTEE" shall mean a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness.

"GUARANTOR" shall mean each of (i) the guarantors listed on the signature pages to the Indenture; and (ii) any other Subsidiary that executes a Note Guarantee in accordance with the provisions of the Indenture, and their respective successors and assigns

"HEDGING OBLIGATIONS" shall mean, with respect to any specified Person, the obligations of such Person under (i) interest rate swap agreements, interest rate cap agreements

and interest rate collar agreements; and (ii) other agreements or arrangements designed to protect such Person against fluctuations in interest rates or currency rates.

"HOLBERG" shall mean Holberg Industries, Inc., a Delaware corporation.

"HOLDINGS" shall mean AP Holdings, Inc., a Delaware corporation and the parent (but not 100% owner) of the Company.

"INDEBTEDNESS" shall mean, with respect to any specified Person, any indebtedness of such Person, whether or not contingent, (i) in respect of borrowed money; (ii) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof); (iii) in respect of banker's acceptances; (iv) representing Capital Lease Obligations; (v) representing the balance deferred and unpaid of the purchase price of any property, except any such balance that constitutes an accrued expense or trade payable; or (vi) representing any Hedging Obligations, if and to the extent any of the foregoing indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP as well as all indebtedness of others secured by a Lien on any asset of such Person (whether or not such indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by such Person of any indebtedness of any other Person.

The amount of any Indebtedness outstanding as of any date shall be (i) the accreted value thereof, in the case of any Indebtedness that does not require current payments of interest; and (ii) the principal amount thereof,

together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

Notwithstanding anything to the contrary, any put right, right of redemption or right of repurchase will, in any such case, for the purposes of this definition, not be treated as Indebtedness, no matter what the accounting treatment of said transaction may be. In addition, notwithstanding anything to the contrary, the carrying value (as determined in accordance with FASB 15) of any Indebtedness that has been redeemed shall not be deemed Indebtedness for purposes of this definition.

"INDENTURE" shall mean the Indenture, dated as of March 30, 1998, among the Company, the Subsidiary Guarantors and State Street Bank and Trust Company, as trustee thereunder, relating to the 9-1/4% Notes, as the same may be from time to time amended, supplemented and/or restated.

"INVESTMENT" shall mean, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If the Company or any Restricted Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of the Company such that, after giving effect to any such sale or

disposition, such Person is no longer a Restricted Subsidiary of the Company, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of the Equity Interests of such Restricted Subsidiary not sold or disposed of in an amount determined as provided in the second paragraph of Section 9(c)(ii). The acquisition by the Company or any Subsidiary of the Company of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Subsidiary in such third Person in an amount equal to the fair market value of the Investment held by the acquired Person in such third Person in an amount determined as provided in the second paragraph of Section 9(c)(ii).

"IPO" shall mean an initial public offering of shares of Company Common Stock registered under the Securities Act, whether for the sale of shares of Company Common Stock by the Company or by stockholders of the Company.

"LIEN" shall mean, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"NET INCOME" shall mean, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however: (i) any gain (but not loss), together with any related provision for taxes on such gain (but not loss), realized in connection with (A) any Asset Sale, including, without limitation, dispositions pursuant to sale and leaseback transactions; or (B) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries; and (ii) any extraordinary or nonrecurring gain (but not loss), together with any related provision for taxes on such extraordinary or nonrecurring gain (but not loss).

"NET PROCEEDS" shall mean the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements, and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP.

"NEW INDENTURE" shall mean the Indenture dated January 11, 2002 among the Company, the Subsidiary Guarantors and Wilmington Trust Company, as trustee thereunder, relating to the New Notes, as the same may be from time to time amended, supplemented and/or restated.

"NEW NOTE GUARANTEE" shall mean the Guarantee by each guarantor of the Company's payment obligations under the New Indenture and on the New Notes, executed pursuant to the provisions of the New Indenture.

"NEW NOTES" shall mean the 14% Senior Subordinated Second Lien Notes due 2006 of the Company, as the same may be amended, restated, modified or supplemented from time to time.

"NON-RECOURSE DEBT" shall mean Indebtedness (i) as to which neither the Company nor any of its Restricted Subsidiaries (A) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (B) is directly or indirectly liable (as a guarantor or otherwise), or (C) constitutes the lender; (ii) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness (other than the New Notes) of the Company or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and (iii) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Company or any of its Restricted Subsidiaries.

"NOTE GUARANTEE" shall mean the Guarantee by each Guarantor of the Company's payment obligations under the Indenture and on the 9-1/4% Notes, executed pursuant to the provisions of the Indenture.

"OBLIGATIONS" shall mean any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness, and in all cases whether now outstanding or hereafter created, assumed or incurred and including, without limitation, interest accruing subsequent to the filing of a petition in bankruptcy at the rate provided in the relevant document, whether or not an allowed claim, and any obligation to redeem or defease any of the foregoing.

"OFFICER" shall mean, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Vice-President of such Person.

"PERMITTED BUSINESSES" shall mean any of the businesses and any other businesses related to the businesses engaged in by the Company and its respective Restricted Subsidiaries on the date of the first issuance of Series D Stock.

"PERMITTED HOLDER" shall mean the holders of the Series D Stock.

"PERMITTED INVESTMENT" shall mean:

(i) any Investment in the Company or in a Wholly Owned Restricted Subsidiary of the Company that is engaged in a Permitted Business;

(ii) any Investment in Cash Equivalents;

(iii) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment:

(A) such Person becomes a Wholly Owned Restricted Subsidiary of the Company that is engaged in a Permitted Business; or

(B) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Wholly Owned Restricted Subsidiary of the Company that is engaged in a Permitted Business;

(iv) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 3.9 of the Indenture;

(v) any acquisition of assets solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company;

(vi) loans and advances made after the date of the first issuance of Series D Stock to Steamboat or any successor thereto not to exceed $10.0 million at any time outstanding;

(vii) make and permit to remain outstanding travel and other like advances in the ordinary course of business consistent with past practices to officers, employees and consultants of the Company or a Subsidiary of the Company;

(viii) other Investments in any Person having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (viii) that are at the time not to exceed $10.0 million; and

(ix) loans and advances made after the date of the first issuance of Series D Stock to Holdings, not to exceed $9.0 million at any time outstanding.

"PERMITTED REFINANCING INDEBTEDNESS" shall mean any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of the Company or any of its Restricted Subsidiaries; PROVIDED, that:

(i) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness extended, refinanced, renewed, replaced, defeased or refunded (plus all accrued interest on the Indebtedness and the amount of all reasonable expenses incurred in connection therewith);

(ii) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or

greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

(iii) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the 9-1/4% Notes, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the 9-1/4% Notes on terms at least as favorable to the Permitted Holders as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and

(iv) such Indebtedness is incurred either by the Company or by the Restricted Subsidiary who is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"PERSON" shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other agency.

"PRINCIPALS" shall mean Steamboat, John V. Holten or, in the case of the Company, Holdings.

"RELATED PARTY" with respect to any Principal shall mean (i) any controlling stockholder or partner, 80% (or more) owned Subsidiary, or spouse or immediate family member (in the case of an individual) of such Principal, or (ii) any trust, corporation, partnership, limited liability company or other entity, the beneficiaries, stockholders, partners, members, owners or Persons beneficially holding an 80% or more controlling interest of which consist of such Principal and/or such other Persons referred to in the immediately preceding clause (i).

"RESTRICTED INVESTMENT" shall mean an Investment other than a Permitted Investment.

"RESTRICTED SUBSIDIARY" shall mean any Subsidiary that is not an Unrestricted Subsidiary.

"SECURITIES ACT" shall mean the Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

"SENIOR DEBT" shall mean:

(i) all Indebtedness outstanding under the Credit Agreement, including any Guarantees thereof and all Hedging Obligations with respect thereto;

(ii) any other Indebtedness permitted to be incurred by the Company or its Restricted Subsidiaries under the terms of this Certificate of Designation, unless the instrument under which such Indebtedness is incurred expressly provides that it is on a parity with or subordinated in right of payment to the 9-1/4% Notes; and

(iii) all Obligations with respect to the foregoing.

Notwithstanding anything to the contrary in the foregoing, Senior Debt will not include:

(i) any liability for federal, state, local or other taxes owed or owing by the Company;

(ii) any Indebtedness of the Company to any of its Subsidiaries or other Affiliates;

(iii) any trade payables; or

(iv) any Indebtedness that is incurred in violation of the Indenture.

"SIGNIFICANT SUBSIDIARY" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date of the first issuance of Series D Stock.

"STATED MATURITY" shall mean, with respect to any installment of interest or principal on any series of Indebtedness, the date on which such payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"STEAMBOAT" shall mean Steamboat Holdings, Inc., a Delaware corporation and the parent of Holdings.

"SUBSIDIARY" shall mean with respect to any specified Person:

(i) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(ii) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

"UNRESTRICTED SUBSIDIARY" shall mean any Subsidiary that is designated by the Board as an Unrestricted Subsidiary pursuant to a resolution of the Board; but only to the extent that such Subsidiary:

(i) has no Indebtedness other than Non-Recourse Debt;

(ii) is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any

such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company;

(iii) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (i) to subscribe for additional Equity Interests or (ii) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(iv) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries.

"VOTING STOCK" of any Person as of any date shall mean the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"WEIGHTED AVERAGE LIFE TO MATURITY" shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(i) the sum of the products obtained by multiplying (a) the

amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(ii) the then outstanding principal amount of such Indebtedness.

"WHOLLY OWNED SUBSIDIARY" of any Person shall mean a Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more Wholly Owned Subsidiaries of such Person.

* * *

IN WITNESS WHEREOF, the Company has caused this Certificate of Designation to be duly executed by the undersigned this day of January, 2002.

By:

Name:
Title:

EXECUTION COPY

APCOA/STANDARD PARKING, INC.

and each of the Guarantors named herein

SERIES A AND SERIES B
14% SENIOR SUBORDINATED SECOND LIEN NOTES DUE 2006

INDENTURE

Dated as of January 11, 2002

Wilmington Trust Company

Trustee

- ---

CROSS-REFERENCE TABLE*

TRUST INDENTURE ACT SECTION	INDENTURE SECTION
310(a)(1)	7.10
(a)(2)	7.10 (a)
(3)	N.A.
(a)(4)	N.A. (a)
(5)	7.10
(b)	7.10
(c)	N.A.
311(a)	7.11
(b)	7.11
(c)	N.A.
312(a)	2.05
(b)	14.03
(c)	14.03
313(a)	7.06 (b)
(1)	11.03 (b)
(2)	7.06; 7.07
(c)	7.06; 11.03;14.02
(d)	7.06
314(a)	4.03;14.02; 14.05
(b)	11.02 (c)
(1)	14.04 (c)
(2)	14.04 (c)
(3)	N.A.
(d)	11.03, 11.04, 11.05
(e)	14.05
(f)	N.A.
315(a)	7.01
(b)	7.05,14.02
(c)	

7.01
(d).....
7.01
(e).....
6.11 316(a)(last
sentence)..... 2.09 (a)
(1)(A)..... 6.05
(a)(1)(B).....
6.04 (a)
(2)..... N.A.
(b).....
6.07
(c).....
2.12 317(a)
(1)..... 6.08
(a)(2).....
6.09
(b).....
2.04
318(a).....
14.01
(b).....
N.A.
(c).....
14.01

N.A. means not applicable.
* This Cross Reference Table is not part of the Indenture.

TABLE OF CONTENTS

INDENTURE dated as of January 11, 2002 among APCOA/Standard Parking, Inc., a Delaware corporation (the "COMPANY"), the Guarantors (as defined) and Wilmington Trust Company, as trustee (the "TRUSTEE").

The Company, the Guarantors and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders (as defined) of the 14% Senior Secured Subordinated Second Lien Notes due 2006 (the "SERIES A NOTES") and the 14% Senior Secured Subordinated Second Lien Notes due 2006 (the "SERIES B NOTES" and, together with the Series A Notes, the "NOTES"):

ARTICLE 1.
DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01 DEFINITIONS.

"ACQUIRED DEBT" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"ADDITIONAL NOTES" means up to $40.715 million aggregate principal amount of Notes (other than the Initial Notes) issued under this Indenture in accordance with Sections 2.02 and 4.09 hereof, as part of the same series as the Initial Notes.

"AFFILIATE" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, will mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; PROVIDED, that beneficial ownership of 10% or more of the Voting Stock of a Person shall be deemed to be control. For purposes of this definition, the terms "CONTROLLING," "CONTROLLED BY" and "UNDER COMMON CONTROL WITH" will have correlative meanings.

"AGENT" means any Registrar, co-registrar, Paying Agent or additional paying agent.

"APPLICABLE PROCEDURES" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Clearstream that apply to such transfer or exchange.

"ASSET SALE" means:

(1) the sale, lease, conveyance or other disposition of any assets or rights, including, without limitation, by way of a sale and leaseback, other than sales of inventory in the ordinary course of business consistent with past practices; PROVIDED, that the sale, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries

taken as a whole will be governed by Section 4.15 and/or Section 5.01 hereof and not by Section 4.10; and

(2) the issuance or sale of Equity Interests by any of the Company's Restricted Subsidiaries.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a fair market value, or for net proceeds, of less than $3.0 million;

(2) a transfer of assets between or among the Company and its Wholly Owned Restricted Subsidiaries;

(3) an issuance of Equity Interests by a Restricted Subsidiary to the Company, AP Holdings, Inc. or to another Wholly Owned Subsidiary; and

(4) a Restricted Payment or Permitted Investment that is permitted by Section 4.07.

"ATTRIBUTABLE DEBT" in respect of a sale and leaseback transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction including any period for which such lease has been extended or may, at the option of the lessor, be extended. Such present value shall be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP.

"BANKRUPTCY LAW" means Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

"BENEFICIAL OWNER" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "Person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "Person" will be deemed to have beneficial ownership of all securities that such "Person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"BOARD OF DIRECTORS" means:

(1) with respect to a corporation, the board of directors of the corporation;

(2) with respect to a partnership, the board of directors of any corporate general partner of such partnership; and

(3) with respect to any other Person, the board or committee of such Person serving a similar function.

"BROKER-DEALER" has the meaning set forth in the Registration Rights Agreement.

"BUSINESS DAY" means any day other than a Legal Holiday.

"CAPITAL LEASE OBLIGATION" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized on a balance sheet in accordance with GAAP.

"CAPITAL STOCK" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"CASH EQUIVALENTS" means:

(1) United States dollars;

(2) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality of the United States government (PROVIDED, that the full faith and credit of the United States is pledged in support of those securities) having maturities of not more than six months from the date of acquisition;

(3) certificates of deposit and eurodollar time deposits with maturities of six months or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case, with any lender party to the Credit Agreement or with any domestic commercial bank having capital and surplus in excess of $500.00 million and a Thomson Bank Watch Rating of "B" or better;

(4) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper having the highest rating obtainable from Moody's Investors Service, Inc. or Standard & Poor's Rating Services and, in each case, maturing within six months after the date of acquisition; and

(6) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (5) of this definition.

"CLEARSTREAM" means Clearstream Banking, S.A. or any successor thereto.

"CHANGE OF CONTROL" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of AP Holdings, Inc. and its Subsidiaries or of the Company and its Subsidiaries, in each case, taken as a whole to any "person" (as that term is used

in Section 13(d)(3) of the Exchange Act) other than Principals or their Related Parties and Permitted Holders;

(2) the adoption of a plan relating to the liquidation or dissolution of AP Holdings, Inc. or the Company;

(3) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as defined above), other than the Principals and their Related Parties and Permitted Holders, becomes the Beneficial Owner, directly or

indirectly, of more than 50% of the Voting Stock of AP Holdings, Inc. or the Company, measured by voting power rather than number of shares;

(4) the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors; or

(5) AP Holdings, Inc. or the Company consolidates with, or merges with or into, any Person, or sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its assets to any Person, or any Person consolidates with, or merges with or into, AP Holdings, Inc. or the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of AP Holdings, Inc. or the Company is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of AP Holdings, Inc. or the Company outstanding immediately prior to such transaction is converted into or exchanged for Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of such Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance).

"COLLATERAL" shall have the meaning set forth in the Security Agreement.

"COLLATERAL AGENT" means the Trustee, in its capacity as collateral agent under the Security Documents, or any successor thereto in such capacity.

"COMPANY" means APCOA/Standard Parking, Inc., and any and all successors thereto.

"CONSOLIDATED CASH FLOW" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period PLUS:

(1) an amount equal to any extraordinary loss plus any net loss realized by such Person or any of its Subsidiaries in connection with an Asset Sale, to the extent such losses were deducted in computing such Consolidated Net Income; PLUS

(2) provision for taxes based on income or profits of such Person and its Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; PLUS

(3) consolidated interest expense of such Person and its Subsidiaries for such period, whether paid or accrued and whether or not capitalized (including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to

Hedging Obligations), to the extent that any such expense was deducted in computing such Consolidated Net Income; PLUS

(4) depreciation, amortization (including amortization of goodwill and other intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; PLUS

(5) in connection with any acquisition by the Company or a Restricted Subsidiary, projected quantifiable improvements in operating results (on an annualized basis) due to cost reductions calculated in good faith by the Company or one of its Restricted Subsidiaries, as evidenced by (A) in the case of cost reductions of less than $10.0 million, an Officers' Certificate delivered to the Trustee and (B) in the case of cost reductions of $10.0 million or more, a resolution of the Board of Directors of the Company set forth in an Officers' Certificate delivered to the Trustee; MINUS

(6) non-cash items increasing such Consolidated Net Income for such period, in each case, on a consolidated basis and determined in accordance with GAAP.

Notwithstanding the preceding, the provision for taxes based on the income or profits of, and the depreciation and amortization and other non-cash expenses of, a Subsidiary of the referent Person will be added to Consolidated

Net Income to compute Consolidated Cash Flow only to the extent that a corresponding amount would be permitted at the date of determination to be dividended to the Company by such Subsidiary without prior governmental approval (that has not been obtained), and without direct or indirect restriction pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Subsidiary or its stockholders.

"CONSOLIDATED NET INCOME" means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; PROVIDED, that:

(1) the Net Income (but not loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or distributions paid in cash to the specified Person or a Wholly Owned Restricted Subsidiary of the Person;

(2) the Net Income of any Restricted Subsidiary will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary or its stockholders;

(3) the Net Income of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition will be excluded;

(4) the cumulative effect of a change in accounting principles will be excluded; and

(5) the Net Income of any Unrestricted Subsidiary will be excluded, whether or not distributed to the Company or one of its Restricted Subsidiaries for purposes of Section 4.09.

"CONTINUING DIRECTORS" means, as of any date of determination, any member of the Board of Directors of the Company who:

(1) was a member of such Board of Directors on the date of this Indenture (an "Original Member"); or

(2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Original Members who were members of such Board at the time of such nomination or election.

"CORPORATE TRUST OFFICE OF THE TRUSTEE" will be at the address of the Trustee specified in Section 12.02 hereof or such other address as to which the Trustee may give notice to the Company.

"CREDIT AGENT" means the LaSalle Bank National Association, in its capacity as Administrative Agent for the lenders party to the Credit Agreement, or any successor thereto or any Person otherwise appointed.

"CREDIT AGREEMENT" means that certain Credit Agreement, dated as of the date of this Indenture, by and among the Company and LaSalle Bank National Association as Agent, LaSalle Bank National Association and Bank One, NA, providing for up to $40.0 million of borrowings, consisting of a revolving credit facility and a term loan facility, together with all related documents executed or delivered pursuant thereto at any time (including, without limitation, all mortgages, guarantees, Security Documents and all other collateral and security documents), in each case as such agreements may be amended (including any amendment and restatement thereof), supplemented or otherwise modified from time to time, including any agreement extending the maturity of, refinancing, replacing or otherwise restructuring (including increasing the amount of available borrowings thereunder; PROVIDED, that such increase in borrowings is within the definition of Permitted Indebtedness or is otherwise permitted under Section 4.09) or adding Subsidiaries as additional borrowers or guarantors thereunder) all or any portion of the Indebtedness and other Obligations under such agreement or agreements or any successor or replacement agreement or agreements, and whether by the same or any other agent, lender or group of lenders.

"CREDIT FACILITIES" means, one or more debt facilities (including, without limitation, the Credit Agreement) or commercial paper facilities, in each case with banks or other institutional lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole

or in part from time to time.

"CUSTODIAN" means the Trustee, as custodian with respect to the Notes in global form, or any successor entity thereto.

"DEFAULT" means any event that is or with the passage of time or the giving of notice or both would be an Event of Default.

"DEFINITIVE NOTE" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06 hereof, substantially in the form of Exhibit A hereto except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"DEPOSITARY" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.03 hereof as the Depositary with respect to the Notes, and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"DESIGNATED SENIOR DEBT" means:

(1) any Indebtedness outstanding under the Credit Agreement; and

(2) any other Senior Debt permitted under this Indenture, the principal amount of which is $25.0 million or more and that has been designated by the Company as Designated Senior Debt.

"DISQUALIFIED STOCK" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale shall not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 4.07 hereof.

"EARNOUTS" mean any payment which may be owing by the Company in connection with any acquisition, which payment is contingent upon the earnings or other financial performance of the assets or stock being acquired pursuant to such acquisition.

"EQUITY INTERESTS" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"EUROCLEAR" means Euroclear Bank S.A./N.V., as operator of the Euroclear system, or any successor thereto.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended.

"EXCHANGE NOTES" means the Notes issued in the Exchange Offer pursuant to Section 2.06(f) hereof.

"EXCHANGE OFFER" has the meaning set forth in the Registration Rights Agreement.

"EXCHANGE OFFER REGISTRATION STATEMENT" has the meaning set forth in the Registration Rights Agreement.

"EXISTING INDEBTEDNESS" means Indebtedness of the Company and its Subsidiaries (other than Indebtedness under the Credit Agreement) in existence on the date of this Indenture, until such amounts are repaid.

"FIXED CHARGES" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense of such Person and its Subsidiaries for such period, whether paid or accrued, including, without limitation, original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of

credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations; PLUS

(2) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period; PLUS

(3) to the extent paid by such Person, any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon; PLUS

(4) the product of (a) all dividends payments and whether or not in cash, on any series of preferred stock of such Person or any of its Restricted Subsidiaries, other than dividends the Company, times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, on a consolidated basis and in accordance with GAAP.

"FIXED CHARGE COVERAGE RATIO" means, with respect to any specified Person for any period, the ratio of the Consolidated Cash Flow of such Person and its Restricted Subsidiaries for such period to the Fixed Charges of such Person and its Restricted Subsidiaries for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, Guarantees, repays, repurchases or redeems any Indebtedness (other than revolving credit borrowings) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect to such incurrence, assumption, Guarantee, repayment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date will be given pro forma effect as if they had occurred on the first day of the four-quarter reference period and Consolidated Cash Flow for such reference period will be calculated on a pro forma basis, but without giving effect to clause (3) of the proviso set forth in the definition of Consolidated Net Income;

(2) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, will be excluded; and

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date,

will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date.

"FOREIGN SUBSIDIARY" means any Subsidiary organized and existing under the laws of a jurisdiction other than those of any state or commonwealth in the United States of America.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the date of this Indenture.

"GLOBAL NOTES" means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes, substantially in the form of Exhibit A hereto issued in accordance with Section 2.01, 2.06(b)(3), 2.06(b)(4), 2.06(d)(2) or 2.06(f) hereof.

"GLOBAL NOTE LEGEND" means the legend set forth in Section 2.06(g)(2), which is required to be placed on all Global Notes issued under this Indenture.

"GOVERNMENT SECURITIES" means direct obligations of, or obligations guaranteed by, the United States of America for the payment for which guarantee or obligations the full faith and credit of the United States is pledged.

"GUARANTEE" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness.

"GUARANTORS" means each of:

(1) the guarantors listed on the signature pages hereto; and

(2) any other Subsidiary that executes a Note Guarantee in accordance with the provisions of this Indenture,

and their respective successors and assigns.

"HEDGING OBLIGATIONS" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements; and

(2) other agreements or arrangements designed to protect such Person against fluctuations in interest rates or currency rates.

"HOLDER" means a Person in whose name a Note is registered.

"IAI GLOBAL NOTE" means a Global Note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of and registered

in the name of the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Notes sold to Institutional Accredited Investors.

"INDEBTEDNESS" means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof) ;

(3) in respect of banker's acceptances;

(4) representing Capital Lease Obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property, except any such balance that constitutes an accrued expense or trade payable; or

(6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any indebtedness of any other Person.

Notwithstanding anything to the contrary, any put right, right of redemption or right of repurchase will, in any such case, for the purposes of this definition, not be treated as Indebtedness, no matter what the accounting treatment of said transaction may be. In addition, notwithstanding anything to the contrary, the carrying value (as determined in accordance with FASB 15) of any Indebtedness that has been redeemed shall not be deemed Indebtedness for purposes of this definition.

The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount; and

(2) the principal amount of the Indebtedness, together with any interest on the Indebtedness that is more than 30 days past due, in the case of any other Indebtedness.

"INDENTURE" means this Indenture, as amended or supplemented from time

to time.

"INDIRECT PARTICIPANT" means a Person who holds a beneficial interest in a Global Note through a Participant.

"INITIAL NOTES" means the first $59.285 million aggregate principal amount of Notes issued under this Indenture on the date hereof.

"INSOLVENCY OR LIQUIDATION PROCEEDINGS" means (i) any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding, relative to the Company or to the creditors of the Company, as such, or to the assets of the Company, or (ii) any

liquidation, dissolution, reorganization or winding up of the Company, whether voluntary or involuntary and involving insolvency or bankruptcy, or (iii) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of the Company.

"INSTITUTIONAL ACCREDITED INVESTOR" means an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act, who are not also QIBs.

"INTERCREDITOR AGREEMENT" means the Intercreditor Agreement dated as of the date of this Indenture and substantially in the form attached as Exhibit H hereto, as such agreement may be amended, modified or supplemented from time to time.

"INVESTMENTS" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If the Company or any Restricted Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of the Company, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of the Equity Interests of such Restricted Subsidiary not sold or disposed of in an amount determined as provided in the second paragraph of Section 4.07(b). The acquisition by the Company or any Subsidiary of the Company of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Subsidiary in such third Person in an amount equal to the fair market value of the Investment held by the acquired Person in such third Person in an amount determined as provided in the last paragraph of Section 4.07(b).

"LEGAL HOLIDAY" means a Saturday, a Sunday or a day on which banking institutions in the City of New York or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"LETTER OF TRANSMITTAL" means the letter of transmittal to be prepared by the Company and sent to all Holders of the Notes for use by such Holders in connection with the Exchange Offer.

"LIEN" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"LIQUIDATED DAMAGES" means all liquidated damages then owing pursuant to Section 7 of the Registration Rights Agreement.

"NET INCOME" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however:

(1) any gain (but not loss), together with any related provision for taxes on such gain (but not loss), realized in connection with:

(a) any Asset Sale, including, without limitation,

dispositions pursuant to sale and leaseback transactions; or

(b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries; and

(2) any extraordinary or nonrecurring gain (but not loss), together with any related provision for taxes on such extraordinary or nonrecurring gain (but not loss).

"NET PROCEEDS" means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements, and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP.

"NON-RECOURSE DEBT" means Indebtedness:

(1) as to which neither the Company nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable (as a guarantor or otherwise), or (c) constitutes the lender;

(2) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness (other than the Notes) of the Company or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and

(3) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Company or any of its Restricted Subsidiaries.

"NON-U.S. PERSON" means a Person who is not a U.S. Person.

"NOTE GUARANTEE" means the Guarantee by each Guarantor of the Company's payment obligations under this Indenture and on the Notes, executed pursuant to the provisions of this Indenture.

"NOTES" has the meaning assigned to it in the preamble to this Indenture. The Initial Notes and the Additional Notes shall be treated as a single class for all purposes under this Indenture.

"OBLIGATIONS" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness, and in all cases whether now outstanding or hereafter created, assumed or incurred and including, without limitation, interest accruing subsequent to the filing of a petition in bankruptcy at the rate provided in the

relevant document, whether or not an allowed claim, and any obligation to redeem or defease any of the foregoing.

"OFFICER" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Vice-President of such Person.

"OFFICERS' CERTIFICATE" means a certificate signed on behalf of the Company by two Officers of the Company, one of whom must be the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of the Company, that meets the requirements of Section 12.05 hereof.

"OPINION OF COUNSEL" means an opinion from legal counsel who is reasonably acceptable to the Trustee, that meets the requirements of Section 12.05 hereof. The counsel may be an employee of or counsel to the Company, any Subsidiary of the Company or the Trustee.

"PARTICIPANT" means, with respect to the Depositary, Euroclear or Clearstream, a Person who has an account with the Depositary, Euroclear or Clearstream, respectively (and, with respect to DTC, shall include Euroclear and Clearstream).

"PERMITTED BUSINESS" means any of the businesses and any other businesses related to the businesses engaged in by the Company and its respective Restricted Subsidiaries on the date of the Indenture.

"PERMITTED HOLDERS" means the holders of the Company's 18% Senior Convertible Redeemable Preferred Stock due 2008.

"PERMITTED INVESTMENTS" means :

(1) any Investment in the Company or in a Wholly Owned Restricted Subsidiary of the Company that is engaged in a Permitted Business;

(2) any Investment in Cash Equivalents;

(3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment:

(a) such Person becomes a Wholly Owned Restricted Subsidiary of the Company that is engaged in a Permitted Business; or

(b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, the Company or a Wholly Owned Restricted Subsidiary of the Company that is engaged in a Permitted Business;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 3.09;

(5) any acquisition of assets solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company;

(6) any loans or advances made after the date of this Indenture to Steamboat Holdings, Inc. or any successor thereto not to exceed $10.0 million at any time outstanding;

(7) any travel and other like advances in the ordinary course of business consistent with past practices to officers, employees and consultants of the Company or a Subsidiary of the Company;

(8) any other Investments in any Person having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (8) that are at the time not to exceed $10 million; and

(9) any loans or advances made after the date of this Indenture to AP Holdings, Inc., not to exceed $9.0 million at any time outstanding.

"PERMITTED LIENS" means:

(1) Liens on assets of the Company or any Guarantor securing Indebtedness and other Obligations under Credit Facilities that were permitted by the terms of this Indenture to be incurred;

(2) Liens in favor of the Company;

(3) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Company or any Restricted Subsidiary of the Company; PROVIDED, that such Liens were in existence prior to the contemplation of such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with the Company or the Subsidiary;

(4) Liens on property existing at the time of acquisition of the property by the Company or any Restricted Subsidiary of the Company; PROVIDED, that such Liens were in existence prior to the contemplation of such acquisition;

(5) Liens to secure the performance of bids, tenders, contracts, statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business;

(6) Liens existing on the date of this Indenture;

(7) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently

concluded; PROVIDED, that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;

(8) Liens incurred in the ordinary course of business of the Company or any Restricted Subsidiary of the Company with respect to obligations that do not exceed $5.0 million at any one time outstanding and that (a) are not incurred in connection with the borrowing of money or the obtaining of advances or credit (other than trade credit in the ordinary course of business) and (b) do not in the aggregate materially detract from the value of the property or materially impair the use thereof in the operation of business by the Company or such Restricted Subsidiary;

(9) Liens on assets of Unrestricted Subsidiaries that secure Non-Recourse Debt of Unrestricted Subsidiaries;

(10) Liens on the daily revenues in favor of Persons other than the Company and its Restricted Subsidiaries who are parties to parking facility agreements for the amounts due to them pursuant thereto;

(11) Liens arising by applicable law in respect of employees' wages, salaries or commissions not overdue;

(12) Liens arising out of judgments or awards not in excess of $5.0 million with respect to which the Company or its Subsidiary with respect to which the Company or such Subsidiaries are prosecuting an appeal or a proceeding or review and the enforcement of such Lien is stayed pending such appeal or review; and

(13) Liens to secure Indebtedness (including Capital Lease Obligations) permitted by clause (4) of Section 4.09(c) covering only the assets acquired with such Indebtedness.

"PERMITTED REFINANCING INDEBTEDNESS" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund, other Indebtedness of the Company or any of its Restricted Subsidiaries; provided that:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness extended, refinanced, renewed, replaced, defeased or refunded (plus all accrued interest on the Indebtedness and the amount of all reasonable expenses incurred in connection therewith) ;

(2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

(3) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Notes on terms at least as favorable to the Holders of Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and

(4) such Indebtedness is incurred either by the Company or by the Restricted Subsidiary who is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"PERSON" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other agency.

"PRINCIPALS" means Steamboat Holdings, Inc., John V. Holten or, in the case of the Company, AP Holdings, Inc.

"PRIVATE PLACEMENT LEGEND" means the legend set forth in Section 2.06(g)(1) to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

"PRIVATELY PLACED GLOBAL NOTE" means a Global Note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee that will be issued in a denomination equal to

the outstanding principal amount of the Notes sold in reliance on an exemption from Section 5 of the Securities Act.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"RECEIVABLES" means, with respect to any Person, all of the following property and interests in property of such Person, whether now existing or existing in the future or hereafter acquired or arising:

(1) accounts;

(2) accounts receivable incurred in the ordinary course of business, including without limitation, all rights to payment created by or arising from sales of goods, leases of goods or the rendition of services no matter how evidenced, whether or not earned by performance;

(3) all rights to any goods or merchandise represented by any of the foregoing after creation of the foregoing, including, without limitation, returned or repossessed goods;

(4) all reserves and credit balances with respect to any such accounts receivable or account debtors;

(5) all letters of credit, security or guarantees for any of the foregoing,

(6) all insurance policies or reports relating to any of the foregoing;

(7) all collection or deposit accounts relating to any of the foregoing;

(8) all proceeds of the foregoing; and

(9) all books and records relating to any of the foregoing.

"REGISTRATION RIGHTS AGREEMENT" means the Registration Rights Agreement, dated as of January 11, 2002, among the Company, the Guarantors and the other parties named on the signature pages thereof, as such agreement may be amended, modified or supplemented from time to time and, with respect to any Additional Notes, one or more registration rights agreements among the Company, the Guarantors and the other parties thereto, as such agreement(s) may be amended, modified or supplemented from time to time, relating to rights given by the Company to the purchasers of Additional Notes to register such Additional Notes under the Securities Act.

"REGULATION S" means Regulation S promulgated under the Securities Act.

"REGULATION S GLOBAL NOTE" means a Global Note bearing the Private Placement Legend and deposited with or on behalf of the Depositary and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Notes initially sold in reliance on Rule 903 of Regulation S.

"RELATED PARTY" means:

(1) any controlling stockholder, 80% (or more) owned Subsidiary, or spouse or immediate family member (in the case of an individual) of any Principal; or

(2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding an 80% or more controlling interest of which consist of any one or more Principals and/or such other Persons referred to in the immediately preceding clause (1) .

"REORGANIZATION SECURITIES" means securities distributed to the Holders of the Notes in an Insolvency or Liquidation Proceeding pursuant to a plan of reorganization consented to by each class of the Senior Debt, but only if all of the terms and conditions of such securities (including, without limitation, term, tenor, interest, amortization, subordination, standstills, covenants and defaults), are at least as favorable (and provide the same relative benefits) to the holders of Senior Debt and to the holders of any security distributed in such Insolvency or Liquidation Proceeding on account of any such Senior Debt as the terms and conditions of the Notes and the Indenture are, and provide to the holders of Senior Debt.

"REPRESENTATIVE" means the trustee, agent or representative for any Senior Debt.

"RESPONSIBLE OFFICER," when used with respect to the Trustee, means any officer within the Corporate Trust Administration Department of the Trustee (or any successor group of the Trustee) with direct responsibility for the

administration of this Indenture and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"RESTRICTED DEFINITIVE NOTE" means a Definitive Note bearing the Private Placement Legend.

"RESTRICTED GLOBAL NOTE" means a Global Note bearing the Private Placement Legend.

"RESTRICTED INVESTMENT" means an Investment other than a Permitted Investment.

"RESTRICTED SUBSIDIARY" means any Subsidiary that is not an Unrestricted Subsidiary.

"RULE 144" means Rule 144 promulgated under the Securities Act.

"RULE 144A" means Rule 144A promulgated under the Securities Act.

"RULE 903" means Rule 903 promulgated under the Securities Act.

"RULE 904" means Rule 904 promulgated under the Securities Act.

"SEC" means the Securities and Exchange Commission.

"SECURITIES ACT" means the Securities Act of 1933, as amended.

"SECURITY AGREEMENT" means the Security Agreement dated as of the date of this Indenture and substantially in the form attached as Exhibit G-1 hereto, as such agreement may be amended, modified or supplemented from time to time.

"SECURITY DOCUMENTS" means (1) the Security Agreement; (2) the Pledge Security Agreement, dated as of the date of this Indenture and substantially in the form attached as Exhibit G-2 (3) the Patent

Collateral Assignment and Security Agreement dated as of the date of this Indenture and substantially in the form attached as Exhibit G-3; (4) the Trademark Collateral Pledge and Security Agreement dated as of the date of this Indenture and substantially in the form attached as Exhibit G-4 (5) the Memorandum of Grant of Security Interest in Copyrights dated as of the date of this Indenture and substantially in the form attached as Exhibit G-5; (6) the Partnership Interests Security Agreement dated as of the date of this Indenture and substantially in the form attached as Exhibit G-6; (7) the Limited Liability Company Membership Interests Security Agreement dated as of the date of this Indenture and substantially in the form attached as Exhibit G-7; and (8) the Joint Venture Interest Security Agreement dated as of the date of this Indenture and substantially in the form attached as Exhibit G-8.

"SENIOR DEBT" means:

(1) all Indebtedness outstanding under the Credit Agreement, including any Guarantees thereof and all Hedging Obligations with respect thereto;

(2) any other Indebtedness permitted to be incurred by the Company or its Restricted Subsidiaries under the terms of this Indenture, unless the instrument under which such Indebtedness is incurred expressly provides that it is on a parity with or subordinated in right of payment to the Notes; and

(3) all Obligations with respect to the foregoing.

Notwithstanding anything to the contrary in the foregoing, Senior Debt will not include:

(4) any liability for federal, state, local or other taxes owed or owing by the Company;

(5) any Indebtedness of the Company to any of its Subsidiaries or other Affiliates;

(6) any trade payables; or

(7) any Indebtedness that is incurred in violation of this Indenture.

"SHELF REGISTRATION STATEMENT" means the Shelf Registration Statement as defined in the Registration Rights Agreement.

"SIGNIFICANT SUBSIDIARY" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date of this Indenture.

"STATED MATURITY" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which such payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"SUBORDINATED NOTE INDENTURE" means that certain indenture, dated as of March 30, 1998, by and among, the Company, the guarantors named therein and State Street Bank and Trust Company, as trustee as such agreement is in effect on the date of this Indenture.

"SUBORDINATED NOTES" means the Company's 9 1/4% Senior Subordinated Notes due 2008 issued pursuant to the Subordinated Note Indenture.

"SUBSIDIARY" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. Sections 77aaa-77bbbb) as in effect on the date on which this Indenture is qualified under the TIA; PROVIDED, HOWEVER, that in the event the Trust Indenture Act is amended after such date, "Trust Indenture Act" means, to the extent required by any such amendment, the Trust Indenture Act of 1939 as so amended.

"TRUSTEE" means the party named as such in the preamble to this Indenture until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"UNRESTRICTED GLOBAL NOTE" means a permanent global Note substantially in the form of Exhibit A attached hereto that bears the Global Note Legend and that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, that is deposited with or on behalf of and registered in the name of the Depositary, and that does not bear the Private Placement Legend.

"UNRESTRICTED DEFINITIVE NOTE" means one or more Definitive Notes that do not bear and are not required to bear the Private Placement Legend.

"UNRESTRICTED SUBSIDIARY" means any Subsidiary that is designated by the Board of Directors as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors; but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company;

(3) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (i) to subscribe for additional Equity Interests or (ii) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries. Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a certified copy of the resolution of the Board of Directors giving effect to such designation and an Officers' Certificate certifying that such designation complied with the

foregoing conditions and was permitted by Section 4.07. If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing

requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any Indebtedness of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of the Company as of such date (and, if such Indebtedness is not permitted to be incurred as of such date under Section 4.09, the Company shall be in default of Section 4.09). The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; PROVIDED, that such designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation shall only be permitted if (i) such Indebtedness is permitted under Section 4.09, and (ii) no Default or Event of Default would be in existence following such designation.

"U.S. PERSON" means a U.S. Person as defined in Rule 902(o) under the Securities Act.

"VOTING STOCK" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"WEIGHTED AVERAGE LIFE TO MATURITY" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (x) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (y) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

"WHOLLY OWNED RESTRICTED SUBSIDIARY" of any Person means a Restricted Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more Wholly Owned Subsidiaries of such Person.

"WHOLLY OWNED SUBSIDIARY" of any Person means a Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more Wholly Owned Subsidiaries of such Person.

Section 1.02 OTHER DEFINITIONS.

DEFINED IN TERM	SECTION
"AFFILIATE TRANSACTION"	4.11
"ASSET SALE OFFER"	3.09
"AUTHENTICATION ORDER"	2.02
"CHANGE OF CONTROL OFFER"	4.15
"CHANGE OF CONTROL PAYMENT DATE"	4.15
"COVENANT DEFEASANCE"	8.03
"DTC"	2.03
"EVENT OF DEFAULT"	6.01
"EXCESS PROCEEDS"	4.10
"INCUR"	4.09
"LEGAL DEFEASANCE"	8.02
"OFFER AMOUNT"	3.09
"OFFER PERIOD"	3.09
"PAYING AGENT"	2.03
"PAYMENT NOTICE"	10.04

Section 1.03 INCORPORATION BY REFERENCE OF TRUST INDENTURE ACT.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture.

The following TIA terms used in this Indenture have the following meanings:

"INDENTURE SECURITIES" means the Notes;

"INDENTURE SECURITY HOLDER" means a Holder of a Note;

"INDENTURE TO BE QUALIFIED" means this Indenture;

"INDENTURE TRUSTEE" or "INSTITUTIONAL TRUSTEE" means the Trustee; and

"OBLIGOR" on the Notes and the Note Guarantees means the Company and the Guarantors, respectively, and any successor obligor upon the Notes and the Note Guarantees, respectively.

All other terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule under the TIA have the meanings so assigned to them.

Section 1.04 RULES OF CONSTRUCTION.

Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) words in the singular include the plural, and in the plural include the singular;

(5) "will" shall be interpreted to express a command;

(6) provisions apply to successive events and transactions; and

(7) references to sections of or rules under the Securities Act will be deemed to include substitute, replacement or successor sections or rules adopted by the SEC from time to time.

ARTICLE 2.
THE NOTES

Section 2.01 FORM AND DATING.

(a) GENERAL. The Notes and the Trustee's certificate of authentication will be substantially in the form of Exhibit A attached hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note will be dated the date of its authentication. The Notes shall be in denominations of $100 and integral multiples thereof; PROVIDED, HOWEVER, to the extent that the amount of Notes to be issued is greater than $1,000 in principal amount, the Notes shall be issued in multiples of $1,000 and integral multiples thereof, with the remaining principal amount issued in denominations of $100 principal amount and integral multiples thereof. Additional Notes paid as interest (the "PIK Notes") will be issued in denominations of $100 principal amount and integral multiples thereof. The amount of PIK Notes issued will be rounded down to the nearest $100 with any fractional amount paid to the applicable Holder in cash. PIK Notes will bear interest (including interest paid on the date of maturity of the Notes) and Liquidated Damages, if any, in a manner identical to all other Notes issued under this Indenture.

The terms and provisions contained in the Notes will constitute, and

are hereby expressly made, a part of this Indenture and the Company, the Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(b) GLOBAL NOTES. Notes issued in global form will be substantially in the form of Exhibit A attached hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form will be substantially in the form of Exhibit A attached hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note will represent such of the outstanding Notes as will be specified therein and each shall provide that it represents the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby will be made by the Trustee or the Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 hereof.

(c) (1) EUROCLEAR AND CLEARSTREAM PROCEDURES APPLICABLE. The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook"

of Clearstream will be applicable to transfers of beneficial interests in the Regulation S Global Notes that are held by Participants through Euroclear or Clearsteam.

Section 2.02 EXECUTION AND AUTHENTICATION.

One Officer must sign the Notes for the Company by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note will nevertheless be valid.

A Note will not be valid until authenticated by the manual signature of the Trustee. The signature will be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee will, upon receipt of a written order of the Company signed by two Officers (an "AUTHENTICATION ORDER"), authenticate PIK Notes and Notes for original issue up to the aggregate principal amount stated in paragraph 4 of the Notes. The aggregate principal amount of Notes outstanding at any time may not exceed such amount except as provided in Section 2.08 hereof.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Company.

Section 2.03 REGISTRAR AND PAYING AGENT.

The Company will maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("REGISTRAR") and an office or agency where Notes may be presented for payment ("PAYING AGENT"). The Registrar will keep a register of the Notes and of their transfer and exchange. The Company may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company will notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Company or any of its Subsidiaries may act as Paying Agent or Registrar.

The Company initially appoints The Depository Trust Company ("DTC") to act as Depositary with respect to the Global Notes.

The Company initially appoints the Trustee to act as the Registrar and Paying Agent and to act as Custodian with respect to the Global Notes.

Section 2.04 PAYING AGENT TO HOLD MONEY IN TRUST.

The Company will require each Paying Agent other than the Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of

Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium or Liquidated Damages, if any, or interest on the Notes, and will notify the Trustee of any default by the Company in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or a Subsidiary) will have no further liability for the money delivered to the Trustee. If the Company or a Subsidiary acts as Paying

Agent, it will segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Company, the Trustee will serve as Paying Agent for the Notes.

Section 2.05 HOLDER LISTS.

The Trustee will preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders and shall otherwise comply with TIA Section 312(a). If the Trustee is not the Registrar, the Company will furnish to the Trustee at least seven Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes and the Company shall otherwise comply with TIA Section 312(a).

Section 2.06 TRANSFER AND EXCHANGE.

(a) TRANSFER AND EXCHANGE OF GLOBAL NOTES. A Global Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes will be exchanged by the Company for Definitive Notes if:

(1) the Company delivers to the Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 120 days after the date of such notice from the Depositary;

(2) the Company in its sole discretion determines that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and delivers a written notice to such effect to the Trustee; or

(3) there has occurred and is continuing a Default or Event of Default with respect to the Notes and the Trustee requests that the Global Notes be exchanged for Definitive Notes.

Upon the occurrence of either of the preceding events in (1) or (2) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.06 or Section 2.07 or 2.10 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a); however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f) hereof.

(b) TRANSFER AND EXCHANGE OF BENEFICIAL INTERESTS IN THE GLOBAL NOTES. The transfer and exchange of beneficial interests in the Global Notes will be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Transfers of beneficial interests in the Global Notes also will require compliance with either subparagraph (1) or (2) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(1) TRANSFER OF BENEFICIAL INTERESTS IN THE SAME GLOBAL NOTE. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer

restrictions set forth in the Private Placement Legend; PROVIDED, HOWEVER, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Regulation S Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person. Beneficial interests in any Unrestricted Global Note may be

transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(1).

(2) ALL OTHER TRANSFERS AND EXCHANGES OF BENEFICIAL INTERESTS IN GLOBAL NOTES. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(1) above, the transferor of such beneficial interest must deliver to the Registrar either:

(A) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase; or

(B) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above. Upon consummation of an Exchange Offer by the Company in accordance with Section 2.06(f) hereof, the requirements of this Section 2.06(b)(2) shall be deemed to have been satisfied upon receipt by the Registrar of the instructions contained in the Letter of Transmittal delivered by the Holder of such beneficial interests in the Restricted Global Notes. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(h) hereof.

(3) TRANSFER OF BENEFICIAL INTERESTS TO ANOTHER RESTRICTED GLOBAL NOTE. A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.06(b)(2) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the Privately Placed Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transferee will take delivery in the form of a beneficial interest in the IAI Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(4) TRANSFER AND EXCHANGE OF BENEFICIAL INTERESTS IN A RESTRICTED GLOBAL NOTE FOR BENEFICIAL INTERESTS IN AN UNRESTRICTED GLOBAL NOTE. A beneficial interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(2) above and:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of the beneficial interest to be transferred, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (i) a Broker-Dealer, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(i) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(ii) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the

Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (B) or (D) above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subparagraph (B) or (D) above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) TRANSFER OR EXCHANGE OF BENEFICIAL INTERESTS FOR DEFINITIVE NOTES.

(1) BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES TO RESTRICTED DEFINITIVE NOTES. If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2)

thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(1) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(2) BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES TO UNRESTRICTED DEFINITIVE NOTES. A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of such beneficial interest, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (i) a Broker-Dealer, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(i) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Definitive Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(ii) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a Definitive Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the

Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) BENEFICIAL INTERESTS IN UNRESTRICTED GLOBAL NOTES TO UNRESTRICTED DEFINITIVE NOTES. If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.06(b)(2) hereof, the Trustee will cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Company will execute and the Trustee will authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest requests through instructions to the Registrar from or through the Depositary and the Participant or Indirect Participant. The Trustee will deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will not bear the Private Placement Legend.

(d) TRANSFER AND EXCHANGE OF DEFINITIVE NOTES FOR BENEFICIAL INTERESTS.

(1) RESTRICTED DEFINITIVE NOTES TO BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES. If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such Restricted Definitive Note is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such Restricted Definitive Note is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such Restricted Definitive Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c)

thereof,

the Trustee will cancel the Restricted Definitive Note, increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the appropriate Restricted Global Note, in the case of clause (B) above, the Privately Placed Global Note, in the case of clause (C) above, the Regulation S Global Note, and in all other cases, the IAI Global Note.

(2) RESTRICTED DEFINITIVE NOTES TO BENEFICIAL INTERESTS IN UNRESTRICTED GLOBAL NOTES. A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (i) a Broker-Dealer, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(i) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(ii) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.06(d)(2), the Trustee will cancel the Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(3) UNRESTRICTED DEFINITIVE NOTES TO BENEFICIAL INTERESTS IN UNRESTRICTED GLOBAL NOTES. A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee will cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subparagraphs (2)(B), (2)(D) or (3) above at a time when an Unrestricted Global Note has not yet been issued, the Company will issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee will authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) TRANSFER AND EXCHANGE OF DEFINITIVE NOTES FOR DEFINITIVE NOTES. Upon request by a Holder of Definitive Notes and such Holder's compliance with

the provisions of this Section 2.06(e), the Registrar will register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder must present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder must provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e).

(1) RESTRICTED DEFINITIVE NOTES TO RESTRICTED DEFINITIVE NOTES. Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(2) RESTRICTED DEFINITIVE NOTES TO UNRESTRICTED DEFINITIVE NOTES. Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (i) a broker-dealer, (ii) a Person participating in the distribution

of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) any such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(i) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(ii) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) UNRESTRICTED DEFINITIVE NOTES TO UNRESTRICTED DEFINITIVE NOTES. A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer,

the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) EXCHANGE OFFER. Upon the occurrence of the Exchange Offer in accordance with the Registration Rights Agreement, the Company will issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee will authenticate:

(1) one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of the beneficial interests in the Restricted Global Notes tendered into the Exchange Offer by Persons that certify in the applicable Letters of Transmittal that (A) they are not Broker-Dealers, (B) they are not participating in a distribution of the Exchange Notes and (z) they are not affiliates (as defined in Rule 144) of the Company; and

(2) Unrestricted Definitive Notes in an aggregate principal amount equal to the principal amount of the Restricted Definitive Notes accepted for exchange in the Exchange Offer.

Concurrently with the issuance of such Notes, the Trustee will cause the aggregate principal amount of the applicable Restricted Global Notes to be reduced accordingly, and the Company will execute and the Trustee will authenticate and deliver to the Persons designated by the Holders of Definitive Notes so accepted Unrestricted Definitive Notes in the appropriate principal amount.

(g) LEGENDS. The following legends will appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(1) Private Placement Legend.

(A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefore or substitution thereof) shall bear the legend in substantially the following form:

"THIS SECURITY (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS SECURITY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM.

THE HOLDER OF THIS SECURITY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) THIS SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (II) IN THE UNITED STATES, TO A PERSON THE SELLER REASONABLY BELIEVES IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A) (1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT) WHO, PRIOR TO SUCH TRANSFER, FURNISHES TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE TRANSFER OF THIS SECURITY (THE FORM OF WHICH MAY BE OBTAINED FROM THE TRUSTEE) AND, IF SUCH TRANSFER IS IN RESPECT OF AN AGGREGATE PRINCIPAL AMOUNT OF SECURITIES LESS THAN $250,000, AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (III) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (IV) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (V) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (V) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE."

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(4), (c)(2), (c)(3), (d)(2), (d)(3), (e)(2), (e)(3) or (f) of this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) will not bear the Private Placement Legend.

(2) GLOBAL NOTE LEGEND. Each Global Note will bear a legend in substantially the following form:

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06 OF THE INDENTURE, (2) THIS

GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (3) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF APCOA/STANDARD PARKING, INC.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

(3) ORIGINAL ISSUE DISCOUNT LEGEND. Each Note will bear a legend in substantially the following form:

"THIS NOTE WILL BE CONSIDERED TO HAVE BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR PURPOSES OF SECTIONS 1271 ET. SEQ. OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. THE ISSUE DATE OF THIS NOTE IS JANUARY 11, 2002. FOR INFORMATION REGARDING THE ISSUE PRICE, AMOUNT OF OID, AND YIELD TO MATURITY FOR PURPOSES OF THE OID RULES, PLEASE CONTACT [NAME OF REPRESENTATIVE OF THE COMPANY], [TITLE] OF APCOA/STANDARD PARKING, INC., AT 900 NORTH MICHIGAN AVENUE, SUITE 1600, CHICAGO, ILLINOIS 60611, TELECOPIER NO.: (312) 640-6162, ATTENTION: CHIEF FINANCIAL OFFICER."

(h) CANCELLATION AND/OR ADJUSTMENT OF GLOBAL NOTES. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note will be returned to or retained and canceled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note will be reduced accordingly and an endorsement will be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note will be increased accordingly and an endorsement will be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(i) GENERAL PROVISIONS RELATING TO TRANSFERS AND EXCHANGES.

(1) To permit registrations of transfers and exchanges, the Company will execute and the Trustee will authenticate Global Notes and Definitive Notes upon receipt of an Authentication Order in accordance with Section 2.02 or at the Registrar's request.

(2) No service charge will be made to a Holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.10, 3.06, 3.09, 4.10, 4.15 and 9.05 hereof).

(3) The Registrar will not be required to register the transfer of or exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(4) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes will be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(5) The Company will not be required:

(A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 hereof and ending at the close of business on

the day of selection;

(B) to register the transfer of or to exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part; or

(C) to register the transfer of or to exchange a Note between a record date and the next succeeding interest payment date.

(6) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Company may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(7) The Trustee will authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02 hereof.

(8) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile.

Section 2.07 REPLACEMENT NOTES.

If any mutilated Note is surrendered to the Trustee or the Company and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Company will issue and the

Trustee, upon receipt of an Authentication Order, will authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee or the Company, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Company to protect the Company, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Company may charge for its expenses in replacing a Note.

Every replacement Note is an additional obligation of the Company and will be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

Section 2.08 OUTSTANDING NOTES.

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section as not outstanding. Except as set forth in Section 2.09 hereof, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note.

If a Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a protected purchaser.

If the principal amount of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Company, a Subsidiary or an Affiliate of any thereof) holds, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes will be deemed to be no longer outstanding and will cease to accrue interest.

Section 2.09 TREASURY NOTES.

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Company, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company, will be considered as though not outstanding, except that for the purposes of determining whether the Trustee will be protected in relying on any such direction, waiver or consent, only Notes that the Trustee knows are so owned will be so disregarded.

Section 2.10 TEMPORARY NOTES.

Until certificates representing Notes are ready for delivery, the Company may prepare and the Trustee, upon receipt of an Authentication Order, will authenticate temporary Notes. Temporary Notes will be substantially in the form of certificated Notes but may have variations that the Company considers

appropriate for temporary Notes and as may be reasonably acceptable to the Trustee. Without unreasonable delay, the Company will prepare and the Trustee will authenticate definitive Notes in exchange for temporary Notes.

Holders of temporary Notes will be entitled to all of the benefits of this Indenture.

Section 2.11 CANCELLATION.

The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent will forward to the Trustee any Notes surrendered to them for registration of transfer,

exchange or payment. The Trustee and no one else will cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and will destroy canceled Notes (subject to the record retention requirement of the Exchange Act). Upon the Company's written request, certification of the destruction of all canceled Notes will be delivered to the Company. The Company may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation.

Section 2.12 DEFAULTED INTEREST.

If the Company defaults in a payment of interest on the Notes, it will pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Company will notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Company will fix or cause to be fixed each such special record date and payment date, PROVIDED that no such special record date may be less than 10 days prior to the related payment date for such defaulted interest. At least 15 days before the special record date, the Company (or, upon the written request of the Company, the Trustee in the name and at the expense of the Company) will mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

ARTICLE 3.
REDEMPTION AND PREPAYMENT

Section 3.01 NOTICES TO TRUSTEE.

If the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07 hereof, it must furnish to the Trustee, at least 30 days but not more than 60 days before a redemption date, an Officers' Certificate setting forth:

(1) the clause of this Indenture pursuant to which the redemption shall occur;

(2) the redemption date;

(3) the principal amount of Notes to be redeemed; and

(4) the redemption price.

Section 3.02 SELECTION OF NOTES TO BE REDEEMED OR PURCHASED.

If less than all of the Notes are to be redeemed or purchased in an offer to purchase at any time, the Trustee will select Notes for redemption or purchase as follows:

(1) if the Notes are listed on any national securities exchange, in compliance with the requirements of the principal national securities exchange on which the Notes are listed; or

(2) if the Notes are not listed on any national securities exchange, on a PRO RATA basis, by lot or by such method as the Trustee shall deem fair and appropriate.

In the event of partial redemption or purchase by lot, the particular Notes to be redeemed or purchased will be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption or purchase date by the Trustee from the outstanding Notes not previously called for redemption or purchase.

The Trustee will promptly notify the Company in writing of the Notes selected for redemption or purchase and, in the case of any Note selected for partial redemption or purchase, the principal amount thereof to be redeemed or

purchased. Notes and portions of Notes selected will be in amounts of $100 or whole multiples of $100; except that if all of the Notes of a Holder are to be redeemed or purchased, the entire outstanding amount of Notes held by such Holder, even if not a multiple of $100, shall be redeemed or purchased. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption or purchase also apply to portions of Notes called for redemption or purchase.

Section 3.03 NOTICE OF REDEMPTION.

Subject to the provisions of Section 3.09 hereof, at least 30 days but not more than 60 days before a redemption date, the Company will mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of this Indenture pursuant to Articles 8 or 13 of this Indenture.

The notice will identify the Notes to be redeemed and will state:

(1) the redemption date;

(2) the redemption price;

(3) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note;

(4) the name and address of the Paying Agent;

(5) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(6) that, unless the Company defaults in making such redemption payment, interest and Liquidated Damages, if any, on Notes called for redemption ceases to accrue on and after the redemption date;

(7) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed; and

(8) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

At the Company's request, the Trustee will give the notice of redemption in the Company's name and at its expense; PROVIDED, HOWEVER, that the Company has delivered to the Trustee, at least 45 days prior to the redemption date, an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Section 3.04 EFFECT OF NOTICE OF REDEMPTION.

Once notice of redemption is mailed in accordance with Section 3.03 hereof, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price. A notice of redemption may not be conditional.

Section 3.05 DEPOSIT OF REDEMPTION OR PURCHASE PRICE.

At or prior to 10:00 a.m., New York City time, on the redemption or purchase date, the Company will deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption or purchase price of and accrued interest and Liquidated Damages, if any, on all Notes to be redeemed or purchased on that date. The Trustee or the Paying Agent will promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption or purchase price of, and accrued interest and Liquidated Damages, if any, on, all Notes to be redeemed or purchased.

If the Company complies with the provisions of the preceding paragraph, on and after the redemption or purchase date, interest will cease to accrue on the Notes or the portions of Notes called for redemption or purchase. If a Note is redeemed or purchased on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption or purchase is not so paid upon surrender for redemption or purchase because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal and Liquidated Damages, if any, from the redemption or

purchase date until such principal and Liquidated Damages, if any, is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

Section 3.06 NOTES REDEEMED OR PURCHASED IN PART.

Upon surrender of a Note that is redeemed or purchased in part, the Company will issue and, upon receipt of a Authentication Order, the Trustee will authenticate for the Holder at the expense of the Company a new Note equal in principal amount to the unredeemed or unpurchased portion of the Note surrendered.

Section 3.07 OPTIONAL REDEMPTION.

(a) The Notes are not redeemable at the Company's option prior to January 1, 2002.

(b) After January 1, 2002 the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Liquidated Damages, if any, thereon, to the applicable redemption date, if redeemed during the twelve-month period beginning on January 1 of the years indicated below:

YEAR	PERCENTAGE
2002	102.0%
2003	103.0%
2004	104.0%
2005 and thereafter	105.0%

(c) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Section 3.01 through 3.06 hereof.

Section 3.08 MANDATORY REDEMPTION.

Except as set forth under Sections 3.09, 4.10 and 4.15 hereof, the Company is not required to make mandatory redemption payments with respect to the Notes.

Section 3.09 OFFER TO PURCHASE BY APPLICATION OF EXCESS PROCEEDS.

In the event that, pursuant to Section 4.10 hereof, the Company is required to commence an offer to all Holders to purchase Notes (an "ASSET SALE OFFER"), it will follow the procedures specified below.

The Asset Sale Offer shall be made to all Holders and all holders of other Indebtedness that is PARI PASSU with the Notes and which requires that an offer to repurchase such Indebtedness be made at the time of the Asset Sale Offer. The Asset Sale Offer will remain open for a period of at least 20 Business Days following its commencement and not more than 30 Business Days, except to the extent that a longer period is required by applicable law (the "OFFER PERIOD"). No later than five Business Days after the termination of the Offer Period (the "PURCHASE DATE"), the Company will apply all Excess Proceeds (the "Offer Amount") to the purchase of Notes and such other PARI PASSU Indebtedness (on a pro rata basis, if applicable) or, if less than the Offer Amount has been tendered, all Notes and other Indebtedness tendered in response to the Asset Sale Offer. Payment for any Notes so purchased will be made in the same manner as interest payments are made.

If the Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest, and Liquidated Damages, if any, will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

Upon the commencement of an Asset Sale Offer, the Company will send, by first class mail, a notice to the Trustee and each of the Holders, with a copy to the Trustee. The notice will contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The notice, which will govern the terms of the Asset Sale Offer, will state:

(1) that the Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.10 hereof and the length of time the Asset Sale Offer will remain open;

(2) the Offer Amount, the purchase price and the Purchase Date;

(3) that any Note not tendered or accepted for payment will continue to accrue interest;

(4) that, unless the Company defaults in making such payment, any Note accepted for payment pursuant to the Asset Sale Offer will cease to accrue interest after the Purchase Date;

(5) that Holders electing to have a Note purchased pursuant to an Asset Sale Offer may elect to have Notes purchased in denominations of $100 principal amount and integral multiples thereof; provided, however, to the extent that the amount of Notes to be purchased from tendering Holders is greater than $1,000 in principal amount, the Notes shall be issued in multiples of $1,000 and integral multiples thereof, with the remaining principal amount purchased in denominations of $100 principal amount and integral multiples thereof;

(6) that Holders electing to have a Note purchased pursuant to any Asset Sale Offer will be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, or transfer by book-entry transfer, to the Company, a Depositary, if appointed by the Company, or a Paying Agent at the address specified in the notice at least three days before the Purchase Date;

(7) that Holders will be entitled to withdraw their election if the Company, the Depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;

(8) that, if the aggregate principal amount of Notes and other PARI PASSU Indebtedness surrendered by Holders exceeds the Offer Amount, the Company will select the Notes and other PARI PASSU Indebtedness to be purchased on a PRO RATA basis based on the principal amount of Notes and such other PARI PASSU Indebtedness surrendered (with such adjustments as may be deemed appropriate by the Company so that only Notes in denominations of $100, or integral multiples thereof, will be purchased; provided, however, to the extent that the amount of notes to be purchased from tendering Holders is greater than $1,000 in principal amount, the Notes shall be issued in multiples of $1,000 and integral multiples thereof, with the remaining principal amount purchased in denominations of $100 principal amount and integral multiples thereof); and

(9) that Holders whose Notes were purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer).

On or before the Purchase Date, the Company will, to the extent lawful, accept for payment, on a PRO RATA basis to the extent necessary, the Offer Amount of Notes or portions thereof tendered pursuant to the Asset Sale Offer, or if less than the Offer Amount has been tendered, all Notes tendered, and will deliver to the Trustee an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 3.09. The Company, the Depositary or the Paying Agent, as the case may be, will promptly (but in any case not later than five days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Company for purchase, and the Company will promptly issue a new Note, and the Trustee, upon written request from the Company, will authenticate and mail or deliver such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered. Any Note not so accepted shall be promptly mailed or delivered by the Company to the Holder thereof. The Company will publicly announce the results of the Asset Sale Offer on the Purchase Date.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

ARTICLE 4.
COVENANTS

Section 4.01 PAYMENT OF NOTES.

The Company will pay or cause to be paid the principal of, premium, if any, and interest and Liquidated Damages, if any, on the Notes on the dates and in the manner provided in the Notes.

Principal, premium, if any, and interest and Liquidated Damages, if any will be considered paid on the date due if the Paying Agent, if other than the Company or a Subsidiary thereof, holds as of 10:00 a.m. New York City Time on the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest then due. The Company will pay all Liquidated Damages, if any, in the same manner on the dates and in the amounts set forth in the Registration Rights Agreement.

The Company will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to 1% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Liquidated Damages (without regard to any applicable grace period) at the same rate to the extent lawful.

Section 4.02 MAINTENANCE OF OFFICE OR AGENCY.

The Company will maintain in the Borough of Manhattan, the City of New York, an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company fails to maintain any such required office or agency or fails to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; PROVIDED, HOWEVER, that no such designation or rescission will in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, the City of New York for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby designates Trustee's drop agent, Computershare Trust Company of New York, Wall Street Plaza, 88 Pine Street, 19th Floor, New York, New York 10005, as one such office or agency of the Company in accordance with Section 2.03 hereof.

Section 4.03 REPORTS.

(a) Whether or not required by the rules and regulations of the SEC, so long as any Notes are outstanding, the Company will furnish to the Holders of Notes, within the time periods specified in the SEC's rules and regulations:

(1) all quarterly and annual financial information that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K if the Company were required to file such forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report thereon by the Company's certified independent accountants; and

(2) all current reports that would be required to be filed with the SEC on Form 8-K if the Company were required to file such reports.

In addition, following the consummation of the Exchange Offer contemplated by the Registration Rights Agreement, whether or not required by the SEC, the Company will file a copy of all of the information and reports referred to in clauses (1) and (2) above with the SEC for public availability within the time periods specified in the SEC's rules and regulations (unless the SEC will not accept such a filing) and make such information available to securities analysts and prospective investors upon request. The Company will at all times comply with TIA Section 314(a).

(b) For so long as any Notes remain outstanding, the Company and the Guarantors will furnish to the Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Section 4.04 COMPLIANCE CERTIFICATE.

(a) The Company and each Guarantor (to the extent that such Guarantor is so required under the TIA) shall deliver to the Trustee, within 90 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Company and its Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Company and each Guarantor has kept, observed, performed

and fulfilled its obligations under this Indenture and the Security Documents, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge the Company and each Guarantor has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and the Security Documents and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture or the Security Documents (or, if a Default or Event of Default has occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Company or such Guarantor, as the case may be, is taking or proposes to take with respect thereto.

(b) So long as not contrary to the then current recommendations of the American Institute of Certified Public Accountants, the year-end financial statements delivered pursuant to Section 4.03(a) above shall be accompanied by a written statement of the Company's independent public accountants (who shall be a firm of established national reputation) that in making the examination necessary for certification of such financial statements, nothing has come to their attention that would lead them to believe that the Company has violated any provisions of Article 4 or Article 5 hereof or, if any such violation has occurred, specifying the nature and period of existence thereof, it being understood that such accountants shall not be liable directly or indirectly to any Person for any failure to obtain knowledge of any such violation.

(c) So long as any of the Notes are outstanding, the Company will deliver to the Trustee, forthwith upon any Officer becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto.

Section 4.05 TAXES.

The Company will pay, and will cause each of its Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders of the Notes.

Section 4.06 STAY, EXTENSION AND USURY LAWS.

The Company and each of the Guarantors covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company and each of the Guarantors (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07 RESTRICTED PAYMENTS.

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company);

(2) purchase, redeem or otherwise acquire or retire for value (including without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or any direct or indirect parent of the Company;

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is subordinated to the Notes or the Note Guarantees, except a payment of interest or principal at the Stated Maturity of the Indebtedness; or

(4) make any Restricted Investment (all such payments and other actions set forth in these clauses (1) through (4) above being collectively referred to as "RESTRICTED PAYMENTS"),

unless, at the time of and after giving effect to such Restricted Payment:

(1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment; and

(2) the Company would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of Section 4.09; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Subsidiaries after the date of this Indenture (excluding Restricted Payments permitted by clauses (2) and (3) of paragraph (b) below), is less than the sum, without duplication of:

(A) 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period) from the beginning of the first fiscal quarter commencing after the date of this Indenture to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit), PLUS

(B) 100% of the aggregate net cash proceeds received by the Company since the date of this Indenture as a contribution to its common equity capital or from the issue or sale of Equity Interests of the Company (other than Disqualified Stock) or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Company that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of the Company and other than Disqualified Stock or convertible debt securities that have been converted into Disqualified Stock), PLUS

(C) to the extent that any Restricted Investment that was made after the date of this Indenture is sold for cash or otherwise liquidated or repaid for cash, the lesser of (i) the cash return of capital with respect to such Restricted Investment (less the cost of disposition, if any) and (ii) the initial amount of such Restricted Investment, PLUS

(D) if any Unrestricted Subsidiary (i) is redesignated as a Restricted Subsidiary, the fair market value of such redesignated Subsidiary (as determined in good faith by the Board of Directors of the Company) as of the date of its redesignation or (ii) pays any cash dividends or cash contributions to the Company or any of its Restricted Subsidiaries, 50% of any such cash dividends or cash distributions made after the date of this Indenture.

(b) So long as no Default has occurred and is continuing or would be caused thereby, the provisions of Section 4.07(a) will not prohibit:

(1) the payment of any dividend within 60 days after the date of declaration of the dividend, if at the date of declaration the dividend payment would have complied with the provisions of this Indenture;

(2) the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness of the Company or of any Equity Interests of the Company in exchange for, or out of the net cash proceeds of the substantially concurrent sale or issuance (other than to a Restricted Subsidiary of the Company) of, other Equity Interests of the Company (other than any Disqualified Stock);

(3) the defeasance, redemption, repurchase or other acquisition of subordinated Indebtedness with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;

(4) the payment of any dividend by a Restricted Subsidiary of the Company to the holders of its Equity Interests on a PRO RATA basis;

(5) Investments in any Person (other than the Company or a Wholly Owned Restricted Subsidiary) engaged in a Permitted Business in an amount taken together with all other

Investments made pursuant to this clause 5 that are at that time outstanding not to exceed $5.0 million;

(6) other Investments in Unrestricted Subsidiaries having an aggregate fair market value, taken together with all other Investments made pursuant to this clause 6 that are at that time outstanding, not to exceed $2.0 million;

(7) the designation of certain of the Company's Subsidiaries as Unrestricted Subsidiaries immediately prior to the date of this Indenture;

(8) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of AP Holdings, Inc. or the Company or any Subsidiary of the Company held by any member of AP Holdings, Inc, or the Company's (or any of their Restricted Subsidiaries') management pursuant to any management equity subscription agreement or stock option agreement or in connection with the termination of employment of any employees or management of AP Holdings, Inc. or the Company or their Subsidiaries; PROVIDED, that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests shall not exceed $2.0 million in the aggregate plus the aggregate cash proceeds received by AP Holdings, Inc. or the Company after the date of this Indenture from any reissuance of Equity Interests by AP Holdings, Inc. or the Company to members of management of AP Holdings, Inc. or the Company and their Restricted Subsidiaries; and

(9) other Restricted Payments in an aggregate amount not to exceed $5.0 million.

Notwithstanding anything to the contrary, the redemption, repurchase or purchase of any equity interest in the Company or any of its Restricted Subsidiaries pursuant to a put right, right of redemption or right of repurchase will, in any such case, for the purposes of this Section 4.07, be treated as a payment or distribution on account of an Equity Interest and will not be treated as a payment on indebtedness, no matter what the accounting treatment of said transaction may be.

The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default; PROVIDED, that in no event will the business currently operated by any Guarantor be transferred to or held by an Unrestricted Subsidiary. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate fair market value of all outstanding Investments owned by The Company and its Restricted Subsidiaries in the Subsidiary properly designated will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under Section 4.07(a) or Permitted Investments, as determined by the Company. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if the redesignation would not cause a Default.

The amount of all Restricted Payments (other than cash) will be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any non-cash Restricted Payment will be determined in good faith by the Board of Directors of the Company whose resolution with respect thereto shall be delivered to the Trustee in an Officers' Certificate signed by the Secretary of the Company. The Board of Directors' determination must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of national standing if the fair market value exceeds $10.0 million. Not later than the date of making any Restricted Payment, the Company will deliver to the Trustee an Officers' Certificate stating that such

Restricted Payment is permitted and setting forth the basis upon which the calculations required by this Section 4.07 were computed, together with a copy of any fairness opinion or appraisal required by this Indenture.

Section 4.08 DIVIDEND AND OTHER PAYMENT RESTRICTIONS AFFECTING RESTRICTED SUBSIDIARIES.

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries or

with respect to any other interest or participation in, or measured by, its profits, or pay any indebtedness owed to the Company or any of its Restricted Subsidiaries;

(2) make loans or advances to the Company or any of its Restricted Subsidiaries; or

(3) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries.

(b) The restrictions in Section 4.08(a) will not apply to encumbrances or restrictions existing under or by reason of:

(1) Existing Indebtedness as in effect on the date of this Indenture and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof, PROVIDED that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are no more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in such Existing Indebtedness, as in effect on the date of this Indenture;

(2) this Indenture, the Notes and the Note Guarantees;

(3) applicable law;

(4) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; PROVIDED, that in the case of Indebtedness, such Indebtedness was permitted by the terms of this Indenture to be incurred;

(5) customary non-assignment provisions in leases entered into in the ordinary course of business and consistent with past practices;

(6) purchase money obligations for property acquired in the ordinary course of business that impose restrictions on the property so acquired of the nature described in clause (3) of Section 4.08(a);

(7) Permitted Refinancing Indebtedness; PROVIDED, that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(8) contracts for the sale of assets, including, without limitation, customary restrictions with respect to a Subsidiary pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary; and

(9) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business.

Section 4.09 INCURRENCE OF INDEBTEDNESS AND ISSUANCE OF PREFERRED STOCK.

(a) The Company will not, and will not permit any of its Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "INCUR") any Indebtedness (including Acquired Debt), and the Company will not issue any Disqualified Stock and will not permit any of its Subsidiaries to issue any shares of preferred stock; PROVIDED, HOWEVER, that the Company may incur Indebtedness (including Acquired Debt) or issue shares of Disqualified Stock, if the Fixed Charge Coverage Ratio for the Company's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock is issued would have been at least 2.0 to 1, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock had been issued, as the case may be, at the beginning of such four-quarter period.

(b) The provisions of Section 4.09(a) will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "PERMITTED DEBT"):

(1) the incurrence by the Company of additional Indebtedness and letters of credit under Credit Facilities in an aggregate principal

amount at any one time outstanding under this clause (1)(with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Subsidiaries thereunder) not to exceed $40.0 million less the aggregate amount of all Net Proceeds of Asset Sales applied to permanently repay Indebtedness under Credit Facilities pursuant to Section 4.10;

(2) the incurrence by the Company and its Restricted Subsidiaries of the Existing Indebtedness;

(3) the incurrence by the Company and the Guarantors of Indebtedness represented by the Notes and the related Note Guarantees to be issued on the date of this Indenture and the Exchange Notes and the related Note Guarantees to be issued pursuant to the Registration Rights Agreement;

(4) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in the business of the Company or such Restricted Subsidiary (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets), in an aggregate principal amount not to exceed $7.5 million;

(5) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness in connection with the acquisition of assets or a new Restricted Subsidiary; PROVIDED, that such Indebtedness was incurred by the prior owner of such assets or such Restricted Subsidiary prior to such acquisition by the Company or one of its Subsidiaries and was not incurred in connection with, or in contemplation of, such acquisition by the Company or one of its Subsidiaries; PROVIDED, FURTHER that the principal amount (or accreted value, as applicable) of such Indebtedness, together with any other outstanding Indebtedness incurred pursuant to this clause (5), does not exceed $5.0 million;

(6) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace, Indebtedness that was permitted by this Indenture to be incurred under Section 4.09(a) or clauses (2), (3), (4), (5) or (15) of this Section 4.09(b);

(7) the incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company and any of its Wholly Owned Restricted Subsidiaries; PROVIDED, HOWEVER, that:

(A) if the Company is the obligor on such Indebtedness and the payee is not a Guarantor, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations with respect to the Notes; and

(B) both (1) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Wholly Owned Restricted Subsidiary thereof and (2) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Wholly Owned Restricted Subsidiary thereof, will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (7);

(8) the incurrence by the Company or any of its Restricted Subsidiaries of Hedging Obligations that are incurred for the purpose of fixing or hedging currency risk or interest rate risk with respect to any floating rate Indebtedness that is permitted by the terms of this Indenture to be outstanding;

(9) the guarantee by the Company or any of its Restricted Subsidiaries of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be incurred by another clause of this Section 4.09;

(10) the incurrence by the Company's Unrestricted Subsidiaries of Non-Recourse Debt, PROVIDED, HOWEVER, that if any such Indebtedness ceases to be Non-Recourse Debt of an Unrestricted Subsidiary, such event shall be deemed to constitute an incurrence of Indebtedness by a Restricted Subsidiary of the Company that was not permitted by this clause (10);

(11) Indebtedness incurred by the Company or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business, including without limitation to letters of credit in respect to workers' compensation claims or self-insurance, surety bonds or other Indebtedness with respect to reimbursement type obligations regarding workers' compensation claims, PROVIDED, HOWEVER, that upon the drawing of such letters of credit or the incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or incurrence;

(12) Indebtedness arising from agreements of the Company or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the disposition of any business, asset or Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition; PROVIDED, that the maximum aggregate liability of all such Indebtedness shall at no time exceed 50% of the gross proceeds actually received by the Company;

(13) obligations in respect of performance and surety bonds and completion guarantees provided by the Company or any Restricted Subsidiary in the ordinary course of business;

(14) guarantees incurred in the ordinary course of business in an aggregate principal amount not to exceed $5.0 million; and

(15) the issuance by the Company or any of its Restricted Subsidiaries of Disqualified Stock and/or the incurrence by the Company or any of its Restricted Subsidiaries of additional Indebtedness, including Attributable Debt incurred after the date of this Indenture, in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any other Disqualified Stock or Indebtedness incurred pursuant to this clause (15), not to exceed $25.0 million (which amount may but need not be incurred, in whole or in part, in clause (1) above).

For purposes of determining compliance with this Section 4.09, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (15) above or is entitled to be incurred pursuant to Section 4.09(a), the Company will be permitted to classify such item of Indebtedness on the date of its incurrence, in any manner that complies with this Section 4.09 and such item of Indebtedness will be treated as having been incurred pursuant to only one of such clauses or pursuant to the first paragraph of this covenant, and an item of Indebtedness may be divided and classified in more than one of the types of Indebtedness described above. The incurrence of Indebtedness pursuant to the first paragraph of the covenant described above shall not be classified as any of the items in clauses (1) through (15) above. Accrual of interest and the accretion of accreted value shall not be deemed to be an incurrence of Indebtedness for purposes of this Section 4.09. Indebtedness under Credit Facilities outstanding on the date on which Notes are first issued and authenticated under this Indenture will be deemed to have been incurred on such date in reliance on the exemption provided by clause (1) of the definition of Permitted Debt.

Notwithstanding anything to the contrary, the redemption, repurchase or purchase of any equity interest in the Company or any of its Restricted Subsidiaries pursuant to a put right, right of redemption or right of repurchase will, in any such case, for the purposes of the covenant described above, be treated as a payment or distribution on account of an Equity Interest and will not be treated as a payment on indebtedness, no matter what the accounting treatment of said transaction may be.

Section 4.10 ASSET SALES.

The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of such Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of;

(2) the Company delivers to the Trustee:

(A) with respect to any Asset Sale, a resolution of the Board of Directors set forth in an Officers' Certificate certifying that the consideration received at the time of the

Asset Sale was at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of; and

(B) with respect to any Asset Sale or series of Asset Sales involving aggregate consideration in excess of $20.0 million, an opinion as to the fairness to the Holders of such Asset Sale from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing; and

(3) at least 80% of the consideration therefor received by the Company or such Restricted Subsidiary is in the form of cash or cash equivalents. For purposes of this provision, each of the following shall be deemed to be cash:

(A) any liabilities (as shown on the Company's or such Restricted Subsidiary's most recent balance sheet), of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company or such Restricted Subsidiary from further liability; and

(B) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are contemporaneously (subject to ordinary settlement periods) converted by the Company or such Restricted Subsidiary into cash within 180 days, to the extent of the cash received in that conversion.

Within 360 days after the receipt of any Net Proceeds from an Asset Sale, the Company may apply such Net Proceeds at its option:

(1) to repay Indebtedness under the Credit Facilities and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;

(2) to acquire all or substantially all of the assets of, or a majority of the Voting Stock of, another Permitted Business;

(3) to make a capital expenditure; or

(4) to acquire other long-term assets and parking facility agreements, in each case, that are used or useful in a Permitted Business.

Pending the final application of any such Net Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest such Net Proceeds in any manner that is not prohibited by this Indenture or the Credit Agreement.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the preceding paragraph will constitute "EXCESS PROCEEDS." When the aggregate amount of Excess Proceeds exceeds $10.0 million, the Company will make an Asset Sale Offer to all Holders of Notes and all holders of other Indebtedness that is PARI PASSU with the Notes containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets in accordance with Section 3.09 hereof to purchase the maximum principal amount of Notes and such other PARI PASSU Indebtedness that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of principal amount plus accrued and unpaid interest and Liquidated Damages, if any, to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consumption of an Asset Sale Offer, the Company may use such Excess Proceeds for any purpose not otherwise prohibited by this Indenture or the Credit Agreement. If the aggregate principal amount of Notes and such other PARI PASSU Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Trustee shall select the Notes and the Company shall select such other PARI PASSU Indebtedness to be purchased on a pro rata basis based on the principal amount of Notes and such other PARI PASSU Indebtedness tendered Upon completion of each Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of Sections 3.09 or 4.10 of this Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under those provisions of this Indenture by virtue of

such conflict.

Section 4.11 TRANSACTIONS WITH AFFILIATES.

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (each an "AFFILIATE TRANSACTION"), unless:

(1) such Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person; and

(2) the Company delivers to the Trustee:

(A) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $5.0 million, a resolution of the Board of Directors set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (1) of this Section 4.11(a) and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; and

(B) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $10.0 million, an opinion as to the fairness to the Holders of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

(b) The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of Section 4.11(a):

(1) any employment agreement entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business and consistent with the past practice of the Company or such Restricted Subsidiary;

(2) transactions between or among the Company and/or its Restricted Subsidiaries;

(3) Permitted Investments and Restricted Payments that are permitted by Section 4.07 hereof;

(4) customary loans, advances, fees and compensation paid to, and indemnity provided on behalf of, officers, directors, employees or consultants of the Company or any of its Restricted Subsidiaries;

(5) annual management fees paid to AP Holdings, Inc., Steamboat Holdings, Inc. and their Affiliates and their successor entities not to exceed $3.0 million in the aggregate in any one year;

(6) transactions pursuant to any contract or agreement in effect on the date of this Indenture as the same may be amended, modified or replaced from time to time so long as any such amendment, modification or replacement is no less favorable to the Company and its Restricted Subsidiaries than the contract or agreement as in effect on the date of this Indenture or is approved by a majority of the disinterested directors of the Company;

(7) transactions between the Company or its Restricted Subsidiaries on the one hand, and AP Holdings, Inc., Steamboat Holdings, Inc. and their Affiliates and successor entities on the other hand, involving the provision of financial or advisory services by AP Holdings, Inc., Steamboat Holdings, Inc. and their Affiliates and successor entities; PROVIDED, that fees payable to AP Holdings, Inc., Steamboat Holdings, Inc. and their Affiliates and successor entities do not exceed the usual and customary fees for similar services; and

(8) the insurance arrangements between the Company and its Subsidiaries and Holberg Industries, Inc., AP Holdings, Inc., Steamboat Holdings, Inc. and their Affiliates that are not less favorable to the Company or any of its Subsidiaries than those that are in effect on the date hereof, PROVIDED such arrangements are conducted in the ordinary course of business consistent with past practices.

Section 4.12 LIENS.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien of any kind securing trade payables or Indebtedness that does not constitute Senior Debt (other the Permitted Liens) upon any of their property or assets, now owned or hereafter acquired, unless all payments due under this Indenture and the Notes are secured on an equal and ratable basis with the obligations so secured until such time as all such obligations are no longer secured by a Lien.

Section 4.13 LINE OF BUSINESS.

The Company will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Company and its Restricted Subsidiaries taken as a whole.

Section 4.14 CORPORATE EXISTENCE.

Subject to Section 4.15 and Article 5 hereof, as the case may be, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect:

(1) its corporate existence, and the corporate, partnership or other existence of each of its Restricted Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Restricted Subsidiary; and

(2) the rights (charter and statutory), licenses and franchises of the Company and its Restricted Subsidiaries; PROVIDED, HOWEVER, that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Restricted Subsidiaries, if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Restricted Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders of the Notes.

Section 4.15 OFFER TO REPURCHASE UPON CHANGE OF CONTROL.

(a) Upon the occurrence of a Change of Control, the Company will make an offer (a "CHANGE OF CONTROL OFFER") to each Holder to repurchase all or any part (equal to $100 or an integral multiple of $100) of each Holder's Notes at a purchase price equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Liquidated Damages on the Notes repurchased, if any, to the date of purchase (the "CHANGE OF CONTROL PAYMENT"). Within 30 days following any Change of Control, the Company will mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and stating:

(1) that the Change of Control Offer is being made pursuant to this Section 4.15 and that all Notes tendered will be accepted for payment;

(2) the purchase price and the purchase date, which shall be no earlier than 30 and no later than 60 days from the date such notice is mailed (the "CHANGE OF CONTROL PAYMENT DATE");

(3) that any Note not tendered will continue to accrue interest;

(4) that, unless the Company defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Payment Date;

(5) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased; and

(7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, which unpurchased portion must be equal to $100 in principal amount or an integral multiple thereof; provided, however, to the extent that the amount of Notes to be issued is greater than $1,000 in principal amount, the Notes shall be issued in multiples of $1,000 and integral multiples thereof, with the remaining principal amount issued in denominations of $100 principal amount and integral multiples thereof.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change in Control. To the extent that the provisions of any securities laws or regulations conflict with the provisions of Sections 3.09 or 4.15 of this Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under Section 3.09 or this Section 4.15 by virtue of such conflict.

(b) On the Change of Control Payment Date, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Company.

The Paying Agent will promptly mail to each Holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; PROVIDED, that each new Note will be in a principal amount of $100 or an integral multiple thereof. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

Prior to complying with any of the provisions of this Section 4.15, but in any event within 90 days following a Change of Control, the Company will either repay all outstanding Senior Debt or obtain the requisite consents, if any, under all agreements governing outstanding Senior Debt to permit the repurchase of Notes required by this Section 4.15.

(c) Notwithstanding anything to the contrary in this Section 4.15, the Company will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section 4.15 and Section 3.09 hereof and purchases all Notes validly tendered and not withdrawn under the Change of Control Offer.

Section 4.16 ANTI-LAYERING.

The Company will not incur any Indebtedness (including Permitted Debt) that is subordinate or junior in right of payment to any Senior Debt of the Company and senior in any respect in right of payment to the Notes. No Guarantor will incur any Indebtedness that is subordinate or junior in right of payment to any Senior Debt of such Guarantor and senior in any respect in right of payment to such Guarantor's Subsidiary Guarantee; PROVIDED, HOWEVER, that notwithstanding the foregoing, no Indebtedness of the Company or any Guarantor shall be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Company or such Guarantor solely by virtue of being unsecured.

Section 4.17 NO AMENDMENT OF SUBORDINATION PROVISIONS IN EXISTING SENIOR SUBORDINATED NOTES.

Without the consent of the Holders of 66 2/3% in aggregate principal amount of the Notes then outstanding, the Company will not amend, modify or alter the Subordinated Note Indenture in any way to:

(1) increase the rate of or change the time for payment of interest on any Subordinated Notes;

(2) increase the principal of, advance the final maturity date of or shorten the Weighted Average Life to Maturity of any Subordinated Notes;

(3) alter the redemption provisions or the price or terms at which the Company is required to offer to purchase any Subordinated Notes; or

(4) amend the provisions of Article 10 of the Subordinated Note Indenture (which relate to subordination).

Section 4.18 LIMITATION ON SALE AND LEASEBACK TRANSACTIONS.

The Company will not, and will not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction; PROVIDED that the Company may enter into a sale and leaseback transaction if:

(1) the Company could have (a) incurred Indebtedness in an amount equal to the Attributable Debt relating to such sale and leaseback transaction under the Fixed Charge Coverage Ratio test in Section 4.09(a) hereof and (b) incurred a Lien to secure such Indebtedness pursuant to the provisions of Section 4.12 hereof;

(2) the gross cash proceeds of that sale and leaseback transaction are at least equal to the fair market value (as determined in good faith by the Board of Directors and set forth in an Officers' Certificate delivered to the Trustee), of the property that is the subject of that sale and leaseback transaction; and

(3) the transfer of assets in that sale and leaseback transaction is permitted by, and the Company applies the proceeds of such transaction in compliance with, Section 4.10 hereof.

Section 4.19 LIMITATION ON ISSUANCES AND SALES OF CAPITAL STOCK OF WHOLLY OWNED RESTRICTED SUBSIDIARIES.

The Company will not, and will not permit any of its Wholly Owned Restricted Subsidiaries to, transfer, convey, sell, lease or otherwise dispose of any Equity Interests in any Wholly Owned Subsidiary of the Company to any Person (other than the Company or a Wholly Owned Subsidiary of the Company), unless:

(1) such transfer, conveyance, sale, lease or other disposition is of all the Equity Interests in such Wholly Owned Restricted Subsidiary; and

(2) the cash Net Proceeds from such transfer, conveyance, sale, lease or other disposition are applied in accordance with Section 4.10 hereof.

In addition, the Company will not permit any Wholly Owned Restricted Subsidiary of the Company to issue any of its Equity Interests (other than, if necessary, shares of its Capital Stock constituting directors' qualifying shares) to any Person other than to the Company or a Wholly Owned Restricted Subsidiary of the Company.

Section 4.20 LIMITATION ON ISSUANCES OF GUARANTEES OF INDEBTEDNESS.

The Company will not permit any of its Restricted Subsidiaries, directly or indirectly, to Guarantee or pledge any assets to secure the payment of any other Indebtedness of the Company unless such Restricted Subsidiary (1) is a Guarantor or (2) simultaneously executes and delivers a supplemental indenture to this Indenture providing for the Guarantee of the payment of the Notes by such Subsidiary, which Guarantee will be senior to or PARI PASSU with such Subsidiary's Guarantee of or pledge to secure such other Indebtedness unless such other Indebtedness is Senior Debt, in which case the Guarantee of the Notes may be subordinated to the Guarantee of such Senior Debt to the same extent as the Notes are subordinated to such Senior Debt.

Notwithstanding the preceding paragraph, any such Guarantee by a Subsidiary of the Notes must provide by its terms that it will be automatically and unconditionally released and discharged upon any sale, exchange or transfer, to any Person not an Affiliate of the Company, of all of the Company's stock in, or all or substantially all the assets of, such Subsidiary, which sale, exchange or transfer is made in compliance with the applicable provisions of this Indenture. The form of such Guarantee is attached as Exhibit E hereto.

Section 4.21 ADDITIONAL NOTE GUARANTEES.

If:

(1) the Company or any of its Restricted Subsidiaries transfers or causes to be transferred, including by way of investment, in one or more related or unrelated transactions, any assets, businesses, divisions, real property or equipment having an aggregate fair market value in excess of $1.0 million to any Restricted Subsidiary

that is not a Subsidiary Guarantor or a Foreign Subsidiary;

(2) the Company or any of its Restricted Subsidiaries acquires another Restricted Subsidiary other than a Foreign Subsidiary having total assets with a fair market value, as determined in good faith by the Board of Directors, in excess of $1.0 million; or

(3) if any Restricted Subsidiary other than a Foreign Subsidiary shall incur Acquired Debt in excess of $1.0 million,

then the Company shall, at the time of such transfer, acquisition or incurrence, cause such transferee, acquired Restricted Subsidiary or restricted subsidiary to execute and deliver a supplemental indenture pursuant to which such transferee, acquired Restricted Subsidiary or Restricted Subsidiary shall become a Guarantor hereunder and deliver an Opinion of Counsel reasonably satisfactory to the Trustee within ten Business Days of the date on which it was acquired or created to the effect that such supplemental indenture has been duly authorized, executed and delivered by that transferred Restricted Subsidiary and constitutes a valid and binding agreement of that transferred Restricted Subsidiary, enforceable in accordance with its terms (subject to customary exceptions). The form of such Note Guarantee is attached as Exhibit E hereto. Notwithstanding the foregoing, the Company and any of its Restricted Subsidiaries may make a Restricted Investment in any Wholly Owned Restricted Subsidiary without compliance with the covenant described above if such Restricted Investment is permitted by Section 4.07 hereof.

Section 4.22 LIMITATION ON MANAGEMENT FEES

Notwithstanding anything in this Indenture to the contrary, the Company will not, and will not permit any of its Restricted Subsidiaries to, pay management fees to AP Holdings, Inc., Steamboat Holdings, Inc. and their affiliates and successor entities, except that:

(1) until March 10, 2004, for so long as the Credit Agreement is in effect, the Company and its Restricted Subsidiaries may pay management fees to AP Holdings, Inc., Steamboat Holdings, Inc. and their affiliates and successor entities in an aggregate amount not to exceed 50% of the Company's "Excess Cash Flow", as such term is defined in the Credit Agreement; and

(2) if the Credit Agreement is no longer in effect, and at all times after March 10, 2004, the Company and its Restricted Subsidiaries may pay management fees to AP Holdings, Inc., Steamboat Holdings, Inc. and their affiliates and successor entities in an aggregate amount not to exceed 50% of the amount equal to (i) the sum of the Company's Consolidated Cash Flow and any payments paid in cash pursuant to this Section 4.22 to the extent that such payments were deducted in computing such Consolidated Cash Flow for the prior 12-month period, less (ii) the sum of interest payments paid in cash, capital expenditures paid in cash (other than with respect to acquisitions), payments of principal on joint ventures or other Indebtedness (excluding payments of principal on the Credit Agreement and the Notes) paid in cash, payments on Earnouts paid in cash and all accrued income tax paid or payable in cash for the same 12-month period by the Company and its Restricted Subsidiaries.

Notwithstanding the foregoing, any such payments may not violate any other terms or provisions of this Indenture or the Notes and may not exceed $3.0 million in the aggregate in any 12-month period.

ARTICLE 5.
SUCCESSORS

Section 5.01 MERGER, CONSOLIDATION, OR SALE OF ASSETS.

The Company shall not, directly or indirectly, consolidate or merge with or into another Person (whether or not the Company is the surviving corporation), or sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Subsidiaries taken as a whole, in one or more related transactions, to another Person; unless:

(1) either:

(A) the Company is the surviving corporation; or

(B) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, lease, conveyance or other disposition has been made is a corporation organized or existing under the laws of the United States, any state of the United

States or the District of Columbia;

(2) the Person formed by or surviving any such consolidation or merger (if other than the Company) or the Person to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made assumes all the obligations of the Company under the Notes, this Indenture, the Registration Rights Agreement and the Security Documents pursuant to agreements reasonably satisfactory to the Trustee;

(3) immediately after such transaction, no Default or Event of Default exists;

(4) the Company or the Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, conveyance or other disposition has been made would, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.09(a) hereof; and

(5) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such merger, consolidation or sale of assets and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture complies with this Article and that all conditions precedent herein provided for have been complied with.

In addition, the Company will not, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person. This Section 5.01 will not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among the Company and any of its Wholly Owned Restricted Subsidiaries.

Section 5.02 SUCCESSOR CORPORATION SUBSTITUTED.

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the assets of the Company in a transaction that is subject to, and that complies with the provisions of, Section 5.01 hereof, the successor corporation formed by such consolidation or into or with which the Company is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition, the provisions of this Indenture referring to the "Company" shall refer instead to the successor corporation and not to the Company), and may exercise every right and power of the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein; PROVIDED, HOWEVER, that the predecessor Company shall not be relieved from the obligation to pay the principal of and interest on the Notes except in the case of a sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the predecessor Company's assets in a transaction that is subject to, and that complies with the provisions of, Section 5.01 hereof.

ARTICLE 6.
DEFAULTS AND REMEDIES

Section 6.01 EVENTS OF DEFAULT.

Each of the following is an "Event of Default":

(1) the Company defaults for 30 days in the payment when due of interest on, or Liquidated Damages with respect to, the Notes;

(2) the Company defaults in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on the Notes;

(3) the Company or any of its Subsidiaries fails to comply with the provisions of Section 4.10, 4.15 or 5.01 hereof;

(4) the Company or any of its Subsidiaries fails to comply with Section 4.07 or 4.09 hereof for 30 days after notice to the Company from the Trustee or to the Company and the Trustee from the Holders of at least 30% in aggregate principal amount of the Notes then outstanding voting as a single class;

(5) the Company fails to observe or perform any other covenant, representation, warranty or other agreement in this Indenture, the Notes or the Security Documents for 60 days after notice to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the Notes then

outstanding voting as a single class;

(6) a default occurs under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries), whether such Indebtedness or guarantee now exists, or is created after the date of this Indenture, if that default:

(A) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "PAYMENT DEFAULT"); or

(B) results in the acceleration of such Indebtedness prior to its express maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates $15.0 million or more;

(7) a final judgment or final judgments for the payment of money are entered by a court or courts of competent jurisdiction against the Company or any of its Subsidiaries or any group of Subsidiaries that, taken as a whole, would constitute a Subsidiary, which judgment or judgments are not paid, discharged or stayed for a period of 60 days; PROVIDED that the aggregate of all such undischarged judgments exceeds $5.0 million;

(8) the Company or any of its Significant Subsidiaries or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law:

(A) commences a voluntary case,

(B) consents to the entry of an order for relief against it in an involuntary case,

(C) consents to the appointment of a custodian of it or for all or substantially all of its property,

(D) makes a general assignment for the benefit of its creditors, or

(E) generally is not paying its debts as they become due; or

(9) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Company or any of its Significant Subsidiaries or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary in an involuntary case;

(B) appoints a custodian of the Company or any of its Significant Subsidiaries or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary or for all or substantially all of the property of the Company or any of its Significant Subsidiaries or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary; or

(C) orders the liquidation of the Company or any of its Significant Subsidiaries or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary;

and the order or decree remains unstayed and in effect for 60 consecutive days; and

(10) notice to the Company and the Trustee from the Holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class of a breach by the Company of any representation or warranty or agreement in the Security Documents, the repudiation by the Company of any of its obligations under the Security Documents or the unenforceability of the Security Documents against the Company for any reason.

Section 6.02 ACCELERATION.

In the case of an Event of Default specified in clause (8) or (9) of

Section 6.01 hereof, with respect to the Company or any of its Significant Subsidiaries or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes, by notice to the Company and the Trustee, may declare all the Notes to be due and payable immediately; PROVIDED, HOWEVER, that so long as any Indebtedness or Obligation is outstanding pursuant to the Credit Facilities, such acceleration will not be effective until the earlier of (1) the acceleration of such Indebtedness under

the Credit Facilities or (2) five Business Days after receipt by the Company of written notice of such acceleration; and PROVIDED, further, that in the event of an acceleration based upon an Event of Default set forth in clause (6) of Section 6.01, such declaration of acceleration shall be automatically annulled if the holders of Indebtedness which is the subject of such failure to pay at maturity or acceleration have rescinded their declaration of acceleration in respect of such Indebtedness or such failure to pay at maturity shall have been cured or waived within 30 days thereof and no other Event of Default has occurred during such 30 day period which has not been cured, paid or waived.

Upon any such declaration, the Notes shall become due and payable immediately. Notwithstanding the foregoing, if an Event of Default specified in clause (8) or (9) of Section 6.01 hereof occurs with respect to the Company, any of its Significant Subsidiaries or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary, all outstanding Notes shall be due and payable immediately without further action or notice. The Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may on behalf of all of the Holders rescind an acceleration and its consequences if (i) the rescission would not conflict with any judgment or decree, (ii) all existing Events of Default (except nonpayment of principal, interest or premium or Liquidated Damages, if any, that has become due solely because of the acceleration) have been cured or waived, and (iii) the Company has paid to the Trustee all amounts due the Trustee pursuant to Section 7.07.

If an Event of Default occurs on or after January 1, 2002 by reason of any willful action (or inaction) taken (or not taken) by or on behalf of the Company with the intention of avoiding payment of the premium that the Company would have had to pay if the Company then had elected to redeem the Notes pursuant to Section 3.07 hereof, then, upon acceleration of the Notes, an equivalent premium shall also become and be immediately due and payable, to the extent permitted by law, anything in this Indenture or in the Notes to the contrary notwithstanding. If an Event of Default occurs prior to January 1, 2002 by reason of any willful action (or inaction) taken (or not taken) by or on behalf of the Company with the intention of avoiding the prohibition on redemption of the Notes prior to such date, then, upon acceleration of the Notes, an additional premium shall also become and be immediately due and payable in an amount, for each of the years beginning on January 1 of the years set forth below, as set forth below (expressed as a percentage of the principal amount of the Notes on the date of payment that would otherwise be due but for the provisions of this sentence):

YEAR	PERCENTAGE
2002	2.0%
2003	3.0%
2004	4.0%
2005 and thereafter	5.0%

Section 6.03 OTHER REMEDIES.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium and Liquidated Damages, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04 WAIVER OF PAST DEFAULTS.

Subject to Section 6.02, Holders of not less than a majority in

aggregate principal amount of the then outstanding Notes by notice to the Trustee may on behalf of the Holders of all of the Notes waive an existing Default or Event of Default and its consequences hereunder, except a continuing Default or Event of Default in the payment of the principal of, premium and Liquidated Damages, if any, or interest on, the Notes (including in connection with an offer to purchase); PROVIDED, HOWEVER, that the Holders of a majority in aggregate principal amount of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05 CONTROL BY MAJORITY.

Holders of a majority in principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other Holders of Notes or that may involve the Trustee in personal liability.

Section 6.06 LIMITATION ON SUITS.

A Holder of a Note may pursue a remedy with respect to this Indenture or the Notes only if:

(1) the Holder of a Note gives to the Trustee written notice of a continuing Event of Default;

(2) the Holders of at least 25% in principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy;

(3) such Holder of a Note or Holders of Notes offer and, if requested, provide to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of indemnity; and

(5) during such 60-day period the Holders of a majority in principal amount of the then outstanding Notes do not give the Trustee a direction inconsistent with the request.

A Holder of a Note may not use this Indenture to prejudice the rights of another Holder of a Note or to obtain a preference or priority over another Holder of a Note.

Section 6.07 RIGHTS OF HOLDERS OF NOTES TO RECEIVE PAYMENT.

Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal, premium, Liquidated Damages, if any, and interest on the Note, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder; PROVIDED that a Holder shall not have the right to institute any such suit for the enforcement of payment if and to the extent that the institution or prosecution thereof

or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the Lien of this Indenture upon any property subject to such Lien.

Section 6.08 COLLECTION SUIT BY TRUSTEE.

If an Event of Default specified in Section 6.01(1) or (2) occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of principal of, premium and Liquidated Damages, if any, and interest remaining unpaid on the Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07.

Section 6.09 TRUSTEE MAY FILE PROOFS OF CLAIM.

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the

Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07) and the Holders of the Notes allowed in any judicial proceedings relative to the Company (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 PRIORITIES.

If the Trustee collects any money pursuant to this Article 6, it shall pay out the money in the following order:

FIRST: to the Trustee, its agents and attorneys for amounts due under Section 7.07 hereof, including payment of all compensation, expense and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

SECOND: to holders of Senior Debt to the extent required by the Indenture;

THIRD: to Holders of Notes for amounts due and unpaid on the Notes for principal, premium, Liquidated Damages, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium and Liquidated Damages, if any and interest, respectively; and

FOURTH: to the Company or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders of Notes pursuant to this Section 6.10.

Section 6.11 UNDERTAKING FOR COSTS.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.07 hereof, or a suit by Holders of more than 10% in principal amount of the then outstanding Notes.

ARTICLE 7.
TRUSTEE

Section 7.01 DUTIES OF TRUSTEE.

(a) If an Event of Default has occurred and is continuing, the Trustee will exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the duties of the Trustee will be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may

conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee will examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(2) the Trustee will not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee will not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05 hereof.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section 7.01.

(e) No provision of this Indenture will require the Trustee to expend or risk its own funds or incur any liability. The Trustee will be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, including, without limitation, the provisions of Section 6.05 hereof, unless such Holder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee will not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

Section 7.02 RIGHTS OF TRUSTEE.

(a) The Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel or both. The Trustee will not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel will be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and will not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee will not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company will be sufficient if signed by an Officer of the Company.

(f) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than negligence or willful misconduct.

(h) The Trustee shall not be charged with knowledge of any Default or Event of Default with respect to the Securities of any series unless either (1) a Responsible Officer of the Trustee shall have actual knowledge of such Default or Event of Default or (2) written notice of such Default or Event of Default shall have been given to the Trustee by the Company or by any Holder of the Securities.

(i) The Trustee shall at no time have any responsibility or liability for or with respect to the legality, validity or enforceability of any Collateral or any arrangement or agreement between the Company and any Person with respect thereto, or the perfection or priority of any security interest created in any of the Collateral or the maintenance of any such perfection and priority, or for or with respect to the sufficiency of the Collateral following an Event of Default.

Section 7.03 INDIVIDUAL RIGHTS OF TRUSTEE.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as trustee or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Sections 7.10 and 7.11 hereof.

Section 7.04 TRUSTEE'S DISCLAIMER.

The Trustee will not be responsible for and makes no representation as to the validity or adequacy of this Indenture, the Notes, the Security Documents or the Intercreditor Agreement, it shall not be accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture, it will not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it will not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

Section 7.05 NOTICE OF DEFAULTS.

If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee will mail to Holders of Notes a notice of the Default or Event of Default within 90 days after it occurs. Except in the case of a Default or Event of Default in payment of principal of, premium or Liquidated Damages, if any, or interest on any Note, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders of the Notes.

Section 7.06 REPORTS BY TRUSTEE TO HOLDERS OF THE NOTES.

(a) Within 60 days after each May 15 beginning with the May 15 following the date of this Indenture, and for so long as Notes remain outstanding, the Trustee will mail to the Holders of the Notes a brief report dated as of such reporting date that complies with TIA Section 313(a) (but if no event described in TIA Section 313(a) has occurred within the twelve months preceding the reporting date, no report need be transmitted). The Trustee also will comply with TIA Section 313(b)(2). The Trustee will also transmit by mail all reports as required by TIA Section 313(c).

(b) A copy of each report at the time of its mailing to the Holders of Notes will be mailed by the Trustee to the Company and filed by the Trustee with the SEC and each stock exchange on which the Notes are listed in accordance with TIA Section 313(d). The Company will promptly notify the Trustee when the Notes are listed on any stock exchange.

Section 7.07 COMPENSATION AND INDEMNITY.

(a) The Company will pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder. The Trustee's compensation will not be limited by any law on compensation of a trustee of an express trust. The Company will reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses will include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

(b) The Company and each Guarantor will indemnify the Trustee against any and all losses, liabilities or expenses incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Company and the Guarantors (including this Section 7.07) and defending itself against any claim (whether asserted by the Company, the Guarantors or any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its negligence or bad faith. The Trustee will notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company will not

relieve the Company or any of the Guarantors of their obligations hereunder. The Company or such Guarantor may defend the claim and the Trustee will cooperate in the defense. The Trustee may have separate counsel and the Company will pay the reasonable fees and expenses of such counsel. Neither the Company nor any Guarantor need pay for any settlement made without its consent, which consent will not be unreasonably withheld.

(c) The obligations of the Company and the Guarantors under this Section 7.07 will survive the resignation or removal of the Trustee and the satisfaction and discharge of this Indenture.

(d) To secure the Company's payment obligations in this Section 7.07, the Trustee will have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal and interest on particular Notes. Such Lien will survive the resignation or removal of the Trustee and the satisfaction and discharge of this Indenture.

(e) When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(8) or (9) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

(f) The Trustee will comply with the provisions of TIA Section 313(b)(2) to the extent applicable.

Section 7.08 REPLACEMENT OF TRUSTEE.

(a) A resignation or removal of the Trustee and appointment of a successor Trustee will become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.08.

(b) The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Company. The Holders of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Company in writing. The Company may remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10 hereof;

(2) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(3) a custodian or public officer takes charge of the Trustee or its property; or

(4) the Trustee becomes incapable of acting.

(c) If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company will promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

(d) If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company, or the Holders of at least 10% in principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.10, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) A successor Trustee will deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee will become effective, and the successor Trustee will have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee will mail a notice of its succession to Holders. The retiring Trustee will promptly transfer all property held by it as Trustee to the successor Trustee, PROVIDED all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Company's obligations under Section 7.07 hereof will continue for the benefit of the retiring Trustee.

Section 7.09 SUCCESSOR TRUSTEE BY MERGER, ETC.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation,

the successor corporation without any further act will be the successor Trustee.

Section 7.10 ELIGIBILITY; DISQUALIFICATION.

There will at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $100 million as set forth in its most recent published annual report of condition.

This Indenture will always have a Trustee who satisfies the requirements of TIA Section 310(a)(1), (2) and (5). The Trustee is subject to TIA Section 310(b).

Section 7.11 PREFERENTIAL COLLECTION OF CLAIMS AGAINST COMPANY.

The Trustee is subject to TIA Section 311(a), excluding any creditor relationship listed in TIA Section 311(b). A Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated therein.

Section 7.12 TAX WITHHOLDING AND INFORMATION REPORTING.

The Trustee covenants and agrees to comply with all applicable withholding, information reporting, and backup withholding requirements under the U.S. Internal Revenue Code of 1986, as amended, and the Treasury regulations issued thereunder in respect of any payment on, or in respect of, a Note (including the filing of Internal Revenue Service Forms 1042, 1042S, and 1099, and the collection of Internal Revenue Service Forms W-8 and W-9).

ARTICLE 8.
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01 OPTION TO EFFECT LEGAL DEFEASANCE OR COVENANT DEFEASANCE.

The Company may, at the option of its Board of Directors evidenced by a resolution set forth in an Officers' Certificate, at any time, elect to have either Section 8.02 or 8.03 hereof be applied to all outstanding Notes upon compliance with the conditions set forth below in this Article 8.

Section 8.02 LEGAL DEFEASANCE AND DISCHARGE.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Company and each of the Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from their obligations with respect to all outstanding Notes (including the Note Guarantees) on the date the conditions set forth below are satisfied (hereinafter, "LEGAL DEFEASANCE"). For this purpose, Legal Defeasance means that the Company and the Guarantors will be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes (including the Note Guarantees), which will thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Indenture referred to in clauses (1) and (2) below, and to have satisfied all their other obligations under such Notes, the Note Guarantees and this Indenture (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which will survive until otherwise terminated or discharged hereunder:

(1) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium and Liquidated Damages, if any, on such Notes when such payments are due from the trust referred to in Section 8.04 hereof;

(2) the Company's obligations with respect to such Notes under Article 2 and Section 4.02 hereof;

(3) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Company's and the Guarantors' obligations in connection therewith; and

(4) this Article 8.

Subject to compliance with this Article 8, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

Section 8.03 COVENANT DEFEASANCE.

Upon the Company's exercise under Section 8.01 hereof of the option

applicable to this Section 8.03, the Company and the Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from each of their obligations under the covenants contained in Sections 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.15, 4.16, 4.17, 4.18, 4.19, 4.20, 4.21 and 4.22 hereof and clause (4) of Section 5.01 hereof with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.04 hereof are satisfied (hereinafter, "COVENANT DEFEASANCE"), and the Notes will thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but will continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes will not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes and Note Guarantees, the Company and the Guarantors may omit to comply with and will have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply will not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such Notes and Note Guarantees will be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03 hereof, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, Sections 6.01(3) through 6.01(7) and Section 6.01(10) hereof will not constitute Events of Default.

Section 8.04 CONDITIONS TO LEGAL OR COVENANT DEFEASANCE.

In order to exercise either Legal Defeasance or Covenant Defeasance under either Section 8.02 or 8.03 hereof:

(1) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders, cash in United States dollars, non-callable Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium and Liquidated Damages, if any, and interest on the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be;

(2) in the case of an election under Section 8.02 hereof, the Company has delivered to the Trustee an Opinion of Counsel in the United States reasonably acceptable to the Trustee confirming that:

(A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling; or

(B) since the date of this Indenture, there has been a change in the applicable U.S. federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to

U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of an election under Section 8.03 hereof, the Company must deliver to the Trustee an Opinion of Counsel in the United States reasonably acceptable to the Trustee confirming that the Holders of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) or insofar as Events of Default from bankruptcy or insolvency events are concerned, at any time in the period ending on the 91st day after the date of deposit;

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(6) the Company must have delivered to the Trustee an Opinion

of Counsel to the effect that after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;

(7) the Company must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders of Notes over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company or others; and

(8) the Company must deliver to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Section 8.05 DEPOSITED MONEY AND GOVERNMENT SECURITIES TO BE HELD IN TRUST; OTHER MISCELLANEOUS PROVISIONS.

Subject to Section 8.06 hereof, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "Trustee") pursuant to Section 8.04 hereof in respect of the outstanding Notes will be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium and Liquidated Damages, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company will pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable Government Securities deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Notwithstanding anything in this Article 8 to the contrary, the Trustee will deliver or pay to the Company from time to time upon the request of the Company any money or non-callable Government Securities held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(1) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06 REPAYMENT TO COMPANY.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium or Liquidated Damages, if any, or interest on any Note and remaining unclaimed for two years after such principal, premium or Liquidated Damages, if any, or interest has become due and payable shall be paid to the Company on its request or (if then held by the Company) will be discharged from such trust; and the Holder of such Note will thereafter be permitted to look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, will thereupon cease; PROVIDED, HOWEVER, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which will not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining will be repaid to the Company.

Section 8.07 REINSTATEMENT.

If the Trustee or Paying Agent is unable to apply any United States dollars or non-callable Government Securities in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's and the Guarantor's obligations under this Indenture and the Notes and the Note Guarantees will be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; PROVIDED, HOWEVER, that, if the Company makes any payment of principal of, premium or Liquidated Damages, if any, or interest on any Note following the reinstatement of its obligations, the Company will be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9.

Section 9.01 WITHOUT CONSENT OF HOLDERS OF NOTES.

Notwithstanding Section 9.02 of this Indenture, the Company, the Guarantors and the Trustee may amend or supplement this Indenture, the Note Guarantees, any agreements entered into to secure collateral pursuant to Article 11 hereof or the Notes without the consent of any Holder of a Note:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes or to alter the provisions of Article 2 hereof (including the related definitions) in a manner that does not materially adversely affect any Holder;

(3) to provide for the assumption of the Company's and the Guarantor's obligations to the Holders of the Notes by a successor to the Company pursuant to Article 5 or Article 12 hereof;

(4) to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the legal rights hereunder of any Holder of the Note;

(5) to comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the TIA;

(6) to provide for the issuance of Additional Notes in accordance with the limitations set forth in this Indenture as of the date hereof;

(7) to allow any Guarantor to execute a supplemental indenture and/or a Note Guarantee with respect to the Notes; or

(8) to provide for additional collateral pursuant to Article 11 hereof.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental Indenture, and upon receipt by the Trustee of the documents described in Section 9.06 hereof, the Trustee will join with the Company and the Guarantors in the execution of any amended or supplemental Indenture authorized or permitted by the terms of this Indenture and make any further appropriate agreements and stipulations that may be therein contained, but the Trustee will not be obligated to enter into such amended or supplemental Indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

Section 9.02 WITH CONSENT OF HOLDERS OF NOTES.

Except as provided below in this Section 9.02, the Company and the Trustee may amend or supplement this Indenture (including, without limitation, Section 3.09, 4.10 and 4.15 hereof), the Note Guarantees and the Notes with the consent of the Holders of at least a majority in principal amount of the Notes (including, without limitation, Additional Notes, if any) then outstanding voting as a single class (including, without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes), and, subject to Sections 6.04 and 6.07 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium or Liquidated Damages, if any, or interest on the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture, the Note Guarantees or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes (including Additional Notes, if any) voting as a single class (including consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes). Without the consent of at least 75% in principal amount of the Notes then outstanding (including consents obtained in connection with a tender offer or exchange offer for, or purchase of, such Notes), no waiver or amendment to this Indenture may make any change in (1) the provisions of Article 11 hereof or in (2) the provisions of any agreements entered into to secure collateral pursuant to Article 11 hereof, that adversely affects the rights of any Holder of Notes. Section 2.08 hereof shall determine which Notes are considered to be "outstanding" for purposes of this Section 9.02.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental Indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders of Notes as aforesaid, and

upon receipt by the Trustee of the documents described in Section 7.02 hereof,

the Trustee will join with the Company in the execution of such amended or supplemental Indenture unless such amended or supplemental Indenture directly affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but will not be obligated to, enter into such amended or supplemental Indenture.

It is not necessary for the consent of the Holders of Notes under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it is sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Company will mail to the Holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such amended or supplemental Indenture or waiver. Subject to Sections 6.04 and 6.07 hereof, the Holders of a majority in aggregate principal amount of the Notes (including Additional Notes, if any) then outstanding voting as a single class may waive compliance in a particular instance by the Company with any provision of this Indenture or the Notes. However, without the consent of each Holder affected, an amendment or waiver under this Section 9.02 may not (with respect to any Notes held by a non-consenting Holder):

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any Note or alter or waive any of the provisions with respect to the redemption of the Notes (except as provided above with respect to Sections 3.09, 4.10 and 4.15 hereof);

(3) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(4) waive a Default or Event of Default in the payment of principal of or premium or Liquidated Damages, if any, or interest on the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the then outstanding Notes (including Additional Notes, if any) and a waiver of the payment default that resulted from such acceleration);

(5) make any Note payable in money other than that stated in the Notes;

(6) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of principal of, or interest or premium or Liquidated Damages, if any, on the Notes;

(7) waive a redemption payment with respect to any Note (other than a payment required by Section 3.09, Section 4.10 or 4.15 hereof); or

(8) make any change in Section 6.04 or 6.07 hereof or in the foregoing amendment and waiver provisions.

Section 9.03 COMPLIANCE WITH TRUST INDENTURE ACT.

Every amendment or supplement to this Indenture or the Notes will be set forth in a amended or supplemental Indenture that complies with the TIA as then in effect.

Section 9.04 REVOCATION AND EFFECT OF CONSENTS.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.05 NOTATION ON OR EXCHANGE OF NOTES.

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Company in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note will not

affect the validity and effect of such amendment, supplement or waiver.

Section 9.06 TRUSTEE TO SIGN AMENDMENTS, ETC.

The Trustee will sign any amended or supplemental Indenture authorized pursuant to this Article 9 and any amended or supplement to any agreement entered into to secure collateral pursuant to Article 11 hereof if such amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Company may not sign an amendment or supplemental Indenture until the Board of Directors approves it. In executing any amended or supplemental indenture, the Trustee will be entitled to receive and (subject to Section 7.01 hereof) will be fully protected in relying upon, in addition to the documents required by Section 12.04 hereof, an Officers' Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental Indenture is authorized or permitted by this Indenture.

ARTICLE 10.
SUBORDINATION

Section 10.01 AGREEMENT TO SUBORDINATE.

The Company agrees, and each Holder by accepting a Note agrees, that the Indebtedness evidenced by the Notes is subordinated in right of payment, to the extent and in the manner provided in this Article 10, to the prior payment in full of all Senior Debt (whether outstanding on the date hereof or hereafter created, incurred, assumed or guaranteed), and that the subordination is for the benefit of the holders of Senior Debt.

Section 10.02 CERTAIN DEFINITIONS.

"Permitted Junior Securities" means:

(1) Equity Interests in the Company or any Guarantor; or

(2) debt securities that are subordinated to all Senior Debt (and any debt securities issued in exchange for Senior Debt) to substantially the same extent as, or to a greater extent than, the Notes and the Note Guarantees are subordinated to Senior Debt under this Indenture.

A distribution may consist of cash, securities or other property, by set-off or otherwise.

Section 10.03 LIQUIDATION; DISSOLUTION; BANKRUPTCY

Upon any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, to creditors in any Insolvency or Liquidation Proceeding with respect to the Company, all amounts due or to become due under or with respect to all Senior Debt shall first be paid in full in cash or cash equivalents before any payment is made on account of the Notes and all other Obligations with respect thereto, except that the Holders of Notes may receive Reorganization Securities. Upon any such Insolvency or Liquidation Proceeding, any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities (other than Reorganization Securities), to which the Holders of the Notes or the Trustee would be entitled shall be paid by the Company or by any receiver, trustee in bankruptcy, liquidating trustee, agent or other Person making such payment or distribution, or by the Holders of the Notes or by the Trustee if received by them, directly to the holders of Senior Debt (PRO RATA to such holders on the basis of the amounts of Senior Debt held by such holders) or their Representative or Representatives, as their interests may appear, for application to the payment of the Senior Debt remaining unpaid until all such Senior Debt has been paid in full in cash, after giving effect to any concurrent payment, distribution or provision therefor to or for the holders of Senior Debt.

Section 10.04 DEFAULT ON DESIGNATED SENIOR DEBT.

(a) In the event of and during the continuation of any default in the payment of principal of, interest or premium, if any, on any Senior Debt, or any Obligation owing from time to time under or in respect of Senior Debt, or in the event that any event of default (other than a payment default) with respect to any Senior Debt shall have occurred and be continuing and shall have resulted in such Senior Debt becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, or (b) if any event of default other than as described in clause (a) above with respect to any Designated Senior Debt shall have occurred and be continuing permitting the holders of such Designated Senior Debt (or their Representative or Representatives) to declare such Designated Senior Debt due and payable prior to the date on which it would otherwise have become due and payable, then no payment shall be made by or on behalf of the Company on account of the Notes (other than payments in the form of Reorganization Securities) (x) in case of any payment or nonpayment default specified in (a), unless and until such Senior

Debt is paid in full in cash or cash equivalents or such default shall have been cured or waived in writing in accordance with the instruments governing such Senior Debt or such acceleration shall have been rescinded or annulled, or (y) in case of any nonpayment event of default specified in (b), during the period (a "Payment Blockage Period") commencing on the date the Company and the Trustee receive written notice (a "Payment Notice") of such event of default specifically referring to this Article 10 (which notice shall be binding on the Trustee and the Holders of Notes as to the occurrence of such a payment default or nonpayment event of default) from the Credit Agent (or other holders of Designated Senior Debt or their Representative or Representatives) and ending on the earliest of (A) 179 days after such date, (B) the date, if any, on which the Trustee receives written notice from the Credit Agent (or other holders of Designated Senior Debt or their Representative or Representatives), as the case may be, stating that such Designated Senior Debt to which such default relates is paid in full in cash or such default is cured or waived in writing in accordance with the

instruments governing such Designated Senior Debt by the holders of such Designated Senior Debt and (C) the date on which the Trustee receives written notice from the Credit Agent (or other holders of Designated Senior Debt or their Representative or Representatives), as the case may be, terminating the Payment Blockage Period.

During any consecutive 360-day period, the aggregate of all Payment Blockage Periods shall not exceed 179 days and there shall be a period of at least 181 consecutive days in each consecutive 360-day period when no Payment Blockage Period is in effect. No event of default which existed or was continuing with respect to the Senior Debt for which notice commencing a Payment Blockage Period was given on the date such Payment Blockage Period commenced shall be or be made the basis for the commencement of any subsequent Payment Blockage Period unless such event of default is cured or waived for a period of not less than 90 consecutive days.

Section 10.05 ACCELERATION OF NOTES.

If payment of the Notes is accelerated because of an Event of Default, the Company will promptly notify holders of Senior Debt of the acceleration.

Section 10.06 WHEN DISTRIBUTION MUST BE PAID OVER.

In the event that the Trustee or any Holder receives any payment of any Obligations with respect to the Notes (other than Permitted Junior Securities and payments made from any defeasance trust created pursuant to Section 8.04 hereof) at a time when the Trustee or such Holder, as applicable, has actual knowledge that such payment is prohibited by Section 10.04 hereof, such payment will be held by the Trustee or such Holder, in trust for the benefit of, and will be paid forthwith over and delivered, upon written request, to, the holders of Senior Debt as their interests may appear or their Representative under the agreement, indenture or other document (if any) pursuant to which Senior Debt may have been issued, as their respective interests may appear, for application to the payment of all Obligations with respect to Senior Debt remaining unpaid to the extent necessary to pay such Obligations in full in accordance with their terms, after giving effect to any concurrent payment or distribution to or for the holders of Senior Debt.

With respect to the holders of Senior Debt, the Trustee undertakes to perform only those obligations on the part of the Trustee as are specifically set forth in this Article 10, and no implied covenants or obligations with respect to the holders of Senior Debt will be read into this Indenture against the Trustee. The Trustee will not be deemed to owe any fiduciary duty to the holders of Senior Debt, and will not be liable to any such holders if the Trustee pays over or distributes to or on behalf of Holders or the Company or any other Person money or assets to which any holders of Senior Debt are then entitled by virtue of this Article 10, except if such payment is made as a result of the willful misconduct or gross negligence of the Trustee.

Section 10.07 NOTICE BY COMPANY.

The Company will promptly notify the Trustee and the Paying Agent of any facts known to the Company that would cause a payment of any Obligations with respect to the Notes to violate this Article 10, but failure to give such notice will not affect the subordination of the Notes to the Senior Debt as provided in this Article 10.

Section 10.08 SUBROGATION.

After all Senior Debt is paid in full and until the Notes are paid in full, Holders of Notes will be subrogated (equally and ratably with all other Indebtedness PARI PASSU with the Notes) to the rights of holders of Senior Debt to receive distributions applicable to Senior Debt to the extent that

distributions otherwise payable to the Holders of Notes have been applied to the payment of Senior Debt. A distribution made under this Article 10 to holders of Senior Debt that otherwise would have been made to Holders of Notes is not, as between the Company and Holders, a payment by the Company on the Notes.

Section 10.09 RELATIVE RIGHTS.

This Article 10 defines the relative rights of Holders of Notes and holders of Senior Debt. Nothing in this Indenture will:

(1) impair, as between the Company and Holders of Notes, the obligation of the Company, which is absolute and unconditional, to pay principal of, premium and interest and Liquidated Damages, if any, on the Notes in accordance with their terms;

(2) affect the relative rights of Holders of Notes and creditors of the Company other than their rights in relation to holders of Senior Debt; or

(3) prevent the Trustee or any Holder of Notes from exercising its available remedies upon a Default or Event of Default, subject to the rights of holders and owners of Senior Debt to receive distributions and payments otherwise payable to Holders of Notes.

If the Company fails because of this Article 10 to pay principal of, premium or interest or Liquidated Damages, if any, on a Note on the due date, the failure is still a Default or Event of Default.

Section 10.10 SUBORDINATION MAY NOT BE IMPAIRED BY THE COMPANY.

No right of any holder of Senior Debt to enforce the subordination of the Indebtedness evidenced by the Notes may be impaired by any act or failure to act by the Company or any Holder or by the failure of the Company or any Holder to comply with this Indenture.

Section 10.11 DISTRIBUTION OR NOTICE TO REPRESENTATIVE.

Whenever a distribution is to be made or a notice given to holders of Senior Debt, the distribution may be made and the notice given to their Representative.

Upon any payment or distribution of assets of the Company referred to in this Article 10, the Trustee and the Holders of Notes will be entitled to rely upon any order or decree made by any court of competent jurisdiction or upon any certificate of such Representative or of the liquidating trustee or agent or other Person making any distribution to the Trustee or to the Holders of Notes for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Debt and other Indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 10.

Section 10.12 RIGHTS OF TRUSTEE AND PAYING AGENT.

Notwithstanding the provisions of this Article 10 or any other provision of this Indenture, the Trustee will not be charged with knowledge of the existence of any facts that would prohibit the making

of any payment or distribution by the Trustee, and the Trustee and the Paying Agent may continue to make payments on the Notes, unless the Trustee has received at its Corporate Trust Office at least five Business Days prior to the date of such payment written notice of facts that would cause the payment of any Obligations with respect to the Notes to violate this Article 10. Only the Company or a Representative may give the notice. Nothing in this Article 10 will impair the claims of, or payments to, the Trustee under or pursuant to Section 7.07 hereof.

The Trustee in its individual or any other capacity may hold Senior Debt with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights.

Section 10.13 AUTHORIZATION TO EFFECT SUBORDINATION.

Each Holder of Notes, by the Holder's acceptance thereof, authorizes and directs the Trustee on such Holder's behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article 10, and appoints the Trustee to act as such Holder's attorney-in-fact for any and all such purposes. If the Trustee does not file a proper proof of claim or proof of debt in the form required in any proceeding referred to in Section 6.09 hereof at least 30 days before the expiration of the time to file such claim, the Representatives are hereby authorized to file an appropriate claim for and on behalf of the Holders of the Notes.

Section 10.14 AMENDMENTS.

The provisions of this Article 10 may not be amended or modified without the written consent of the holders of all Senior Debt.

ARTICLE 11.
COLLATERAL AND SECURITY

Section 11.01 SECURITY DOCUMENTS.

The due and punctual payment of the principal of and interest and Liquidated Damages, if any, on the Notes when and as the same shall be due and payable, whether on an interest payment date, at maturity, by acceleration, repurchase, redemption or otherwise, and interest on the overdue principal of and interest and Liquidated Damages (to the extent permitted by law), if any, on the Notes and performance of all other obligations of the Company to the Holders of Notes or the Trustee under this Indenture and the Notes, according to the terms hereunder or thereunder, are secured as provided in the Security Documents and the Intercreditor Agreement which the Company has entered into simultaneously with the execution of this Indenture and which are attached as Exhibits F and G hereto. Each Holder of Notes, by its acceptance thereof, consents and agrees to the terms of the Security Documents and the Intercreditor Agreement (including, without limitation, the provisions providing for foreclosure and release of Collateral) as the same may be in effect or may be amended from time to time in accordance with its terms and authorizes and directs the Trustee, in its capacity as Collateral Agent, to enter into the Security Documents and the Intercreditor Agreement and to perform its obligations and exercise its rights thereunder in accordance therewith. The Company will do or cause to be done all such acts and things as may be necessary or proper, or as may be required by the provisions of the Security Documents or the Intercreditor Agreement, to assure and confirm to the Collateral Agent the security interest in the Collateral contemplated hereby, by the Security Documents or any part thereof, as from time to time constituted, so as to render the same available for the security and benefit of this Indenture and of the Notes secured hereby, according to the intent and purposes herein expressed. The Company will take, and will cause its Subsidiaries to take any and all actions required by applicable law or as may be reasonably required and requested by the Trustee, to cause the Security Documents to create and

maintain, as security for the Obligations of the Company hereunder, a valid and enforceable perfected second priority Lien to be defined by reference to Section 2.2 of the Security Agreement in and on all the Collateral, in favor of the Collateral Agent for the benefit of the Trustee and the Holders of Notes, superior to and prior to the rights of all third Persons other than the rights of the Credit Agent and the lenders under the Credit Agreement and subject to no other Liens than Permitted Liens.

Section 11.02 RECORDING AND OPINIONS.

(a) The Company will furnish to the Trustee, no later than ten days after the execution and delivery of this Indenture, an Opinion of Counsel either:

(1) stating that, in the opinion of such counsel, all action has been taken to create a valid lien on the Collateral, in accordance with the intent of Section 11.01 hereof and the Security Documents which lien is perfected to the extent that perfection of such lien can be effected under the UCC (as defined in the Security Agreement) by the filing of a financing statement in the appropriate filing in each jurisdiction where such filing is required or by the filing of appropriate instruments with the U.S. Copyright Office or U.S. Patent and Trade Office, and reciting with respect to the security interests in the Collateral, the details of such action; or

(2) stating that, in the opinion of such counsel, no such action is necessary to make such Lien effective.

(b) The Company will furnish to the Collateral Agent and the Trustee on January 15 in each year beginning with January 15, 2003, an Opinion of Counsel, dated as of such date, either:

(1) stating that, in the opinion of such counsel, action has been taken with respect to the recording, registering, filing, re-recording, re-registering and re-filing of all supplemental indentures, financing statements, continuation statements or other instruments of further assurance as is necessary to maintain the Lien of the Security Documents and reciting with respect to the security interests in the Collateral the details of such action or referring to prior Opinions of Counsel in which such details are given;

(2) stating that, in the opinion of such counsel, no such action is necessary to maintain such Lien and assignment.

(c) The Company will otherwise comply with the provisions of

TIA Section 314(b).

Section 11.03 RELEASE OF COLLATERAL.

(a) Subject to subsections (b), (c) and (d) of this Section 11.03, Collateral may be released from the Lien and security interest created by the Security Documents at any time or from time to time in accordance with the provisions of the Security Documents or as provided hereby. In addition, upon the written request of the Company, accompanied by an Officers' Certificate certifying (i) that all conditions precedent hereunder, under the Security Documents and under the Intercreditor Agreement have been met (ii) whether or not such release is in connection with an Asset Sale and (iii) that such release is permitted under the Intercreditor Agreement and the Collateral Agent will (at the sole cost and expense of the Company) release Collateral that is sold, conveyed or disposed of in compliance with the provisions of this Indenture; PROVIDED, that if such sale, conveyance or disposition constitutes an Asset Sale, the Company will apply the Net Proceeds in accordance with Section 4.10 hereof. Upon receipt of such written request and Officers' Certificate, the Collateral Agent shall execute, deliver or acknowledge any

necessary or proper instruments of termination, satisfaction or release to evidence the release of any Collateral permitted to be released pursuant to this Indenture or the Security Documents.

(b) No Collateral may be released from the Lien and security interest created by the Security Documents pursuant to the provisions of the Security Documents unless (i) the request and Officers' Certificate required by Section 11.03(a) has been delivered to the Collateral Agent or (ii) the release is permitted under the Intercreditor Agreement.

(c) At any time when a Default or Event of Default has occurred and is continuing and the maturity of the Notes has been accelerated (whether by declaration or otherwise) and the Trustee has delivered a notice of acceleration to the Collateral Agent, no release of Collateral pursuant to the provisions of the Security Documents will be effective as against the Holders of Notes unless the release is permitted under the Intercreditor Agreement.

(d) The release of any Collateral from the terms of this Indenture, the Security Documents and the Intercreditor Agreement will not be deemed to impair the security under this Indenture in contravention of the provisions hereof if and to the extent the Collateral is released pursuant to the terms hereof. To the extent applicable, the Company will cause TIA Section 313(b), relating to reports, and TIA Section 314(d), relating to the release of property or securities from the Lien and security interest of the Security Documents and relating to the substitution therefor of any property or securities to be subjected to the Lien and security interest of the Security Documents, to be complied with. Any certificate or opinion required by TIA Section 314(d) may be made by an Officer of the Company except in cases where TIA Section 314(d) requires that such certificate or opinion be made by an independent Person, which Person will be an independent engineer, appraiser or other expert reasonably acceptable to the Trustee same entity in the exercise of reasonable care.

In addition, and notwithstanding the foregoing, for so long as any Indebtedness or commitment to lend exists under the Credit Agreement, the Senior Lenders may each, in accordance with the Intercreditor Agreement, at any time and from time to time, in their sole discretion, without the consent of or notice to Trustee (except to the extent such notice or consent is specifically required pursuant to the provisions of the Intercreditor Agreement) or any Holder of Notes, without incurring responsibility to Trustee or any Holder of Notes, and without impairing or releasing the subordination provided for in the Intercreditor Agreement or the obligations of the Trustee to the Agent or any senior lender (i) release any Person liable in any manner under or in respect of Senior Indebtedness or release or compromise any obligation of any nature of any Person with respect to any of the Senior Indebtedness, (ii) release its security interest in, or surrender, release or permit any substitution or exchange for, all or any part of any Property securing any Senior Indebtedness, or release, compromise, alter or exchange any obligations of any nature of any Person with respect to any such Property to the extent it relates to Senior Indebtedness, (iii) release with respect to, or consent to any departure from, any guaranty for all or any of the Senior Indebtedness or (iv) exercise or refrain from exercising any rights against, and release from obligations of any type relating to Senior Indebtedness, any Credit Party or any other Person.

Section 11.04 CERTIFICATES OF THE COMPANY.

In addition to the request and Officers' Certificate required by Section 11.03(a), the Company will furnish to the Trustee and the Collateral Agent, prior to each proposed release of Collateral pursuant to the Security Documents:

(1) all documents required by TIA Section 314(d); and

(2) an Opinion of Counsel, which may be rendered by internal counsel to the Company, to the effect that such accompanying documents constitute all documents required by TIA Section 314(d).

The Trustee may, to the extent permitted by Sections 7.01 and 7.02 hereof, accept as conclusive evidence of compliance with the foregoing provisions the appropriate statements contained in such documents and such Opinion of Counsel.

Section 11.05 CERTIFICATES OF THE TRUSTEE.

In the event that the Trustee is not the Collateral agent, in the event that the Company wishes to release Collateral in accordance with the Security Documents and has delivered the certificates and documents required by the Security Documents and Sections 11.03 and 11.04 hereof, if such release is not permitted without a determinant of the Trustee and the Intercreditor Agreement the Trustee will determine whether it has received all documentation required by TIA Section 314(d) in connection with such release and, based on such determination and the Opinion of Counsel delivered pursuant to Section 11.04(2), will deliver a certificate to the Collateral Agent setting forth such determination.

Section 11.06 AUTHORIZATION OF ACTIONS TO BE TAKEN BY THE TRUSTEE UNDER THE SECURITY DOCUMENTS.

Subject to the terms of the Intercreditor Agreement and the provisions of Section 7.01 and 7.02 hereof, the Trustee may, in its sole discretion and without the consent of the Holders of Notes, direct, on behalf of the Holders of Notes, the Collateral Agent to take all actions the Trustee deems necessary or appropriate in order to:

(1) enforce any of the terms of the Security Documents; and

(2) collect and receive any and all amounts payable in respect of the Obligations of the Company hereunder.

Subject to the terms of the Intercreditor Agreement, the Trustee may institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Collateral by any acts that may be unlawful or in violation of the Security Documents or this Indenture, and such suits and proceedings as the Trustee may deem expedient to preserve or protect its interests and the interests of the Holders of Notes in the Collateral (including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the security interest hereunder or be prejudicial to the interests of the Holders of Notes or of the Trustee).

Section 11.07 AUTHORIZATION OF RECEIPT OF FUNDS BY THE TRUSTEE UNDER THE SECURITY DOCUMENTS.

The Trustee is authorized to receive any funds for the benefit of the Holders of Notes distributed under the Security Documents, and to make further distributions of such funds to the Holders of Notes according to the provisions of this Indenture and the terms of the Intercreditor Agreement.

Section 11.08 TERMINATION OF SECURITY INTEREST.

In the event the Trustee is not the Collateral Agent, upon the payment in full of all Obligations of the Company under this Indenture and the Notes, or upon Legal Defeasance, the Trustee will, at the request of the Company, deliver a certificate to the Collateral Agent stating that such Obligations have

been paid in full, and instruct the Collateral Agent to release the Liens pursuant to this Indenture and the Security Documents.

ARTICLE 12.
NOTE GUARANTEES

Section 12.01 GUARANTEE.

(a) Subject to this Article 12, each of the Guarantors hereby, jointly and severally, unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the obligations of the Company hereunder or thereunder, that:

(1) the principal of, premium and Liquidated Damages, if any, and interest on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and

interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and

(2) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise.

Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors will be jointly and severally obligated to pay the same immediately. Each Guarantor agrees that this is a guarantee of payment and not a guarantee of collection.

(b) The Guarantors hereby agree that their obligations hereunder are unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor. Each Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenant that this Note Guarantee will not be discharged except by complete performance of the obligations contained in the Notes and this Indenture.

(c) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantors or any custodian, trustee, liquidator or other similar official acting in relation to either the Company or the Guarantors, any amount paid by either to the Trustee or such Holder, this Note Guarantee, to the extent theretofore discharged, will be reinstated in full force and effect.

(d) Each Guarantor agrees that it will not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. Each Guarantor further agrees that, as between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (1) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 hereof for the purposes of this Note Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (2) in the event of any declaration of acceleration of such obligations as provided

in Article 6 hereof, such obligations (whether or not due and payable) will forthwith become due and payable by the Guarantors for the purpose of this Note Guarantee. The Guarantors will have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Note Guarantee.

Section 12.02 SUBORDINATION OF NOTE GUARANTEE.

The Obligations of each Guarantor under its Note Guarantee pursuant to this Article 12 will be junior and subordinated to the Senior Debt of such Guarantor on the same basis as the Notes are junior and subordinated to Senior Debt of the Company. For the purposes of the foregoing sentence, the Trustee and the Holders will have the right to receive and/or retain payments by any of the Guarantors only at such times as they may receive and/or retain payments in respect of the Notes pursuant to this Indenture, including Article 10 hereof.

Section 12.03 LIMITATION ON GUARANTOR LIABILITY.

Each Guarantor, and by its acceptance of Notes, each Holder, hereby confirms that it is the intention of all such parties that the Note Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to any Note Guarantee. To effectuate the foregoing intention, the Trustee, the Holders and the Guarantors hereby irrevocably agree that the obligations of such Guarantor will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article 12, result in the obligations of such Guarantor under its Note Guarantee not constituting a fraudulent transfer or conveyance.

Section 12.04 EXECUTION AND DELIVERY OF NOTE GUARANTEE.

To evidence its Note Guarantee set forth in Section 12.01, each

Guarantor hereby agrees that a notation of such Note Guarantee substantially in the form attached as Exhibit E hereto will be endorsed by an Officer of such Guarantor on each Note authenticated and delivered by the Trustee and that this Indenture will be executed on behalf of such Guarantor by one of its Officers.

Each Guarantor hereby agrees that its Note Guarantee set forth in Section 12.01 will remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Note Guarantee.

If an Officer whose signature is on this Indenture or on the Note Guarantee no longer holds that office at the time the Trustee authenticates the Note on which a Note Guarantee is endorsed, the Note Guarantee will be valid nevertheless.

The delivery of any Note by the Trustee, after the authentication thereof hereunder, will constitute due delivery of the Note Guarantee set forth in this Indenture on behalf of the Guarantors.

In the event that the Company creates or acquires any Restricted Subsidiary after the date of this Indenture, if required by Section 4.20 hereof, the Company will cause such Restricted Subsidiary to comply with the provisions of Section 4.20 hereof and this Article 12, to the extent applicable.

Section 12.05 GUARANTORS MAY CONSOLIDATE, ETC., ON CERTAIN TERMS.

Except as otherwise provided in Section 12.06, a Guarantor may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another Person, other than the Company or another Guarantor, unless:

(1) immediately after giving effect to such transaction, no Default or Event of Default exists; and

(2) subject to Section 12.06 hereof, the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger unconditionally assumes all the obligations of that Guarantor, pursuant to a supplemental indenture in form and substance reasonably satisfactory to the Trustee, under the Notes, this Indenture, the Registration Rights Agreement and the Note Guarantee on the terms set forth herein or therein; and

(A) the Company would be permitted by virtue of its pro forma Fixed Charge Coverage Ratio, immediately after giving effect to such transaction, to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Ratio test set forth in Section 4.09 hereof; or

(B) such consolidation or merger is with or into such Person other than the Company or a another Guarantor and the acquisition of all of the Equity Interests in such Person would have complied with the provisions of the covenants described under Sections 4.07 and 4.09 hereof; and

(C) the Guarantor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such merger, consolidation or sale of assets and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture complies with this Article and that all conditions precedent herein provided for have been complied with.

In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Note Guarantee endorsed upon the Notes and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Guarantor, such successor Person will succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a Guarantor. Such successor Person thereupon may cause to be signed any or all of the Note Guarantees to be endorsed upon all of the Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Note Guarantees so issued will in all respects have the same legal rank and benefit under this Indenture as the Note Guarantees theretofore and thereafter issued in accordance with the terms of this Indenture as though all of such Note Guarantees had been issued at the date of the execution hereof.

Except as set forth in Articles 4 and 5 hereof, and notwithstanding clauses (a) and (b) above, nothing contained in this Indenture or in any of the Notes will prevent any consolidation or merger of a Guarantor with or into the Company or another Guarantor, or will prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Company or another Guarantor.

Section 12.06 RELEASES FOLLOWING SALE OF ASSETS, MERGER, SALE OF CAPITAL STOCK, ETC.

In the event of any sale or other disposition of all or substantially all of the assets of any Guarantor, by way of merger, consolidation or otherwise, or a sale or other disposition of all to the Capital Stock of any Guarantor, in each case to a Person that is not (either before or after giving effect to such transactions) a Subsidiary of the Company, then such Guarantor (in the event of a sale or other disposition, by way of merger, consolidation or otherwise, of all of the Capital Stock of such Guarantor) or the corporation acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Guarantor) will be released and relieved of any obligations under its Note Guarantee; PROVIDED that the Net Proceeds of such sale or other disposition are applied in accordance with applicable provisions of this Indenture, including without limitation Section 4.10 hereof. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such sale or other disposition was made by the Company in accordance with the provisions of this Indenture, including without limitation Section 4.10 hereof, the Trustee will execute any documents reasonably requested by the Company in order to evidence the release of such Guarantor from its obligations under its Note Guarantee.

In the event that the Company designates any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary, then such Guarantor will be released and relieved from any obligations under its Note Guarantee; PROVIDED that such designation is in accordance with the applicable provisions of this Indenture, including without limitation Section 4.07 and Section 4.10 hereof. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such designation was made by the Company in accordance with the terms of this Indenture, including without limitation Section 4.07 and Section 4.10 hereof, the Trustee will execute any documents reasonably requested by the Company in order to evidence the release of such Guarantor from its obligations under its Notes Guarantee.

Any Guarantor not released from its obligations under its Note Guarantee will remain liable for the full amount of principal of and interest on the Notes and for the other obligations of such Guarantor under this Indenture as provided in this Article 12.

ARTICLE 13.
SATISFACTION AND DISCHARGE

Section 13.01 SATISFACTION AND DISCHARGE.

This Indenture will be discharged and will cease to be of further effect as to all Notes issued hereunder, when:

(1) either:

(a) all Notes that have been authenticated (except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust and thereafter repaid to the Company) have been delivered to the Trustee for cancellation; or

(b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Company or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination thereof,

in such amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium and Liquidated Damages, if any, and accrued interest to the date of maturity or redemption;

(2) no Default or Event of Default has occurred and is continuing on the date of such deposit or will occur as a result of such deposit and such deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound;

(3) the Company or any Guarantor has paid or caused to be paid all sums payable by it under this Indenture; and

(4) the Company has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, the Company must deliver an Officers' Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Notwithstanding the satisfaction and discharge of this Indenture, if money has been deposited with the Trustee pursuant to subclause (b) of clause (1) of this Section, the provisions of Section 13.02 and Section 8.06 will survive. In addition, nothing in this Section 13.01 will be deemed to discharge those provisions of Section 7.07 hereof, that, by their terms, survive the satisfaction and discharge of this Indenture.

Section 13.02 APPLICATION OF TRUST MONEY.

Subject to the provisions of Section 8.06, all money deposited with the Trustee pursuant to Section 13.01 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

If the Trustee or Paying Agent is unable to apply any money or Government Securities in accordance with Section 13.01 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's and any Guarantor's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 13.01; PROVIDED that if the Company has made any payment of principal of, premium, if any, or interest on any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or Government Securities held by the Trustee or Paying Agent.

ARTICLE 14.
MISCELLANEOUS

Section 14.01 TRUST INDENTURE ACT CONTROLS.

If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA Section 318(c), the imposed duties will control.

Section 14.02 NOTICES.

Any notice or communication by the Company, any Guarantor or the Trustee to the others is duly given if in writing and delivered in Person or mailed by first class mail (registered or certified, return receipt requested), telecopier or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Company and/or any Guarantor:

APCOA/Standard Parking, Inc.
900 North Michigan Avenue
Suite 1600
Chicago, Illinois 60611
Telecopier No.: (312) 640-6162
Attention: Chief Financial Officer

With a copy to:
White & Case LLP
1155 Avenue of the Americas
New York, New York 10036
Telecopier No.: (212) 819-8200
Attention: Jonathan E. Kahn

If to the Trustee:
Wilmington Trust Company
Rodney Square North
1100 N. Market Street
Wilmington, Delaware 19890
Telecopier No.: (302) 636-4145
Attention: Corporate Trust Administration

The Company, any Guarantor or the Trustee, by notice to the others may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) will

be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if telecopied; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder will be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. Any notice or communication will also be so mailed to any Person described in TIA Section 313(c), to the extent required by the TIA. Failure to mail a notice or communication to a Holder or any defect in it will not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Company mails a notice or communication to Holders, it will mail a copy to the Trustee and each Agent at the same time.

Section 14.03 COMMUNICATION BY HOLDERS OF NOTES WITH OTHER HOLDERS OF NOTES.

Holders may communicate pursuant to TIA Section 312(b) with other Holders with respect to their rights under this Indenture or the Notes. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA Section 312(c).

Section 14.04 CERTIFICATE AND OPINION AS TO CONDITIONS PRECEDENT.

Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(1) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 12.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 12.05 hereof) stating that, in the opinion of such counsel, such action is authorized or permitted by this Indenture and that all such conditions precedent and covenants have been satisfied.

Section 14.05 STATEMENTS REQUIRED IN CERTIFICATE OR OPINION.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to TIA Section 314(a)(4)) must comply with the provisions of TIA Section 314(e) and must include:

(1) a statement that the Person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

Section 14.06 RULES BY TRUSTEE AND AGENTS.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 14.07 NO PERSONAL LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES AND STOCKHOLDERS.

No past, present or future director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, this Indenture, the Note Guarantees, or the Security Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a

Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Section 14.08 GOVERNING LAW.

THE INTERNAL LAW OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE, THE NOTES AND THE NOTE GUARANTEES WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 14.09 NO ADVERSE INTERPRETATION OF OTHER AGREEMENTS.

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Company or its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 14.10 SUCCESSORS.

All agreements of the Company in this Indenture and the Notes will bind its successors. All agreements of the Trustee in this Indenture will bind its successors. All agreements of each Guarantor in this Indenture will bind its successors, except as otherwise provided in Section 12.06.

Section 14.11 SEVERABILITY.

In case any provision in this Indenture or in the Notes is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

Section 14.12 COUNTERPART ORIGINALS.

The parties may sign any number of copies of this Indenture. Each signed copy will be an original, but all of them together represent the same agreement.

Section 14.13 TABLE OF CONTENTS, HEADINGS, ETC.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and will in no way modify or restrict any of the terms or provisions hereof.

[Signatures on following page]

SIGNATURES

Dated as of January 11, 2002

APCOA/STANDARD PARKING, INC.

By:

Name: G. Marc Baumann
Title: Executive Vice President,
Chief Financial Officer, Treasurer

A-1 AUTO PARK, INC.

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

APCOA CAPITAL CORPORATION

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

CENTURY PARKING, INC.

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

EVENTS PARKING CO., INC.

By:

Name: G. Marc Baumann
Title: Treasurer

HAWAII PARKING MAINTENANCE, INC.
By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

METROPOLITAN PARKING SYSTEM, INC.
By:

Name: G. Marc Baumann
Title: Treasurer

S & S PARKING, INC.
By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

SENTINEL PARKING CO. OF OHIO, INC.
By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

SENTRY PARKING CORPORATION
By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

STANDARD AUTO PARK, INC.
By:

Name: G. Marc Baumann
Title: Treasurer

STANDARD PARKING CORPORATION
By:

Name: G. Marc Baumann
Title: Treasurer

STANDARD PARKING CORPORATION IL
By:

Name: G. Marc Baumann
Title: Treasurer

TOWER PARKING, INC.
By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

VIRGINIA PARKING SERVICE, INC.
By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

APCOA BRADLEY PARKING COMPANY, LLC
By: APCOA/STANDARD PARKING, INC., ITS SOLE MEMBER

By:
Name: G. Marc Baumann

Title: Executive Vice President,
Chief Financial Officer, Treasurer

APCOA LASALLE PARKING COMPANY, LLC
By: APCOA/STANDARD PARKING INC., ITS MANAGER

By:
Name: G. Marc Baumann
Title: Executive Vice President,
Chief Financial Officer, Treasurer

EXECUTIVE PARKING INDUSTRIES, L.L.C.

By:
Name: G. Marc Baumann
Title: Treasurer

Attest:

- ---
Name:
Title:

SIGNATURES

Dated as of January 11, 2001

Wilmington Trust Company, as Trustee

By:

Name:
Title:

SCHEDULE I

SCHEDULE OF GUARANTORS

The following schedule lists each Guarantor under the Indenture as of the date of the Indenture:

A-1 Auto Park, Inc.
APCOA Bradley Parking Company, LLC
APCOA Capital Corporation
APCOA LaSalle Parking Company, LLC
Century Parking, Inc.
Events Parking Co., Inc.
Hawaii Parking Maintenance Inc.
Metropolitan Parking System, Inc.
S&S Parking, Inc.
Sentinel Parking Co. of Ohio, Inc.
Sentry Parking Corporation
Standard Auto Park, Inc.
Standard Parking Corporation
Standard Parking Corporation IL
Tower Parking, Inc.
Virginia Parking Service, Inc.
Executive Parking Industries, L.L.C.

EXHIBIT A

[Face of Note]

- ---
THIS NOTE WILL BE CONSIDERED TO HAVE BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR PURPOSES OF SECTIONS 1271 ET. SEQ. OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. THE ISSUE DATE OF THIS NOTE IS JANUARY 11, 2002. FOR INFORMATION REGARDING THE ISSUE PRICE, AMOUNT OF OID, AND YIELD TO MATURITY FOR PURPOSES OF THE OID RULES, PLEASE CONTACT G. MARC BAUMANN, EXECUTIVE VICE PRESIDENT, CHIEF FINANCIAL OFFICER AND TREASURER OF APCOA/STANDARD PARKING, INC., AT 900 NORTH MICHIGAN AVENUE, SUITE 1600, CHICAGO, ILLINOIS 60611, TELECOPIER NO.: (312) 640-6162, ATTENTION: CHIEF FINANCIAL OFFICER.

ALL INDEBTEDNESS EVIDENCED BY THIS INSTRUMENT IS SUBORDINATED TO THE SENIOR INDEBTEDNESS PURSUANT TO, AND TO THE EXTENT PROVIDED IN, AND IS OTHERWISE SUBJECT TO THE TERMS OF, THE INTERCREDITOR AGREEMENT, DATED AS OF JANUARY 11, 2002 AS THE SAME MAY BE AMENDED, RESTATED, MODIFIED OR SUPPLEMENTED AND IN EFFECT FROM TIME TO TIME, BY AND AMONG WILMINGTON TRUST COMPANY, AS TRUSTEE, LASALLE BANK NATIONAL ASSOCIATION, AS AGENT FOR THE SENIOR LENDERS, AND THE "CREDIT PARTIES" IDENTIFIED THEREIN, INCLUDING THE MAKER(S) OF THIS INSTRUMENT.

CUSIP/CINS _____

14% [Series A] [Series B] Senior Subordinated Second Lien Notes Due 2006

No. ___ $_____

APCOA/Standard Parking, Inc.

promises to pay to CEDE & CO.

or registered assigns,

the principal sum of _____

Dollars on December 15, 2006.

Interest Payment Dates: June 15 and December 15

Record Dates: June 1 and December 1

Dated: _____, 200_

APCOA/Standard Parking, Inc.

By:

Name:
Title:

(SEAL)

This is one of the Notes referred to
in the within-mentioned Indenture:

Wilmington Trust Company,
as Trustee

By:

Authorized Signatory

- ---

[Back of Note]

14% [Series A] [Series B] Senior Subordinated Second Lien Notes Due 2006

[INSERT THE GLOBAL NOTE LEGEND, IF APPLICABLE PURSUANT TO THE PROVISIONS OF THE INDENTURE]

[INSERT THE PRIVATE PLACEMENT LEGEND, IF APPLICABLE PURSUANT TO THE PROVISIONS OF THE INDENTURE]

Capitalized terms used herein have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

(1) INTEREST. APCOA/Standard Parking, Inc., a Delaware corporation (the "Company"), promises to pay interest on the principal amount of this Note at 14% per annum from January 11, 2002 until maturity and shall pay the Liquidated Damages, if any, payable pursuant to Section 7 of the Registration Rights Agreement referred to below. Interest in the amount of 10% per annum will be paid in cash, and interest in the amount of 4% per annum will be paid in additional Notes (the "PIK Notes"). The Company will pay interest and Liquidated Damages, if any, semi-annually in arrears on June 15 and December 15 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each, an " Interest Payment Date"). Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of such Notes issuance; PROVIDED that if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; PROVIDED, FURTHER, that the first Interest Payment Date shall be June 15, 2002. The Company will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at a rate

that is 1% per annum in excess of the rate then in effect; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Liquidated Damages, if any, (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months. PIK Notes will be issued in denominations of $100.00 principal amount and integral multiples thereof. The amount of PIK Notes issued to any Holder will be rounded down to the nearest $100.00 with any fractional amount paid to such Holder in cash. PIK Notes will bear interest (including interest paid on the date of maturity of the Notes) and Liquidated Damages, if any, in a manner identical to all other Notes issued under the Indenture.

On the maturity date the Company will pay to the Holder 105% of the principal amount hereof, plus interest and Liquidated Damages, if any, then due.

(2) METHOD OF PAYMENT. The Company will pay interest on the Notes (except defaulted interest) and Liquidated Damages, if any, to the Persons who are registered Holders of Notes at the close of business on the June 1 or December 1 next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal, premium and Liquidated Damages, if any, and interest at the office or agency of the Company maintained for such purpose within or without the City and State of New York, or, at the option of the Company, payment of interest and Liquidated Damages, if any, may be made by check mailed to the Holders at their addresses set forth in the register of Holders; PROVIDED that payment by wire transfer of immediately available funds will be required with respect to principal of and interest, premium and Liquidated Damages, if any, on, all Global Notes and all other Notes the Holders of which will have provided wire transfer

instructions to the Company or the Paying Agent no later than the related record date for such payment. Such payment will be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

(3) PAYING AGENT AND REGISTRAR. Initially, Wilmington Trust Company, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

(4) INDENTURE AND SECURITY DOCUMENTS. The Company issued the Notes under an Indenture dated as of January 11, 2002 (the "Indenture") among the Company, the Guarantors and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S. Code Sections 77aaa-77bbbb). The Notes are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Notes are secured obligations of the Company limited to $100.0 million in aggregate principal amount, plus any PIK Notes. The Notes are secured by a second priority security interest in substantially all of the Company's assets pursuant to the Security Documents and the Intercreditor Agreement referred to in the Indenture.

(5) OPTIONAL REDEMPTION.

The Company will not have the option to redeem the Notes prior to January 1, 2002. Thereafter, the Company will have the option to redeem the Notes, in whole or in part, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Liquidated Damages, if any, thereon to the applicable redemption date, if redeemed during the twelve-month period beginning on January 1 of the years indicated below:

YEAR	PERCENTAGE
2002	102.000%
2003	103.000%
2004	104.000%
2005 and thereafter	105.000%

(6) MANDATORY REDEMPTION.

Except as set forth under Sections 3.09, 4.10 and 4.15 of the Indenture, the Company will not be required to make mandatory redemption payments with respect to the Notes.

(7) REPURCHASE AT OPTION OF HOLDER.

(a) If there is a Change of Control, the Company will be required to make an offer (a "Change of Control Offer") to repurchase all or any part (equal to $1,000 or an integral multiple thereof) of each Holder's Notes at a purchase price equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Liquidated Damages thereon, if any, to the date of purchase the "Change of Control Payment"). Within 10 days following any Change of Control, the Company will mail a notice to each Holder setting forth the procedures governing the Change of Control Offer as required by the Indenture.

(b) If the Company or a Subsidiary consummates any Asset Sales, within five days of each date on which the aggregate amount of Excess Proceeds exceeds $10.0 million, the Company will commence an offer to all Holders of Notes and all holders of other Indebtedness that is PARI PASSU with the Notes containing provisions similar to those set forth in the Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets (an "Asset Sale Offer") pursuant to Section 3.09 of the Indenture to purchase the maximum principal amount of Notes (including any Additional Notes) and other PARI PASSU Indebtedness that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof plus accrued and unpaid interest and Liquidated Damages thereon, if any, to the date fixed for the closing of such offer, in accordance with the procedures set forth in the Indenture. To the extent that the aggregate amount of Notes (including any Additional Notes) and other PARI PASSU Indebtedness tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, the Company (or such Subsidiary) may use such deficiency for any purpose not otherwise prohibited by the Indenture or the Credit Agreement. If the aggregate principal amount of Notes and other PARI PASSU Indebtedness surrendered by holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select the Notes and the Company shall select the other PARI PASSU Indebtedness to be purchased on a PRO RATA basis. Holders of Notes that are the subject of an offer to purchase will receive an Asset Sale Offer from the Company prior to any related purchase date and may elect to have such Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes.

(8) NOTICE OF REDEMPTION. Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address. Notes in denominations larger than $100 may be redeemed in part but only in whole multiples of $100, unless all of the Notes held by a Holder are to be redeemed. On and after the redemption date, interest ceases to accrue on Notes or portions thereof called for redemption.

(9) DENOMINATIONS, TRANSFER, EXCHANGE. The Notes are in registered form without coupons in denominations of $100 and integral multiples of $100; PROVIDED, HOWEVER, to the extent that the amount of Notes to be issued is greater than $1,000 in principal amount, the Notes shall be issued in multiples of $1,000 and integral multiples thereof, with the remaining principal amount issued in denominations of $100 principal amount and integral multiples thereof. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Company need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

(10) PERSONS DEEMED OWNERS. The registered Holder of a Note may be treated as its owner for all purposes.

(11) AMENDMENT, SUPPLEMENT AND WAIVER. Subject to certain exceptions, the Indenture, the Note Guarantees or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the then outstanding Notes, voting as a single class, and any existing default or compliance with any provision

of the Indenture, the Note Guarantees or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes, voting as a single class. Without the consent of any

Holder of a Note, the Indenture, the Note Guarantees or the Notes may be amended or supplemented to cure any ambiguity, defect or inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, to provide for the assumption of the Company's or any Guarantor's obligations to Holders of the Notes in case of a merger or consolidation, to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the legal rights under the Indenture of any such Holder, to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act, to provide for the Issuance of Additional Notes in accordance with the limitations set forth in the Indenture, or to allow any Guarantor to execute a supplemental indenture to the Indenture and/or a Note Guarantee with respect to the Notes.

(12) DEFAULTS AND REMEDIES. Events of Default include: (i) default for 30 days in the payment when due of interest or Liquidated Damages on the Notes; (ii) default in payment when due of principal of or premium, if any, on the Notes when the same becomes due and payable at maturity, upon redemption (including in connection with an offer to purchase) or otherwise, (iii) failure by the Company to comply with Sections 4.10, 4.15 or 5.01 of the Indenture; (iv) failure by the Company or any of its Subsidiaries for 30 days after notice from the Trustee or Holders of at least 30% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with Section 4.07 or 4.09 of the Indenture; (v) failure by the Company for 60 days after notice to the Company by the Trustee or the Holders of at least 25% in principal amount of the Notes (including Additional Notes, if any) then outstanding voting as a single class to comply with certain other agreements in the Indenture, the Notes or the Security Documents; (vi) default under certain other agreements relating to Indebtedness of the Company or any of its Restricted Subsidiaries, which default results in the acceleration of such Indebtedness prior to its express maturity; (vii) certain final judgments for the payment of money that remain undischarged for a period of 60 days; (viii) certain events of bankruptcy or insolvency with respect to the Company or any of its Significant Subsidiaries; and (ix) notice to the Company and the Trustee from the Holder of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class of a breach by the Company of any representation or warranty or agreement in the Security Documents, the repudiation by Company of any of its obligations under the Security Documents or the unenforceability of the Security Documents against the Company for any reason. If any Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency, all outstanding Notes will become due and payable without further action or notice. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of the Notes notice of any continuing Default or Event of Default (except a Default or Event of Default relating to the payment of principal or interest) if it determines that withholding notice is in their interest. The Holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest on, or the principal of, the Notes. The Company and each Guarantor is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Company is required upon becoming aware of any Default or Event of Default, to deliver to the Trustee a statement specifying such Default or Event of Default.

(13) SUBORDINATION. Payment of principal, interest and premium and Liquidated Damages, if any, on the Notes is subordinated to the prior payment of Senior Debt on the terms provided in the Indenture.

(14) TRUSTEE DEALINGS WITH COMPANY. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Trustee.

(15) NO RECOURSE AGAINST OTHERS. A director, officer, employee, incorporator or stockholder, of the Company or any of the Guarantors, as such, will not have any liability for any obligations of the Company or such Guarantor under the Notes, the Note Guarantees or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

(16) AUTHENTICATION. This Note will not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

(17) ABBREVIATIONS. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

(18) ADDITIONAL RIGHTS OF HOLDERS OF RESTRICTED GLOBAL NOTES AND RESTRICTED DEFINITIVE NOTES. In addition to the rights provided to Holders of Notes under the Indenture, Holders of Restricted Global Notes and Restricted Definitive Notes will have all the rights set forth in the A/B Exchange Registration Rights Agreement dated as of January 11, 2002, among the Company, the Guarantors and the other parties named on the signature pages thereof or, in the case of Additional Notes, Holders of Restricted Global Notes and Restricted Definitive Notes will have the rights set forth in one or more registration rights agreements, if any, among the Company, the Guarantors and the other parties thereto, relating to rights given by the Company and the Guarantors to the purchasers of any Additional Notes (collectively, the "Registration Rights Agreement").

(19) CUSIP NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture and/or the Registration Rights Agreement. Requests may be made to:

APCOA/Standard Parking, Inc.
900 North Michigan Avenue
Suite 1600
Chicago, Illinois 60611
Attention: Chief Financial Officer

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to:_____
(Insert assignee's legal name)

_____
(Insert assignee's soc. sec. or tax I.D. no.)

_____

_____

_____
(Print or type assignee's name, address and zip code)

and irrevocably appoint _____
to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your Signature:

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

EXHIBIT A

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.15 of the Indenture, check the appropriate box below:

Section 4.10 Section 4.15

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.10 or Section 4.15 of the Indenture, state the amount you elect to have purchased:

$_____

Date:

Your Signature:

(Sign exactly as your name appears on the face of this Note)

Tax Identification No.:

Signature Guarantee*:
---

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

EXHIBIT A

SCHEDULE OF INCREASES IN OR EXCHANGES OF INTERESTS IN THE GLOBAL NOTE*

The following increases in or exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

DATE OF EXCHANGE	AMOUNT OF DECREASE IN PRINCIPAL AMOUNT OF THIS GLOBAL NOTE	AMOUNT OF INCREASE IN PRINCIPAL AMOUNT OF THIS GLOBAL NOTE	PRINCIPAL AMOUNT OF THIS GLOBAL NOTE FOLLOWING SUCH DECREASE (OR INCREASE)	SIGNATURE OF AUTHORIZED OFFICER OF TRUSTEE OR CUSTODIAN

* THIS SCHEDULE SHOULD BE INCLUDED ONLY IF THE NOTE IS ISSUED IN GLOBAL FORM.

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

APCOA/Standard Parking, Inc.
900 North Michigan Avenue
Suite 1600
Chicago, Illinois 60611
Attention:[Chief Financial Officer.]

[REGISTRAR ADDRESS BLOCK]

Re: 14% Senior Subordinated Second Lien Notes Due 2006

Reference is hereby made to the Indenture, dated as of _____ (the "INDENTURE"), among APCOA/Standard Parking, Inc., as issuer (the "COMPANY"), the Guarantors named on the signature pages thereto and Wilmington Trust Company, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "TRANSFEROR") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of $_____ in such Note[s] or interests (the "TRANSFER"), to _____ (the "TRANSFEREE"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. / / CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE PRIVATELY PLACED GLOBAL NOTE OR A DEFINITIVE NOTE PURSUANT TO RULE 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the Securities Act of 1933, as amended (the "SECURITIES ACT"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Privately Placed Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

2. / / CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE REGULATION S GLOBAL NOTE OR A DEFINITIVE NOTE PURSUANT TO REGULATION S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a Person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person.

Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

3. / / CHECK AND COMPLETE IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE IAI GLOBAL NOTE OR A DEFINITIVE NOTE PURSUANT TO ANY PROVISION OF THE SECURITIES ACT OTHER THAN RULE 144A OR REGULATION S. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) / / such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

or

(b) / / such Transfer is being effected to the Company or a subsidiary thereof;

or

(c) / / such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act;

or

(d) / / such Transfer is being effected to an Institutional Accredited Investor and pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A, Rule 144 or Rule 904, and the Transferor hereby further certifies that it has not engaged in any general solicitation within the meaning of Regulation D under the Securities Act and the Transfer complies with the transfer restrictions applicable to beneficial interests in a Restricted Global Note or Restricted Definitive Notes and the requirements of the exemption claimed, which certification is supported by (1) a certificate executed by the Transferee in the form of Exhibit D to the Indenture and (2) if such Transfer is in respect of a principal amount of Notes at the time of transfer of less than $250,000, an Opinion of Counsel provided by the Transferor or the

Transferee (a copy of which the Transferor has attached to this certification), to the effect that such Transfer is in compliance with the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the IAI Global Note and/or the Definitive Notes and in the Indenture and the Securities Act.

4. / / CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE OR OF AN UNRESTRICTED DEFINITIVE NOTE.

(a) / / CHECK IF TRANSFER IS PURSUANT TO RULE 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of

the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(b) / / CHECK IF TRANSFER IS PURSUANT TO REGULATION S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(c) / / CHECK IF TRANSFER IS PURSUANT TO OTHER EXEMPTION. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Transferor]

By:

Name:
Title:

Dated: _____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) / / a beneficial interest in the:

(i) Privately Placed Global Note (CUSIP _____), or

(ii) Regulation S Global Note (CUSIP _____), or

(iii) IAI Global Note (CUSIP _____); or

(b) / / a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) / / a beneficial interest in the:

(i) Privately Placed Global Note (CUSIP _____), or

(ii) Regulation S Global Note (CUSIP _____), or

(iii) IAI Global Note (CUSIP _____); or

(iv) Unrestricted Global Note (CUSIP _____); or

(b) / / a Restricted Definitive Note; or

(c) / / an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

APCOA/Standard Parking, Inc.
900 North Michigan Avenue
Suite 1600
Chicago, Illinois 60611
Attention: [Chief Financial Officer]

[REGISTRAR ADDRESS BLOCK]

Re: 14% Senior Subordinated Second Lien Notes Due 2006

(CUSIP _____)

Reference is hereby made to the Indenture, dated as of January 11, 2002 (the "INDENTURE"), among APCOA/Standard Parking, Inc., as issuer (the "COMPANY"), the Guarantors named on the signature pages thereto and Wilmington Trust Company, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "OWNER") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of $_____ in such Note[s] or interests (the "EXCHANGE"). In connection with the Exchange, the Owner hereby certifies that:

1. EXCHANGE OF RESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN A RESTRICTED GLOBAL NOTE FOR UNRESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN AN UNRESTRICTED GLOBAL NOTE

(a) / / CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the Securities Act of 1933, as amended (the "SECURITIES ACT"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) / / CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO UNRESTRICTED DEFINITIVE NOTE. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) / / CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE. In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial interest in an

Unrestricted Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) / / CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO UNRESTRICTED DEFINITIVE NOTE. In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. EXCHANGE OF RESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES FOR RESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES

(a) / / CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO RESTRICTED DEFINITIVE NOTE. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

(b) / / CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE. In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the [CHECK ONE] / / Privately Placed Global Note, / / Regulation S Global Note, / / IAI Global Note with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Transferor]

By:

Name:
Title:

Dated:

EXHIBIT D

FORM OF CERTIFICATE FROM
ACQUIRING INSTITUTIONAL ACCREDITED INVESTOR

APCOA/Standard Parking, Inc.
900 North Michigan Avenue
Suite 1600
Chicago, Illinois 60611
Attention: [Chief Financial Officer.]

[REGISTRAR ADDRESS BLOCK]

Re: 14% Senior Subordinated Second Lien Notes Due 2006

Reference is hereby made to the Indenture, dated as of January 11, 2002

(the "INDENTURE"), among APCOA/Standard Parking, Inc., as issuer (the "COMPANY"), the guarantors named on the signature pages thereto and Wilmington Trust Company, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

In connection with our proposed purchase of $_____ aggregate principal amount of:

(a) / / a beneficial interest in a Global Note, or

(b) / / a Definitive Note,

we confirm that:

1. We understand that any subsequent transfer of the Notes or any interest therein is subject to certain restrictions and conditions set forth in the Indenture and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes or any interest therein except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the "SECURITIES ACT").

2. We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes and any interest therein may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell the Notes or any interest therein, we will do so only (A) to the Company or any subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you and to the Company a signed letter substantially in the form of this letter and, if such transfer is in respect of a principal amount of Notes, at the time of transfer of less than $250,000, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the provisions of Rule 144(k) under the Securities Act or (F) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any Person purchasing the Definitive Note or beneficial interest in a Global Note from us in a transaction meeting the requirements of clauses (A) through (E) of this paragraph a notice advising such purchaser that resales thereof are restricted as stated herein.

3. We understand that, on any proposed resale of the Notes or beneficial interest therein, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will bear a legend to the foregoing effect.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Notes or beneficial interest therein purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

[Insert Name of Accredited Investor]

By:

Name:
Title:

Dated:

FORM OF NOTATION OF GUARANTEE

For value received, each Guarantor (which term includes any successor Person under the Indenture) has, jointly and severally, unconditionally guaranteed, to the extent set forth in the Indenture and subject to the provisions in the Indenture dated as of January 11, 2002 (the "INDENTURE") among APCOA/Standard Parking, Inc., (the "COMPANY"), the Guarantors listed on Schedule I thereto and Wilmington Trust Company, as trustee (the "TRUSTEE"), (a) the due and punctual payment of the principal of, premium and Liquidated Damages, if any, and interest on the Notes (as defined in the Indenture), whether at maturity, by acceleration, redemption or otherwise, the due and punctual payment of interest on overdue principal of and interest on the Notes, if any, if lawful, and the due and punctual performance of all other obligations of the Company to the Holders or the Trustee all in accordance with the terms of the Indenture and (b) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. The obligations of the Guarantors to the Holders of Notes and to the Trustee pursuant to the Note Guarantee and the Indenture are expressly set forth in Article 12 of the Indenture and reference is hereby made to the Indenture for the precise terms of the Note Guarantee. Each Holder of a Note, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee, on behalf of such Holder, to take such action as may be necessary or appropriate to effectuate the subordination as provided in the Indenture and (c) appoints the Trustee attorney-in-fact of such Holder for such purpose; PROVIDED, HOWEVER, that the Indebtedness evidenced by this Note Guarantee shall cease to be so subordinated and subject in right of payment upon any defeasance of this Note in accordance with the provisions of the Indenture.

A-1 Auto Park, Inc.
APCOA Bradley Parking Company, LLC
APCOA Capital Corporation
APCOA LaSalle Parking Company, LLC
Century Parking, Inc.
Events Parking Co., Inc.
Hawaii Parking Maintenance Inc.
Metropolitan Parking System, Inc.
S&S Parking, Inc.
Sentinel Parking Co. of Ohio, Inc.
Sentry Parking Corporation
Standard Auto Park, Inc.
Standard Parking Corporation
Standard Parking Corporation IL
Tower Parking, Inc.
Virginia Parking Service, Inc.
Executive Parking Industries, L.L.C.

By:

Name:
Title:

EXHIBIT F

FORM OF SUPPLEMENTAL INDENTURE
TO BE DELIVERED BY SUBSEQUENT GUARANTORS

SUPPLEMENTAL INDENTURE (this "SUPPLEMENTAL INDENTURE"), dated as of _____, 200__, among _____ (the "GUARANTEEING SUBSIDIARY"), a subsidiary of APCOA/Standard Parking, Inc. (or its permitted successor), a Delaware corporation (the "COMPANY"), the Company, the other Guarantors (as defined in the Indenture referred to herein) and Wilmington Trust Company, as trustee under the indenture referred to below (the "TRUSTEE").

W I T N E S S E T H

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture (the "INDENTURE"), dated as of January 11, 2002 providing for the issuance of an aggregate principal amount of up to $100 million plus a additional amount of PIK Notes, if any, of 14% Senior Subordinated Second Lien Notes due 2006 (the "NOTES"), excluding PIK Notes, if any;

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "NOTE GUARANTEE"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. The Guaranteeing Subsidiary hereby agrees as follows:

(a) Along with all Guarantors named in the Indenture, to jointly and severally Guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, the Notes or the obligations of the Company hereunder or thereunder, that:

(i) the principal of, and premium and Liquidated Damages, if any, and interest on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Trustee under the Notes or the Indenture will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and

(ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so

guaranteed or any performance so guaranteed for whatever reason, the Guarantors shall be jointly and severally obligated to pay the same immediately.

(b) The obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor.

(c) The following is hereby waived: diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever.

(d) This Note Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes and the Indenture, and the Guaranteeing Subsidiary accepts all obligations of a Guarantor under the Indenture.

(e) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantors, or any custodian, trustee, liquidator or other similar official acting in relation to either the Company or the Guarantors, any amount paid by either to the Trustee or such Holder, this Note Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(f) The Guaranteeing Subsidiary shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.

(g) As between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 of the Indenture for the purposes of this Note Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6 of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of this Note Guarantee.

(h) The Guarantors shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Note Guarantee.

(i) Pursuant to Section 12.02 of the Indenture, after giving effect to any maximum amount and all other contingent and fixed liabilities that are relevant under any applicable Bankruptcy or fraudulent conveyance laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under Article 12 of the Indenture, this new Note Guarantee shall be limited to the maximum amount permissible such that the obligations of such Guarantor under this Note Guarantee will not constitute a fraudulent transfer or conveyance.

3. EXECUTION AND DELIVERY. Each Guaranteeing Subsidiary agrees that the Note Guarantees shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Note Guarantee.

4. GUARANTEEING SUBSIDIARY mAY CONSOLIDATE, eTC. ON CERTAIN TERMS.

(a) The Guaranteeing Subsidiary may not sell or otherwise dispose of all substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another Person, other than the Company or another Guarantor unless:

(i) immediately after giving effect to such transaction, no Default or Event of Default exists; and

(ii) either (A) subject to Sections 12.04 and 12.05 of the Indenture, the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger unconditionally assumes all the obligations of that Guarantor, pursuant to a supplemental indenture in form and substance reasonably satisfactory to the Trustee, under the Notes, the Indenture and the Note Guarantee on the terms set forth herein or therein; or (B) the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture, including without limitation, Section 4.10 thereof.

(b) In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Note Guarantee endorsed upon the Notes and the due and punctual performance of all of the covenants and conditions of the Indenture to be performed by the Guarantor, such successor Person shall succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a Guarantor. Such successor Person thereupon may cause to be signed any or all of the Note Guarantees to be endorsed upon all of the Notes issuable under the Indenture which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Note Guarantees so issued shall in all respects have the same legal rank and benefit under the Indenture as the Note Guarantees theretofore and thereafter issued in accordance with the terms of the Indenture as though all of such Note Guarantees had been issued at the date of the execution hereof.

(c) Except as set forth in Articles 4 and 5 and Section 12.05 of Article 12 of the Indenture, and notwithstanding clauses (a) and (b) above, nothing contained in the Indenture or in any of the Notes shall prevent any consolidation or merger of a Guarantor with or into the Company or another Guarantor, or shall prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Company or another Guarantor.

5. RELEASES.

(a) In the event of any sale or other disposition of all or substantially all of the assets of any Guarantor, by way of merger, consolidation or otherwise, or a sale or other disposition of all of the capital stock of any Guarantor, in each case to a Person that is not (either before or after giving effect to such transaction) a Subsidiary of the Company, then such Guarantor (in the event of a sale or other disposition, by way of merger, consolidation or otherwise, of all of the capital stock of such Guarantor) or the corporation acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such

Guarantor) will be released and relieved of any obligations under its Note Guarantee; PROVIDED that the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture, including without limitation Section 4.10 of the Indenture. Upon delivery by the Company to the Trustee of an Officers'

Certificate and an Opinion of Counsel to the effect that such sale or other disposition was made by the Company in accordance with the provisions of the Indenture, including without limitation Section 4.10 of the Indenture, the Trustee shall execute any documents reasonably requested by the Company in order to evidence the release of any Guarantor from its obligations under its Note Guarantee.

(b) In the event that the Company designates any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary, then such Guarantor will be released and relieved from any obligations under its Note Guarantee; PROVIDED that such designation is in accordance with the applicable provisions of this Indenture, including without limitation Section 4.07 and Section 4.10 hereof. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such designation was made by the Company in accordance with the terms of this Indenture, including without limitation Section 4.07 and Section 4.10 hereof, the Trustee will execute any documents reasonably requested by the Company in order to evidence the release of any Guarantor from its obligations under its Notes Guarantee.

(c) Any Guarantor not released from its obligations under its Note Guarantee shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of any Guarantor under the Indenture as provided in Article 12 of the Indenture.

6. NO RECOURSE AGAINST OTHERS. No past, present or future director, officer, employee, incorporator, stockholder or agent of the Guaranteeing Subsidiary, as such, shall have any liability for any obligations of the Company or any Guaranteeing Subsidiary under the Notes, any Note Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

7. NEW YORK LAW TO GOVERN. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

8. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

9. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

10. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

Dated: _____, 20___

SIGNATURES

Dated as of December 26, 2001

APCOA/STANDARD PARKING, INC.
By:

Name: G. Marc Baumann
Title: Executive Vice President, Chief Financial Officer, Treasurer

A-1 AUTO PARK, INC.

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

APCOA CAPITAL CORPORATION

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

CENTURY PARKING, INC.

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

EVENTS PARKING CO., INC.

By:

Name: G. Marc Baumann
Title: Treasurer

HAWAII PARKING MAINTENANCE, INC.

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

METROPOLITAN PARKING SYSTEM, INC.

By:

Name: G. Marc Baumann
Title: Treasurer

S & S PARKING, INC.

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

SENTINEL PARKING CO. OF OHIO, INC.

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

SENTRY PARKING CORPORATION

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

STANDARD AUTO PARK, INC.

By:

Name: G. Marc Baumann
Title: Treasurer

STANDARD PARKING CORPORATION

By:

Name: G. Marc Baumann
Title: Treasurer

STANDARD PARKING CORPORATION IL

By:

Name: G. Marc Baumann
Title: Treasurer

TOWER PARKING, INC.

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

VIRGINIA PARKING SERVICE, INC.

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

APCOA BRADLEY PARKING COMPANY, LLC
By: APCOA/STANDARD PARKING, INC., ITS SOLE MEMBER

By:

Name: G. Marc Baumann
Title: Executive Vice President, Chief Financial Officer, Treasurer

APCOA LASALLE PARKING COMPANY, LLC
By: APCOA/STANDARD PARKING INC., ITS MANAGER

By:

Name: G. Marc Baumann
Title: Executive Vice President, Chief Financial Officer, Treasurer

EXECUTIVE PARKING INDUSTRIES, L.L.C.

By:

Name: G. Marc Baumann
Title: Treasurer

Attest:

- ---
Name:
Title:

Wilmington Trust Company,
as Trustee

By:

Authorized Signatory

EXHIBIT F

FORM OF SECURITY DOCUMENTS

EXHIBIT G

FORM OF INTERCREDITOR AGREEMENT

Exhibit 10.24

EMPLOYMENT AGREEMENT

AGREEMENT by and between APCOA, Inc., a Delaware corporation (the "Company"), and Robert N. Sacks (the "Executive"), dated as of the 18th day of May, 1998.

WHEREAS, pursuant to that certain Combination Agreement (the "Transaction Agreement") dated as of January 15, 1998, by and among Myron C. Warshauer, Stanley Warshauer, Steven A. Warshauer, Dosher Partners, L.P., SP Parking Associates and the Company, the operations of the Company and Standard Parking, L.P. were combined (the" Transaction"); and

WHEREAS, the Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its shareholders to ensure that the Company will continue to receive the benefit of the Executive's services after the Transaction, on the terms and conditions set forth below in this Agreement, and the Executive desires to serve the Company in accordance with such terms and conditions;

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. EMPLOYMENT PERIOD. The Company shall employ the Executive, and the Executive shall serve the Company, on the terms and conditions set forth in this Agreement, for the period beginning on March 30, 1998 (the "Effective Date") and ending on the third anniversary thereof(the "Employment Period"); PROVIDED, HOWEVER, that commencing on the third anniversary of the Effective Date and thereafter on each annual anniversary of such date (each annual anniversary thereof shall hereinafter be referred to as the "Renewal Date"), unless previously terminated, the Employment Period shall be automatically extended so as to terminate two years from the Renewal Date, unless 180 days prior to the Renewal Date the Company or the Executive shall terminate this Agreement by giving notice to the other party that the Employment Period shall not be so extended (a "Notice of Nonrenewal").

2. POSITION AND DUTIES. During the Employment Period, the Executive shall serve as Executive Vice President/General Counsel and Secretary of the Company, with the duties, authority and responsibilities as are commensurate with such position and as are customarily associated with such position and shall perform such other duties as may be assigned to the Executive from time to time. During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive shall devote full attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive under this Agreement, use the Executive's reasonable best efforts to carry out such responsibilities faithfully and efficiently. The Executive shall not, during the term of this Agreement, engage in any other business activities that will interfere with the Executive's employment pursuant to this Agreement. During the Employment Period, the Executive's services shall be performed primarily in Chicago, Illinois.

3. COMPENSATION. (a) BASE SALARY. During the Employment

Period, the Executive shall receive an annual base salary of $170,000 (the "Annual Base Salary"), payable in accordance with the Company's normal payroll practices for executives as in effect from time to time. Such Annual Base Salary shall be subject to review annually in accordance with the Company's review policies and practices for executives as in effect at the time of any such review.

(b) BONUS. For each calendar year ending during the Employment Period, the Executive shall be eligible to receive an annual bonus (the "Annual Bonus"), based upon the terms and conditions of an annual bonus program to be established by the Company. Any such annual bonus program shall provide that the Executive's target bonus ("Target Annual Bonus") will be 35% of the Annual Base Salary, with the actual amount of the Annual Bonus determined in accordance with the terms of the annual bonus program. Notwithstanding the foregoing sentence, for the 1998 fiscal year, the Executive's Annual Bonus shall not be less than 35% of the Annual Base Salary.

(c) EQUITY PLAN. During the 1998 calendar year, the Company shall adopt an equity incentive plan or program (the "Equity Plan") in which certain of the Company's key executives will be eligible to participate. During the Employment Period, the Executive shall be entitled to participate in the Equity Plan from and after the effective date thereof, in accordance with the terms and conditions of such plan and on the same basis as peer executives.

(d) HOUSING DIFFERENTIAL LOAN. Following the Effective Date and contingent upon the Executive's execution of a promissory note (substantially in the form attached hereto as Exhibit A), the Executive shall receive a $250,000 loan from the Company with a term of three years (the "Loan"), which shall bear interest at the Applicable Federal Rate compounded annually. The principal shall

be disbursed to the Executive upon his submission of a written purchase offer for a residence in the vicinity of Chicago, Illinois. The principal amount of the Loan and the interest thereon shall be payable in cash on an annual basis in three equal installments, on each of the first, second and third anniversaries of the Effective Date of the Agreement (each such anniversary referred to herein as an "Annual Payment Date"); PROVIDED, HOWEVER, that if the Executive remains in the continual employment of the Company as of each Annual Payment Date, one-third of the principal balance of the initial Loan and the accrued interest thereon (as of such Annual Payment Date) shall be forgiven by the Company, and such forgiven amount shall be treated as additional compensation to the Executive in the year of such forgiveness. Prior to the end of any calendar year in which the Company forgives a portion of the Loan, the Company shall make the Executive whole for the federal, state and local income tax consequences of such forgiveness.

In the event the Executive's employment hereunder is terminated for Cause (as hereinafter defined) or the Executive terminates his employment without Good Reason (as hereinafter defined), the Executive shall be obligated to repay the remaining principal balance of the Loan and any accrued and unpaid interest thereon within thirty (30) days of the Date of Termination; PROVIDED, HOWEVER, that if the Date of Termination does not coincide with an Annual Payment Date, the repayment of the principal balance of the Loan and the accrued interest thereon for the year of termination shall be pro-rated in respect of the portion of such

short-year that commences on the date of the Date of Termination and ends on the next following Annual Payment Date, and the portion of the pro-rated principal balance of the Loan and the interest thereon with respect to the period commencing on the Annual Payment Date prior to the Date of Termination and ending on the Date of Termination shall be forgiven, and the Company shall, prior to the end of the calendar year in which that Date of Termination occurs, make the Executive whole for any federal, state and local income tax consequences to the Executive with respect to such forgiven amount. In the event the Executive's employment hereunder is terminated by the Company for any reason other than for Cause, including a termination on account of death or Disability, or in the event the Executive terminates his employment for Good Reason, the remaining principal balance of the Loan and any accrued and unpaid interest thereon shall be forgiven, and prior to the end of the calendar year in which such forgiveness occurs, the Company shall make the Executive whole for any federal, state and local income tax consequences to the Executive with respect to such forgiven amount.

(e) OTHER BENEFITS. In addition to the foregoing, during the Employment Period: (i) the Executive shall be entitled to participate in savings, retirement, and fringe benefit plans, practices, policies and programs of the Company as in effect from time to time, on the same terms and conditions as those applicable to peer executives; (ii) the Executive shall be entitled to four weeks of annual vacation, to be taken in accordance with the Company's vacation policy as in effect from time to time; (iii) the Executive shall be entitled to participate in an automobile program in accordance with the terms and conditions of the Company's automobile program as may be in effect from time to time; and (iv) the Executive and the Executive's family shall be eligible for participation in, and shall receive all benefits under medical, disability and other welfare benefit plans, practices, policies and programs provided by the Company, as in effect from time to time, on the same terms and conditions as those applicable to peer executives, provided, that the Executive's benefits under this Agreement shall be substantially similar in the aggregate to the benefits available to him and his family under the Executive Employment Agreement between the Company and the Executive, dated October 10, 1994.

(f) The Company shall provide the Supplemental Pension Plan, as described in Exhibit B of this Agreement.

(g) EXPENSES. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in carrying out the Executive's duties under this Agreement, provided that the Executive complies with the policies, practices and procedures of the Company for submission of expense reports, receipts, or similar documentation of such expenses.

(h) INDEMNITY. The Executive shall be indemnified by the Company against claims arising in connection with the Executive's status as an employee, officer, director or agent of the Company in accordance with the Company's indemnity policies and subject to applicable law (as described in Exhibit C).

4. TERMINATION OF EMPLOYMENT. (a) DEATH OR DISABILITY. In the event of the

Executive's death during the Employment Period, the Executive's employment with the Company shall terminate automatically. The Company, in its discretion, shall have the right to terminate the Executive's employment because of the Executive's Disability during the Employment Period. For purposes of this

Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a frill-time basis for 180 consecutive business days, or for periods aggregating 180 business days in any period of twelve months, as a result of incapacity due to mental or physical illness or injury which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative. A termination of the Executive's employment by the Company for Disability shall be communicated to the Executive by written notice, and shall be effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), unless the Executive returns to full-time performance of the Executive's duties before the Disability Effective Date.

(b) BY THE COMPANY. In addition to termination for Disability, the Company may terminate the Executive's employment during the Employment Period for Cause or without Cause. For purposes of this Agreement, "Cause" means:

(i) the continued and willful or deliberate failure of the Executive substantially to perform the Executive's duties under this Agreement (other than as a result of physical or mental illness or injury); or

(ii) illegal conduct or gross misconduct by the Executive, in either case that is willful and results in material damage to the business or reputation of the Company or its affiliated companies; or

(iii) the breach of a fiduciary duty owed to the Company or its affiliated companies, including, without limitation, a failure to comply with Section 6 hereof.

Upon the occurrence of events constituting Cause as defined in subsection (i) of this paragraph (b), the Company shall give the Executive advance notice of any such termination for Cause and shall provide the Executive with a reasonable opportunity to cure.

(c) BY THE EXECUTIVE. The Executive may voluntarily terminate his employment by giving written notice thereof to the Company. The Executive may terminate his employment during the Employment Period for Good Reason. For purposes of this Agreement, "Good Reason" means:

(i) a reduction in the Executive's Annual Base Salary; or

(ii) any change in the Executive's duties and responsibilities that requires him .to relocate his residence outside of the Chicago, Illinois vicinity.

A termination of employment by the Executive for Good Reason shall be effectuated by giving

the Company written notice ("Notice of Termination for Good Reason") of the termination, setting forth in reasonable detail the specific conduct of the Company that constitutes Good Reason and the specific provision(s) of this Agreement on which the Executive relies. A termination of employment by the Executive for Good Reason shall be effective on the date when the Notice of Termination for Good Reason is given, unless the notice sets forth a later date (which date shall in no event be later than thirty (30)days after the notice is given).

(d) DATE OF TERMINATION. The "Date of Termination" means the date of the Executive's death, the Disability Effective Date, the date on which the termination of the Executive's employment by the Company (for Cause or other than for Cause or Disability), as set forth in the notice from the Company, is effective, or the date on which the Executive gives the Company notice of a termination of employment for Good Reason (unless otherwise stated in the Notice of Termination for Good Reason) or without Good Reason, as the case may be.

5. OBLIGATIONS OF THE COMPANY UPON TERMINATION. (a) BY THE COMPANY OTHER THAN FOR CAUSE OR DISABILITY; BY THE EXECUTIVE FOR GOOD REASON. If, during the Employment Period, the Company terminates the Executive's employment, other than for Cause or Disability, but excluding any termination of employment at the end of the Employment Period (whether or not as a result of a Notice of Nonrenewal by the Company), or the Executive terminates employment for Good Reason, the Company shall, for the remainder of the Employment Period as in effect immediately before the Date of Termination, continue to pay the Executive the Annual Base Salary and the Annual Bonus through the end of the then-current Employment Period, as and when such amounts would be paid in accordance with Sections 3(a) and (b) above, provided that the amount of any Annual Bonus(es) so paid shall equal the Target Annual Bonus. The Company shall also continue to provide for the same period welfare benefits to the Executive and the Executive's family, at least as favorable as those that would have been provided to them under clause (e)(iv) of Section 3 of this Agreement if the Executive's employment had continued until the end of the Employment Period, provided, that during any period when the Executive is eligible to receive such benefits under another employer-provided plan, the benefits provided by the Company under this Section 5(a) may be made secondary to those provided under such other plan. The

payments provided pursuant to this Section 5(a) are intended as liquidated damages for a termination of the Executive's employment by the Company other than for Cause or Disability, or by the Executive for Good Reason, and shall be the sole and exclusive remedy therefore.

(b) DEATH. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, the Company shall make, within thirty (30) days after the Date of Termination, a lump-sum cash payment to the Executive's estate equal to the sum of (i) the Executive's Annual Base Salary through the end of the calendar month in which death occurs, (ii) any earned and unpaid Annual Bonus for any calendar year ended prior to the Date of Termination, (iii) any accrued but unpaid vacation pay and (iv) any other vested benefits to which the Executive is entitled, in each case to the extent not yet paid.

(c) DISABILITY. In the event the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period in accordance with Section

4(a) hereof, the Company shall pay to the Executive or the Executive's legal representative, as applicable, (i) the Executive's Annual Base Salary for the duration of the Employment Period in effect immediately before the Date of Termination, provided that any such payments made to the Executive shall be reduced by the sum of the amounts, if any, payable to the Executive under any disability benefit plans of the Company or under the Social Security disability insurance program, (ii) any earned and unpaid Annual Bonus for any calendar year ended prior to the Date of Termination and (iii) any other vested benefits to which the Executive is entitled, in each case to the extent not yet paid.

(d) CAUSE; VOLUNTARY TERMINATION. If the Executive's employment is terminated by the Company for Cause or the Executive voluntarily terminates his employment during the Employment Period, the Company shall pay the Executive (i) the Annual Base Salary through the Date of Termination and (ii) any other vested benefits to which the Executive is entitled, in each case to the extent not yet paid, and the Company shall have no further obligations to the Executive under this Agreement.

6. CONFIDENTIAL INFORMATION; NONCOMPETITION. (a) The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies and their respective businesses that the Executive obtains or obtained during the Executive's employment by the Company or any of its affiliated companies and their respective businesses and that is not public knowledge (other than as a result of the Executive's violation of this paragraph (a) of Section 6) ("Confidential Information"). The Executive shall not communicate, divulge or disseminate Confidential Information at any time during or after the Executive's employment with the Company, except with the prior written consent of the Company or as otherwise required by law or legal process. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Company.

(b) During the Noncompetition Period (as defined below), the Executive shall not, without the prior written consent of the Chief Executive Officer of the Company, engage in or become associated with a Competitive Activity. For purposes of this paragraph (b) of Section 6, the following terms shall have the following meanings: (i) the "Noncompetition Period" means the period during which the Executive is employed by the Company and the one-year period following the termination of the Executive's employment by the Company for any reason; (ii) a "Competitive Activity" means any business or other endeavor that engages in the operation and management of open air parking lots and indoor garages and ramps for the purpose of parking motor vehicles on a leasehold, license, concession or management fee basis in any county of any state in the United States in which the Company or any of its affiliated companies is then conducting, or is in the process of developing prospects to conduct, business; (iii) the Executive shall be considered to have become "associated with a Competitive Activity" if he becomes directly or indirectly involved as an owner, employee, officer, director, independent contractor, agent, partner, advisor, or in any other capacity calling for the rendition of the Executive's personal services, with any individual, partnership, corporation or other organization that is engaged in a Competitive Activity. Notwithstanding the foregoing, the Executive may make and retain investments during the Noncompetition Period in not more than five percent of

the equity of any entity engaged in a Competitive Activity, if such equity is listed on a national securities exchange or regularly Waded in an over-the-counter market.

(c) In the event of a breach or threatened breach of this Section 6, the Executive agrees that the Company shall be entitled to injunctive relief in a court of appropriate jurisdiction to remedy any such breach or threatened breach, and the Executive acknowledges that damages would be inadequate and insufficient.

(d) Any termination of the Executive's employment or of this Agreement shall have no effect on the continuing operation of this Section 6.

7. SUCCESSORS. (a) This Agreement is personal to the Executive and, without the prior written consent of the Company, shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would have been required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean both the Company as defined above and any such successor that assumes and agrees to perform this Agreement, by operation of law or otherwise.

8.MISCELLANEOUS. (a) This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified except by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications under this Agreement shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

IF TO THE EXECUTIVE: Robert N. Sacks

IF TO THE COMPANY: APCOA, Inc.
200 East Randolph Drive
Suite 4800
Chicago, Illinois 60601

Attention: G. Walter Stuelpe, Jr.

or to such other address as either party furnishes to the other in writing in accordance with this paragraph (b) of Section 8. Notices and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement shall be held invalid or unenforceable in part, the remaining portion of such provision, together with all other provisions of this Agreement, shall remain valid and enforceable and continue in full force and effect to the fullest extent consistent with law.

(d) Notwithstanding any other provision of this Agreement, the Company may withhold from amounts payable under this Agreement all federal, state, local and foreign taxes that are required to be withheld by applicable laws or regulations.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of, or to assert any right under, this Agreement shall not be deemed to be a waiver of such provision or right or of any other provision of or right under this Agreement.

(f) The Executive and the Company acknowledge that this Agreement supersedes any other agreement, whether written or oral, between them concerning the subject matter hereof, including, but not limited to, the summary of Employment Terms and the Executive Employment Agreement dated as of October 10, 1994.

(g) This Agreement may be executed in several counterparts, each of which shall be deemed an original, and said counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization of its Board of Directors, the Company has caused this Agreement to be executed in its name on its behalf, all as of the day and year first above written.

ROBERT N. SACKS

APCOA, INC.

Name: G. Walter Stuelpe, Jr.
Title: President

EXHIBIT B

SUPPLEMENTAL PENSION PLAN

IN CONSIDERATION of the mutual promises contained herein it is agreed by Robert Sacks (the "Executive") and the APCOA, Inc. (the "Company") as follows:

All defined terms used herein, and not otherwise defined herein, shall have the meaning specified in the Employment Agreement between dated as of May 18, 1998 (the "Employment Agreement").

1. The Executive may retire from active employment at any time after he reaches age 65.

2. Upon retirement, the Company shall provide the Executive with a retirement benefit of 240 equal consecutive monthly payments of $4,166.67. The first monthly payment shall be made on the first day of the month coinciding with or next following the date of the Executive's retirement.

3. In the event the Executive dies after commencement of payments under paragraph 2 hereof, but before he received the number of monthly installments set forth therein, the Company shall pay the remainder of said monthly installments to the executive's designated beneficiary hereunder. For purposes of this provision, the Executive's designated beneficiary hereunder is Robert N. Sacks, Trustee under Declaration of Trust dated February 19, 1998. Executive shall have the right to change such beneficiary at any time hereafter, either prior to or after retirement, by notifying the Company in writing of such change.

4. The Executive shall die prior to age 65 while in the active employment of the Company, the Company shall pay the Executive's designated beneficiary an aggregate of $416,980 in 60 equal monthly installments of $6,949.66. The first installment shall be paid on the first day of the month following the month in which the Executive dies.

5. This Plan is part of the Employment Agreement. Nothing herein shall prevent the Company from terminating the employment for Cause in accordance with the terms thereof, and in which event this Plan shall be terminated and void in all respects and neither party shall have any further responsibility for satisfying any obligations that may have otherwise arisen hereunder. However, should the Executive's employment terminate prior to retirement for any reason, other than for Cause, resignation, Disability or death, the Insurance Policy shall be transferred by the Company to the Executive within thirty days after such termination, and the full value of the Insurance Policy and its full cash surrender value shall become the sole property of the Executive to do with as he sees fit.

In the event of the Executive's resignation which is not associated with termination

for "cause" or for disability, the Company shall cancel the Insurance Policy and provide the Executive with the cash surrender value according to the following schedule:

After five (5) full years' service = 25%
After ten (10) full years' service = 50%
After fifteen (15) full years' service = 75%
After twenty (20) full years' service =100%

In the event of the Executive's Disability, the Company will continue to pay the premiums on the full value of the Insurance Policy for twelve months following the Executives' termination because of such disability in accordance with Section 4(a) of the Employment Agreement and after twelve months to transfer the full value of the Insurance Policy to the Executive within thirty days. The full value of the Insurance Policy and its full cash current value shall become the sole property of the Executive to do with as he sees fit, and the Company shall have no further responsibility to fulfill any terms of the Plan or to continue to pay premiums on the Insurance Policy after the transfer of the Insurance Policy has been completed.

6. For so long as Executive is receiving payments hereunder, Executive agrees that Sections 5, 6, and 7 of the Employment Agreement shall remain in full force and effect.

7. Nothing in this Plan shall prevent Executive from receiving, in

addition to any amounts he may be entitled to under the Plan, any amounts which may be distributable to him at any time under any pension plan, profit sharing or other incentive compensation or similar plan of the Company now in effect or which may hereafter be adopted.

8. This Plan shall be binding upon the Executive, his heirs, executors, administrators and assigns, and on the Company, its successors and assigns. The rights of Executive hereunder shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge.

9. This Plan may be altered, changed, amended or terminated only by writing signed by the party to be bound thereby.

10. This document has been executed in the State of Ohio and shall be interpreted in accordance with the laws of that State without regard to conflict of law provisions.

11. This document contains the entire agreement between the parties with respect to the subject matter hereof, supersedes any all prior discussions or agreements the parties may have had with respect thereto (including any prior Supplemental Pension Plan).

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and the Company has caused this Agreement to be executed in its name on its behalf, all as of the day and year first above written.

ROBERT N. SACKS

APCOA, INC.

Name: G. Walter Stuelpe, Jr.
Title: President

EXHIBIT C

AMENDMENT TO EXECUTIVE EMPLOYMENT AGREEMENT

THIS AMENDMENT TO EXECUTIVE EMPLOYMENT AGREEMENT (the "Amendment") is entered into as of the 10th day of May, 1996, by and between APCOA, Inc., a Delaware Corporation (the Company") and Robert N. Sacks (the "Executive").

RECITALS

A. The Company and the Executive are parties to a certain Executive Employment Agreement, dated October 10, 1994 (the "Executive Employment Agreement"), pursuant to which the executive serves as General Counsel for the Company.

B. It is the intent of both parties that the Executive be indemnified and held harmless by the Company to the fullest extent permitted by law, and that the costs and expenses associated with the defense of any claim or action be advanced to Executive as incurred.

C. The Company and the Executive desire to amend the Executive Employment Agreement to evidence clearly the Executive's right to indemnification for INTER alia, all past, present and future legal services provided for, and on behalf of, the Company pursuant to the Employment Agreement.

PROVISIONS

NOW, THEREFORE, in consideration of the foregoing, the parties amend the Executive Employment Agreement to read as follows:

(i) 15. INDEMNIFICATION. The Company shall indemnify and hold the Executive harmless to the fullest extent permitted by law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment), against any and all expenses, costs, liabilities, losses, judgments, fines, attorneys' fees, penalties, ERISA taxes, excise taxes and amounts paid, or to be paid, in settlement, reasonably incurred or suffered by the Executive in connection with and arising out of any threatened, pending or contemplated action, suit or proceeding, whether civil or criminal, administrative or investigative, to which the Executive is a party or is threatened to be made a party by reason of his service at any time as an

employee, agent, officer or director of the Company, including but not limited to, in respect of all legal services the

Executive provided for and on behalf of the Company. The Company shall, upon written request by the Executive advance to the Executive all such expenses and costs incurred, accrued or reasonably expected to be incurred in connection with the defense of the Executive in any such proceeding, as such expenses are incurred by the Executive, PROVIDED, HOWEVER, that the Executive shall (i) reasonably cooperate with the Company concerning the action, suit or proceeding and (ii) repay such repay such amounts if it is provided by clear and convincing evidence in a court of competent jurisdiction that his action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Company or undertaken with reckless disregard for the best interests of the Company.

APCOA, Inc. (the "Company")

By:

Its:

Robert N. Sacks
(the "Executive")

Exhibit 10.25

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

THIS FIRST AMENDMENT TO EMPLOYMENT AGREEMENT (this "First Amendment") is made as of this 7th day of November 2001, by and between APCOA/Standard Parking, Inc. (formerly known as "APCOA, Inc."), a Delaware corporation (the "Company") and Robert N. Sacks (the "Executive").

RECITALS

A. The Executive and the Company have previously executed a certain Employment Agreement dated as of May 18, 1998 (the "Employment Agreement").

B. The Company and Executive have agreed to certain additional terms relating to Executive's employment as more fully set forth.

NOW, THEREFORE, in consideration of the Recitals, the mutual promises and undertakings herein set forth, and the sum of Ten Dollars in hand paid, the receipt and sufficiency of which consideration are hereby acknowledged, the parties hereby agree that the Employment Agreement shall be deemed modified and amended, effective immediately, as follows:

1. Section 3 (a) is hereby amended by deleting the amount "$170,000" and inserting in lieu thereof the amount "$240,000". The new Annual Base Salary shall commence on November 12, 2001.

2. Section 3 (b) is hereby amended by deleting the entire paragraph and substituting the following paragraph in lieu thereof:

"(b) BONUS. For each calendar year ending during the Employment Period, the Executive shall be eligible to receive an annual bonus (the Annual Bonus"), based upon the terms and conditions of an annual bonus program to be established by the Company. Any such annual bonus program shall provide the Executive's target bonus ("Target Bonus") will be 30% of the Annual Base Salary, with the actual amount of the Annual Bonus determined in accordance with the terms of the annual bonus program. Notwithstanding the foregoing sentence, for the 2001 fiscal year, the Executive's Annual Bonus shall not be less than $72,000.

3. Except as previously modified above, all of the remaining terms and provisions of the Employment Agreement are hereby ratified and confirmed in all respects, and shall remain in full force and effect in accordance with their terms.

IN WITNESS WHEREOF, the Company and the Executive have executed this First Amendment to Employment Agreement as of the day and year first above written.

COMPANY:

- ------------------------------
James Wilhelm
President, Chief Executive Officer

EXECUTIVE:

- ------------------------------
Robert N. Sacks

Exhibit 10.26

EXECUTIVE EMPLOYMENT AGREEMENT

AGREEMENT by and between APCOA/Standard Parking, Inc., a Delaware corporation (the "Company"), and G. Marc Baumann (the "Executive"), dated as of the 9th day of October, 2000.

RECITALS

A. The Company is in the business of operating private and public parking facilities for itself, its subsidiaries, affiliates and others, and as a consultant and/or manager for parking facilities operated by others throughout the United States and Canada (the Company and its subsidiaries and affiliates and other Company-controlled businesses engaged in parking garage management (in each case including their predecessor's or successor's) are referred to hereinafter as the "Parking Companies").

B. The Company has determined that it is in the best interest of the Company to employ the Executive on the terms and conditions set forth below in this Agreement, and the Executive desires to serve the Company in accordance with such terms and conditions.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. EMPLOYMENT PERIOD. The Company shall employ the Executive, and the Executive shall serve the Company, on the terms and conditions set forth in this Agreement, for a period beginning on October 9, 2000 and ending September 30, 2001 (the "Employment Period"); provided, however, the Employment Period shall automatically extend for additional terms of one (1) year each (individually referred to as a "Renewal Period" and in the plural as the "Renewal Periods") unless the Company or the Executive shall have given notice in writing of their intention not to renew the Agreement not less than ninety (90) days prior to the expiration of the Employment Period or any applicable Renewal Period. The Employment Period, as extended by one or more Renewal Period, shall hereinafter be deemed to be the Employment Period. Notwithstanding the termination of this Agreement, the covenants contained in Section 6 shall remain in full force and effect.

2. POSITION AND DUTIES. During the Employment Period, the Executive shall serve as Executive Vice President and Chief Financial Officer of the Company, with the duties, authority and responsibilities as are commensurate with such position and as are customarily associated with such position. The Executive shall report directly to the Chief Executive Officer of the Company. During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive shall devote full attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive under this Agreement, use the Executive's reasonable best efforts to carry out such responsibilities faithfully and efficiently. The Executive shall not, during the terms of this Agreement, engage in any other business activities that will interfere with the Executive's employment pursuant to this Agreement.

3. COMPENSATION. (a) BASE SALARY. During the Employment Period, the Executive shall receive an annual base salary of $225,000 (the "Annual Base Salary"),

payable in accordance with the Company's normal payroll practice for executives as in effect from time to time. The Annual Base Salary shall be subject to review annually in accordance with the Company's review policies and practices for executives as in effect at the time of any such review.

(b) BONUS. For each calendar year ending during the Employment Period, the Executive shall be eligible to receive an annual bonus (the "Annual Bonus"), based upon terms and conditions of an annual bonus program established by the Company. The annual bonus program presently pays the Annual Bonus in the month of April following the calendar year in which the Annual Bonus is earned. Any such annual bonus program shall provide that the Executive's target bonus ("Target Annual Bonus") will be based on a percentage of the Annual Base Salary, with the actual amount of the Annual Bonus determined in accordance with the terms of the annual bonus program. Notwithstanding the foregoing sentence, for the Employment Period commencing October 9, 2000 and ending September 30, 2001, the Executive's Annual Bonus shall not be less than 35% of the Annual Base Salary. In addition, for the partial calendar year beginning on October 9, 2000 and ending December 31, 2000, the Executive shall receive a pro-rata Annual Bonus at no less than 35% of Annual Base Salary and the Annual Bonus for the calendar year 2001 will be no less than 35% of Annual Base Salary.

(c) STOCK PLAN. The Executive shall participate in any stock awards or stock options to the same extent and on the same terms as are available

to peer executives. For purposes of this Agreement, the term "peer executives" shall refer to executive vice presidents of the Company, which term shall not include executive vice presidents of any subsidiary companies or affiliates.

(d) RELOCATION LOAN. Contingent upon the Executive's execution of a Promissory note (substantially in the form attached hereto as Exhibit A), the Executive shall receive a $10,000 loan from the Company with a term of one (1) year (the "Loan"), which shall bear interest at the Applicable Federal Rate compounded annually. The principal amount of the Loan shall be disbursed to the Executive within one (1) week of the Executive's commencement of duties in the Company's Chicago, Illinois headquarters. The principal amount of the Loan and the interest thereon shall be payable in cash at the end of the 12-month term of the Loan (the "Loan Term"); provided, however, that if the Executive remains in the continual employment of the Company for the period of the Loan Term the principal balance of the Loan and the accrued interest thereon shall be forgiven by the Company, and such forgiven amount shall be treated as additional compensation to the Executive in the year of such forgiveness. Prior to the end of any calendar year in which the Company forgives the Loan, the Company shall make the Executive whole for the federal, state and local income tax consequences of such forgiveness.

In the event the Executive's employment hereunder is terminated for "Cause" of the Executive voluntarily terminates his employment prior to the expiration of the Loan Term the Executive shall be obligated to repay the remaining principal balance of the Loan and interest thereon in accordance with the original terms of the Loan. In the event that the Executive's employment hereunder is terminated for any other reason by the Company without Cause, including a termination on account of death or Disability, or in the event the Executive's employment is terminated as a result of a Corporate Reorganization, as defined, below, the principal balance and any accrued interest shall be forgiven, and prior to the end of the calendar year in which such forgiveness occurs, the Company shall make the Executive whole for any tax consequences to the Executive with respect to such forgiveness.

(e) OTHER BENEFITS. In addition to the foregoing, during the Employment Period:

(i) The Executive shall be entitled to participate in savings, retirement, and fringe benefit plans, practices, policies and programs of the Company as in effect from time to time, including, but not limited to the Company's 40 1(K) plan, on the same terms and conditions as those applicable to peer executives; (ii) the Executive shall be entitled to four (4) weeks of annual vacation, to be taken in accordance with the Company's vacation policy as in effect from time to time; and (iii) the Executive and the Executive's family shall be eligible for participation in, and shall receive all benefits under medical, disability and other welfare benefit plans, practices, policies and programs provided by the Company, as in effect from time to time, on the same terms and conditions as those applicable to peer executives; (iv) a car allowance of $500 per month; and (v) life insurance above the Company's standard benefit package of either $1,500,000 until age 65 or $1,000,000 until age 75.

(4) TERMINATION OF EMPLOYMENT. (a) DEATH OR DISABILITY. In the event of the Executive's death during the Employment Period, the Executive's employment with the Company shall terminate automatically. The Company, in its discretion, shall have the right to terminate the Executive's employment because of the Executive's Disability during the Employment Period. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days, or for periods aggregating 180 business days in any period of twelve months, as a result of incapacity due to mental or physical illness or injury which is determined to be total and permanent by a physician selected by the Company or its insurers. A termination of the Executive's employment by the Company for Disability shall be communicated to the Executive by written notice, and shall be effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), unless the Executive returns to full-time Performance of the Executive's duties before the Disability Effective Date.

(b) BY THE COMPANY. In addition to termination for Disability, the Company may terminate the Executive's employment during the Employment Period for Cause or with Cause. "Cause" means:

(i) in the judgment of the Board of Directors of the Company the Executive has materially failed for some reason other than illness, injury, or disability to perform his obligations hereunder on more than one occasion during any 12-month period following reasonable notice of his failure to perform; or

(ii) the Executive has: (a) committed either any felony involving moral turpitude or any crime in the conduct of his official duties which is

adverse to the welfare of the Company; or (b) committed any act of fraud against the Company, its parent or affiliates or misused his position for his personal gain or that of any third party; or (c) taken any action (other than an error in judgment made in the ordinary course of his duties) adverse to the welfare of the Company, including, but not limited to any violation of the Company's Code of Business Conduct or any breach of the covenants and conditions contained in Section 6 hereof.

(c) VOLUNTARILY BY THE EXECUTIVE. The Executive may terminate his employment by giving written notice thereof to the Company.

(d) DATE OF TERMINATION. The "Date of Termination" means the date of the Executive's death, the Disability Effective Date, the date on which the termination of the Executive's employment by the Company for Cause, as set forth in notice from the Company, is effective, the date that notice of termination is provided to the Executive from Company of a termination of the Executive's employment by the Company other than for Cause or Disability, or the date on which the Executive gives the Company notice of termination of employment, as the case may be.

(5) OBLIGATIONS OF THE COMPANY UPON TERMINATION. (a) BY THE COMPANY OTHER THAN FOR CAUSE OR DISABILITY. If, during the Employment Period, the Company terminates the Executive's employment, other than for Cause or Disability, the Company shall, for the duration of the Employment Period, as in effect immediately before the Date of Termination, continue to pay the Executive the Annual Base Salary and the Annual Bonus through the end of such Employment Period, as and when such amounts would be paid in accordance with Section 3(a) and (b) above, provided the amount of any Annual Bonus so paid shall equal the Target Annual Bonus. The Company shall also continue to provide for the same period welfare benefits to the Executive and the Executive's family, at least as favorable as those that would have been provided to them under clause (e)(iii) of Section 3 of this Agreement if the Executive's employment had continued until the end of the Employment Period, provided, that during any period when the Executive is eligible to receive such benefits under another employer-provided plan, the benefits provided by the Company under this Section 5(a) may be made secondary to those provided under such other plan and shall pay Executive any accrued but unpaid vacation pay.

(b) DEATH. If the Executive's employment is terminated by reason of the Executive death during the Employment Period, the Company shall make, within 30 days after the Date of Termination, a lump-sum cash payment to the Executive's estate equal to the sum of (i) the Executive's Annual Base Salary through the end of the calendar month in which death occurs, (ii) any earned and unpaid Annual Bonus for any calendar year ended prior to the Date of Termination and a pro-rated Target Bonus for services to the Date of Termination, (iii) any accrued but unpaid vacation pay and (iv) any other vested benefits to which the Executive is entitled, in each case to the extent not yet paid, except for any death benefit, in which case the death benefit shall be paid to Executive's estate within seven (7) days following receipt of any such death benefit by the Company from the insurer.

(c) DISABILITY. In the event the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period in accordance with Section 4(a) hereof, the Company shall pay to the Executive or the Executive's legal representative, as applicable, (i) the Executive's Annual Base Salary for the duration of the Employment Period in effect immediately before the Date of Termination, provided that any such payments made to the Executive shall be reduced by the sum of the amounts, if any, payable to the Executive under any disability benefit plans o the Company or under the Social Security disability insurance program, (ii) any earned and unpaid Annual Bonus for any calendar year ended prior to the Date of Termination and a prorated Target Bonus for services to the Date of Termination, and (iii) any other vested benefits to which the Executive is entitled, in each case to the extent not yet paid, including, but not limited to accrued but unpaid vacation pay.

(d) CAUSE: VOLUNTARY TERMINATION FOR CORPORATE REORGANIZATION AND TERMINATION DURING 18-MONTH TERMINATION PERIOD. If the Executive's employment is terminated by the Company for Cause or the Executive voluntarily terminates his employment

during the Employment Period, the Company shall pay the Executive (i) the Annual Base Salary through the Date of Termination (ii) the Annual Bonus for any calendar year ended prior to the Date of Termination, and (iii) any other vested benefits to which the Executive is entitled, in each case to the extent not yet paid, including, but not limited to accrued but unpaid vacation pay and the Company shall have no further obligations to the Executive under this Agreement. If the Company terminates the Executive's employment during the Employment Period following a Corporate Reorganization or during the first 18 months of the Employment Period (the "18-month Termination Period"), the Company shall pay the Executive the amounts and

benefits described in Section 5(a) above in connection with a termination by Company for reason other than Cause or Disability; provided (x) that the Annual Base Salary, Target Bonus, and benefit continuation period in the event of a termination by the Company for Corporate Reorganization shall be one (1) year from the date of such termination, and (y) in addition to any other right to Annual Base Salary, Annual Bonus and other benefits provided under this Agreement, the Annual Base Salary, Target Bonus and benefit continuation period in the event of a termination by the Company during the 18-Month Termination Period, shall be six (6) months from the date of such termination; and, further provided that the Annual Base Salary amount for purposes of such payments shall be the amount of the Annual Base Salary in effect immediately before the occurrence of the Corporate Reorganization or termination during the 18-month Termination Period, as applicable (the "Severance Payments"). For purposes of this Agreement "Corporate Reorganization" shall mean, the decision of the Board of Directors of the Company to terminate the Executive's employment with the Company within twelve (12) months following the occurrence of the sale, lease, transfer, conveyance or other disposition (including by way of merger) of all or substantially all of the Company or the assets of the Company or any event which changes control of the Company. Notwithstanding anything to the contrary contained in this Section 5 or any subparagraph thereunder, the Company's obligation to pay for the welfare benefits and Severance Payments shall immediately cease with respect to all applicable time periods following the date of any breach or threatened breach by Executive of the provisions of Section 6 hereof.

6. PROTECTION OF COMPANY ASSETS.

(a) TRADE SECRET AND CONFIDENTIAL INFORMATION. The Executive recognizes and acknowledges that the acquisition and operation of, and the providing of consulting services for, parking facilities is a unique enterprise and that there are relatively few firms engaged in these businesses in the primary areas in which the Parking Companies operates. The Executive further recognizes and acknowledges that as a result of his employment with the Parking Companies, the Executive has had and will continue to have access to confidential information and trade secrets of the Parking Companies that constitute proprietary information that the Parking Companies are entitled to protect, which information constitutes special and unique assets of the Parking Companies, including without limitation (i) information relating to the Parking Companies' manner and methods of doing business, including without limitation, strategies for negotiating leases and management agreements; (ii) the identity of the Parking Companies' clients, customers, lessors and locations, and the identity of any individuals or entities having an equity or other economic interest in any of the Parking Companies to the extent such identity has not otherwise been voluntarily disclosed by any of the Parking Companies; (iii) the specific confidential terms of management agreements, leases or other business agreements, including without limitation the duration of, and the fees, rent or other payments due thereunder; (iv) the identities of beneficiaries under land trusts; (v) the business, developments, activities or systems of the Parking Companies, including without

limitation any marketing or customer service oriented programs in the development stages or not otherwise known to the general public; (vi) information concerning the business affairs of any individual or firm doing business with the Parking Companies; (vii) financial data and the operating expense structure pertaining to any parking facility owned, operated, leased or managed by the Parking Companies or for which the Parking Companies have or are providing consulting services; and (viii) other confidential information and trade secrets relating to the operation of the Company's business (the mailers described in this sentence hereafter referred to as the "Trade Secret and Confidential Information").

(b) CUSTOMER RELATIONSHIPS. The Executive understands and acknowledges that the Company has expended significant resources over many years to identify, develop, and maintain its clients. The Executive additionally acknowledges that the Company's clients have had continuous and long-standing relationships with the Company and that, as a result of these close, long-term relationships, the Company possesses significant knowledge of its clients and their needs. Finally, the Executive acknowledges the Executive's association and contact with these clients is derived solely from his employment with the Company. The Executive further acknowledges that the Company does business throughout the United States and that the Executive personally has significant contact with the Company customers solely as a result of his relationship with the Company.

(c) CONFIDENTIALITY. With respect to Trade Secret and Confidential Information, and except as may be required by the lawful order of a court of competent jurisdiction, the Executive agrees that he shall:

(i) hold all Trade Secret and Confidential Information in strict confidence and not publish or otherwise disclose any portion thereof to any person whatsoever except with the prior written consent of the Company;

(ii) use all reasonable precautions to assure that the Trade Secret and Confidential Information are properly protected and kept from unauthorized persons;

(iii) make no use of any Trade Secret and Confidential Information except as is required in the performance of his duties for the Company; and upon termination of his employment with the Company, whether voluntary or involuntary and regardless of the reason or cause, or upon the request of the Company, promptly return to the Company any and all documents, and other things relating to any Trade Secret and Confidential Information, all of which are and shall remain the sole property of the Company. The term "documents" as used in the preceding sentence shall mean all forms of written or recorded information and shall include, without limitation, all accounts, budgets, compilations, computer records (including, but not limited to, computer programs, software, disks, diskettes or any other electronic or magnetic storage media), contracts, correspondence, data, diagrams, drawings, financial statements, memoranda, microfilm or microfiche, notes, notebooks, marketing or other plans, printed materials, records and reports, as well as any and all copies, reproductions or summaries thereof.

Notwithstanding the above, nothing contained herein shall restrict the Executive from using, at any time after his termination of employment with the Company, information which is in the public domain or knowledge acquired during the course of his employment with the Company which is generally known to persons of his experience in other companies in the same industry.

(d) ASSIGNMENT OF INTELLECTUAL PROPERTY RIGHTS. The Executive agrees to assign to the Company any and all intellectual property rights including patents, trademarks, copyright and business plans or systems developed, authored or conceived by the Executive while so employed and relating to the business of the Company, and the Executive agrees to cooperate with the Company's attorneys to perfect ownership rights thereof in the Company or any one or more of the Company. This agreement does not apply to an invention for which no equipment, supplies, facility or Trade Secret and Confidential Information of the Company was used and which was developed entirely on the Executive's own time, unless (i) the invention relates either to the business of the Company or to actual or demonstrably anticipated research or development of the Parking Companies, or (ii) the invention results from any work performed by the Executive for the Parking Companies.

(e) INEVITABLE DISCLOSURE. Based upon the Recitals to this Agreement and the representations the Executive has made in Sections 6(a) and 6(b) above, the Executive acknowledges that the Company's business is highly competitive and that it derives significant value from both its Trade Secret and Confidential Information not being generally known in the marketplace and from their long-standing near-permanent customer relationships. Based upon this acknowledgment and his acknowledgments in Sections 6(a) and 6(b), the Executive further acknowledges that he inevitably would disclose the Company's Trade Secret and Confidential Information, including trade secrets, should the Executive serve as director, officer, manager, supervisor, consultant, independent contractor, owner of greater than 1% of the stock, representative, agent, or executive (where the Executive's duties as an employee would involve any level of strategic, advisory, technical, creative sales, or other similar input) for any person, partnership, joint venture, firm, corporation, or other enterprise which is a competitor of the Company engaged in providing parking facility management services because it would be impossible for the Executive to serve in any of the above capacities for such a competitor of the Company without using or disclosing the Company's Trade Secret and Confidential Information, including trade secrets. The above acknowledgment concerning inevitable disclosure is a rebuttable presumption. Executive may, in particular circumstances, rebut the presumption by proving by clear and convincing evidence that the Executive would not inevitably disclose trade secret or confidential information were he to accept employment or otherwise act in a capacity that would arguably violate this Agreement

(f) NON-SOLICITATION. The Executive agrees that while he is employed by the Company and for a period of eighteen (18) months after the Date of Termination, the Executive shall not, directly or indirectly:

(i) without first obtaining the express written permission of the Company's General Counsel which permission may be withheld solely in the Company's discretion, directly or indirectly contact or solicit business from any client or customer of the Company with whom the Executive had any contact or about whom the Executive acquired any Trade Secret or Confidential Information during his employment with the Company or about whom the Executive has acquired any information as a result of his employment with the Company. Likewise, the Executive shall not, without first obtaining the express written permission of the Company's General Counsel which permission may be withheld solely in the Company's discretion,

directly or indirectly contact or solicit business from any person responsible for referring business to the Company or who regularly refers business to the Company with whom the Executive had any contact or about whom the Executive acquired any Trade Secret or Confidential Information during his employment with the Company or about whom the Executive has acquired any information as a result of his employment with the Company. The Executive's obligations set forth in this subparagraph are in addition to those obligations and

representations, including those regarding Trade Secret and Confidential Information and Inevitable Disclosure set forth elsewhere in this Agreement; or

(ii) take any action to recruit or to assist in the recruiting or solicitation for employment of any officer, employee or representative of the Parking Companies.

It is not the intention of the Company to interfere with the employment opportunities of former employees except in those situations, described above, in which such employment would conflict with the legitimate interests of the Company. If the Executive, after the termination of his employment hereunder, has any question regarding the applicability of the above provisions to a potential employment opportunity, the Executive acknowledges that it is his responsibility to contact the Company so that the Company may inform the Executive of its position with respect to such opportunity.

(g) REMEDIES. The Executive acknowledges that the Company would be irreparably injured by a violation of the covenants of this Section 6 and agrees that the Company, or any one or more of the Parking Companies, in addition to any other remedies available to it or them for such breach or threatened breach, shall be entitled to a preliminary injunction, temporary restraining order, or other equivalent relief, restraining the Executive from any actual or threatened breach of any of the provisions of this Section 6. If a bond is required to be posted in order for the Company or any one or more of the Company to secure an injunction or other equitable remedy, the parties agree that said bond need not exceed a nominal sum. This Section shall be applicable regardless of the reason for the Executive's termination of employment, and independent of any alleged action or alleged breach of any provision hereby by the Company. If at any time any of the provisions of this Section 6 shall be determined to be invalid or unenforceable by reason of being vague or unreasonable as to duration, area, scope of activity or otherwise, then this Section 6 shall be considered divisible (with the other provisions to remain in full force and effect) and the invalid or unenforceable provisions shall become and be deemed to be immediately amended to include only such time, area, scope of activity and other restrictions, as shall be determined to be reasonable and enforceable by the court or other body having jurisdiction over the matter, and the Executive expressly agrees that this Agreement, as so amended, shall be valid and binding as though any invalid or unenforceable provision had not been included herein.

(i) ATTORNEYS' FEES. In the event of litigation in connection with or concerning the subject matter of this Agreement, the prevailing party shall be entitled to recover all costs and expenses of litigation incurred by it, including attorneys' fees and, in the case of the Company, reasonable compensation for the services of its internal personnel.

7. SEVERABILITY. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, and this Agreement will be construed as if such invalid or unenforceable provision were omitted (but only to the extent that such provision cannot be appropriately reformed or modified).

8. NOTICES. Any notice which any party shall be required or shall desire to serve upon the other shall be in writing and shall be delivered personally or sent by registered or certified mail, postage prepaid, or sent by facsimile or prepaid overnight courier, to the parties at the addresses set forth below (or such other addresses as shall be specified by the parties by

like notice):

In the case of Executive to:

G. Marc Baumann
1820 S. Lane
Northbrook, IL 60062

with a copy to:

Marc Joseph, Esq.
D'Ancona and Pflaum
111 E. Wacker Drive - Suite 2800
Chicago, IL 60601

In the case of the Company to:

APCOA/Standard Parking, Inc.
900 North Michigan Avenue
Suite 1600
Chicago, Illinois 60611
Attention: General Counsel

9. APPLICABLE LAW. This Agreement shall be construed in accordance with the laws and decisions of the State of Illinois, without regard to the conflict of law provisions thereof.

10. NONALIENTATION. The interests of the Executive under this Agreement are not subject in any manner to anticipation, alienation, sale transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Executive or the Executive's beneficiary.

11. AMENDMENT. This Agreement may be amended or cancelled only by mutual agreement of the parties in writing without the consent of any other person.

12. WAIVER OF BREACH. No waiver by any party hereto of a breach of any provision of this Agreement by any other party, or of compliance with any condition or provision of this Agreement to be performed by such other party, will operate or be construed as a waiver of any subsequent breach by such other party or any similar or dissimilar provisions and conditions at the same or any prior or subsequent time. The failure of any party hereto to take any action by reason of such breach will not deprive such party of the right to take action at any time while such breach continues.

13. SUCCESSORS. This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, of all or substantially all of the Company's assets and business. The Executive's duties hereunder are personal and may not be assigned.

14. ENTIRE AGREEMENT. Except as otherwise noted herein, this Agreement, constitutes the entire agreement between the parties concerning the subject matter hereof and

supersedes all prior and contemporaneous agreements and understandings, either oral or in writing, if any, between the parties relating to the subject matter hereof.

15. ACKNOWLEDGEMENT BY EXECUTIVE. The Executive has read and fully understands the terms and conditions set forth herein, has had time to reflect on and consider the benefits and consequences of entering into this Agreement and has had the opportunity to review the terms hereof with an attorney or other representative, if he so chooses. The Executive has executed and delivered this Agreement as his free and voluntary act, after having determined that the provisions contained herein are of a material benefit to him, and that the duties and obligations imposed on him hereunder are fair and reasonable and will not prevent him from earning a livelihood following the Date of Termination.

IN WITNESS WHEREOF, the Executive and the Company have executed this Agreement as of the day and year first written above.

APCOA/STANDARD PARKING, INC.

By:

Myron C. Warshauer,
Chief Executive Officer

EXECUTIVE:

G.Marc Baumann

EXHIBIT A

PROMISSORY NOTE

$10,000

October __, 2000

FOR VALUE RECEIVED, the undersigned, G. Marc Baumann (the "Executive"), hereby promises to pay to the order of APCOA/Standard Parking, Inc., a Delaware corporation, (the "Company") or to the legal holder of this Note at the time of payment, the principal sum of Ten Thousand and 00/100 Dollars ($10,000) and interest thereon in lawful money of the United States of America. All principal and interest on this Note will be due and payable on October __,2001.

This Note evidences a loan made by the Company to the Executive.

This Note is subject to the following further terms and conditions:

Section 1. PAYMENT. PREPAYMENT AND ACCELERATION.

(a) The term of this Note shall be one (1) year commencing on October __, 2000 (the "Loan Origination Date"). The principal amount of this Note and any accrued interest thereon shall be payable in cash on the first anniversary of the Loan Origination Date (the "Loan Term"); provided, however, that if the Executive remains in the continual employment of the Company or any of its affiliated companies for the period of the Loan Term the original principal balance, together with the interest accrued thereon shall be forgiven by the Company, such forgiven amount shall be treated as additional compensation to the Executive in the year of such forgiveness and the Executive shall be made whole for all federal, state, and local income tax consequences of any such forgiveness prior to the end of the calendar year in which such forgiveness occurs.

(b) In the event the Executive's employment with the Company is terminated for cause, as set forth, defined, and explained in the Employment Agreement between the Company and the Executive dated as of October 9, 2000 (the "Employment Agreement"), or if the Executive resigns, the Executive shall be obligated to repay in full the entire outstanding principal balance of this Note and any accrued and unpaid interest thereon within thirty (30) days of the date of termination of employment.

(c) In the event the Executive's employment is terminated by reason of death or permanent disability, as set forth, defined, and explained in the Employment Agreement, the remaining principal balance of the Note and any accrued but unpaid interest thereon shall be forgiven, and prior to the end of the calendar year in which such forgiveness occurs, the Company shall make the Executive whole for any federal, state and local income tax consequences in respect to such forgiven amount. For purposes of paragraphs (b) and (c) of this Section 1, the terms and conditions of the Employment Agreement shall be incorporated herein by reference and shall govern the obligations of the Company and the Executive upon a termination of employment.

(d) All payments and prepayments of the principal and interest of, and all fees, expenses and other amounts owing in respect of, this Note shall be made to the Company or its order, or to the legal holder of this Note or such holder's order, in lawful money of the United States of America at the principal offices of the Company (or at such other place as the holder hereof shall notify~' the Executive in writing). The Executive may, at his option,

prepay this Note in whole or in part at any time or from time to time without penalty or premium. Upon final payment or forgiveness of the principal and interest of, and all fees, expenses and other amounts owing in respect of, this Note it shall be surrendered for cancellation.

Section 2. INTEREST. The unpaid principal balance of this Note shall bear interest at the Applicable Federal Rate (AFR) on the Loan Origination Date compounded annually. Except as set forth in Section 1 hereof, accrued interest on the unpaid principal balance of this Note shall be payable in arrears on each of the Annual Payment Dates. If any amount of principal or interest payable under this Note is not paid when due, the default interest rate shall be the rate set forth in the first sentence of this Section 2 plus two percent (2%).

Section 3. MISCELLANEOUS

(a) The provisions of this Note shall be governed by and construed in accordance with the laws of the State of Illinois, without regard to the principles of conflicts of law there.

(b) All notices and other communications hereunder shall be in writing and will be deemed to have been duly given if delivered or mailed in accordance with the instructions set forth in the Employment Agreement.

(c) No delay or failure by the holder of this Note in the exercise of any right or remedy shall constitute a waiver thereof, and no single or partial exercise by the holder hereof of any right or remedy shall preclude any other or future exercise thereof or the exercise of any other right or remedy.

(d) The Executive agrees that the Executive will pay the Company the amount of any and all costs and expenses, including all reasonable fees and expenses of counsel, incurred in connection with the exercise or enforcement of any of the Company's rights under this Note and the failure of the Executive to perform or observe any of the provisions of this Note. Any such amounts as provided under this paragraph (d), will be added to the obligations of the Executive under this Note.

(e) The headings contained in this Note are for reference purposes only and shall not affect in any way the meaning or interpretation of the provisions hereof

(f) This Note shall not be assignable without the prior written consent of the Company.

IN WITNESS WHEREOF, this Note has been duly executed and delivered by the Executive as of the date first written above.

G. Marc Baumann

Witness:

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "AGREEMENT"), dated as of October 1, 2001 (the "EFFECTIVE DATE"), is by and between APCOA/Standard Parking, Inc., a Delaware corporation (the "COMPANY"), and G. Marc Baumann (the "EXECUTIVE") and is an amendment and restatement of that certain Employment Agreement previously executed by and between the Executive and the Company as of the 9th day of October, 2000 (the "PRIOR AGREEMENT").

WHEREAS, the Company is in the business of operating private and public parking facilities for itself, its subsidiaries, affiliates and others, and as a consultant and/or manager for parking facilities operated by others throughout the United States and Canada (the Company and its subsidiaries and affiliates and other Company controlled businesses engaged in parking garage management (in each case including their predecessors or successors) are referred to hereinafter as the "PARKING Companies"); and

WHEREAS, prior to the date hereof, the Executive has been employed by the Company pursuant to the terms of the Prior Agreement; and

WHEREAS, the Company and Executive desire to amend, revise and restate the Prior Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. EMPLOYMENT PERIOD. The Company shall continue to employ the Executive, and the Executive shall continue to serve the Company, on the terms and conditions set forth in this Agreement, for the period beginning on the Effective Date and ending on the second anniversary thereof (the "EMPLOYMENT PERIOD"), provided, however, that commencing on the date one year after the Effective Date and on each annual anniversary of such date (each

annual anniversary thereof shall hereinafter be referred to as the "RENEWAL DATE"), unless previously terminated, the Employment Period shall be automatically extended so as to terminate two years from the Renewal Date, so that there is always between one and two years remaining in the Employment Period, unless 90 days prior to the Renewal Date the Company or the Executive shall terminate this Agreement by giving notice to the other party that the Employment Period shall not be so extended (a "NOTICE OF NONRENEWAL"). Notwithstanding any such termination, Section 6 of this Agreement shall remain in full force and effect.

2. POSITION AND DUTIES. During the Employment Period, the Executive shall serve as the Executive Vice President and Chief Financial Officer of the Company, with the duties and responsibilities currently associated with such position. The Executive shall report directly to the Chief Executive Officer of the Company. During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive shall devote full attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive under this Agreement, use the Executive's reasonable best efforts to carry out such responsibilities faithfully and efficiently. The Executive shall not, during the term of this Agreement, engage in any other business activities that will interfere with the Executive's employment pursuant to this Agreement. During the Employment Period, the Executive's services shall be performed primarily in Chicago, Illinois.

3. COMPENSATION.

(a) BASE SALARY. During the Employment Period, the Executive shall receive an annual base salary ("ANNUAL BASE SALARY") of no less than $254,500, payable in accordance with the normal payroll practices for executives of the Company as in effect from

time to time (but no less frequently than monthly). Such Annual Base Salary shall be subject to review annually in accordance with the review policies and practices for executives of the Company as in effect at the time of any such review.

(b) BONUS. For each calendar year ending during the Employment Period, the Executive shall be eligible to receive an annual bonus (the "ANNUAL BONUS"), based upon the terms and conditions of an annual bonus program to be established by the Company. Any such annual bonus program shall provide that the Executive's target bonus ("TARGET ANNUAL BONUS") will be a percentage equal to thirty-five percent (35%) the Annual Base Salary. Notwithstanding the foregoing, the Executive's Annual Bonus attributable to the period commencing January 1,2001 and ending December 31, 2001 shall be guaranteed to be no less than thirty-five percent (35%) of the Executive's Annual Base Salary as in effect for such period. The Executive's Annual Bonus for 2002 and subsequent calendar years

shall be based upon the achievement of the applicable established performance targets.

(c) EQUITY PLAN. In the event the Company adopts an equity incentive plan or program (the "EQUITY PLAN") for its key executives, the Executive shall be entitled to participate in the Equity Plan from and after the effective date thereof in accordance with the terms and conditions of such plan.

(d) HOUSING DIFFERENTIAL LOAN. Following the Effective Date and contingent upon the Executive's execution of a promissory note (substantially in the form attached hereto as Exhibit A), the Executive shall receive a $200,000 loan from the Company with a repayment period ending on May 1, 2005 (the "Loan"), which shall bear interest at the Applicable Federal Rate compounded annually. The principal on the Loan shall be payable in cash on an annual basis in four equal installments, together with interest on each such installment, beginning on May 1, 2002 and on each of the next three succeeding

anniversaries thereof (each such payment date to be referred to herein as an "ANNUAL PAYMENT DATE"). The foregoing notwithstanding, if the Executive remains in the continued employment of the Company as of each Annual Payment Date, one fourth of the principal balance of the Loan and the accrued interest thereon (as of such Annual Payment Date) shall be forgiven by the Company and such forgiven amount shall be treated as additional compensation to the Executive in the year of such forgiveness. In the event the Executive's employment hereunder is terminated for "Cause" (as hereinafter defined) or the Executive terminates his employment without Good Reason (as hereinafter defined), the Executive shall be obligated to repay the remaining principal balance of the Loan and any accrued and unpaid interest thereon in accordance with the terms of the Loan as described above; provided, however, that if the Date of Termination does not coincide with an Annual Payment Date, the repayment of the principal balance of the Loan and the accrued interest thereon for the year of termination shall be pro-rated in respect of the portion of such short year that commences on the date of the Date of Termination and ends on the next following Annual Payment Date, and the portion of the pro-rated principal balance of the Loan and the interest thereon with respect to the period commencing on the Annual Payment Date prior to the Date of Termination and ending on the Date of Termination shall be forgiven. In the event that the Executive's employment hereunder is terminated for any other reason by the Company without Cause, including a termination on account of death or Disability, or in the event the Executive terminates his employment with Good Reason the remaining principal balance and any accrued and unpaid interest shall be forgiven.

(e) PAYMENT OF INSURANCE PREMIUM. In addition to the insurance benefits described in subparagraph 3(f) below, during the Employment Period the Company agrees to pay the annual premium on an insurance policy or policies on the life of the Executive, which

policy or policies will provide an annual cash benefit to the Executive of at least $100,000 per annum as appropriately adjusted to reflect increases in the applicable Consumer Price Index, for a period of fifteen years beginning in the year in which the Executive attains age sixty-five (65) (any one or more of such policies to be referred to herein as the "POLICY"). The Policy shall be owned by and entered into in the name of the Executive, and the Company shall have no right to any proceeds from or any other ownership interest in the Policy. The Company further agrees that in the event of a termination of the Executive's employment for any reason other than Cause or the Executive's voluntary termination of employment without Good Reason, it shall continue to pay the annual premium on the Policy until the earlier of (i) the Executive's death or (ii) the date the Executive attains age sixty-five (65).

(f) OTHER BENEFITS. In addition to the foregoing, during the Employment Period: (i) the Executive shall be entitled to participate in savings, retirement, and fringe benefit plans, practices, policies and programs of the Company as in effect from time to time, on the same terms and conditions as those applicable to peer executives; (ii) the Executive shall be entitled to four weeks of annual vacation, to be taken in accordance with the vacation policy as in effect from time to time; (iii) the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in, and shall receive all benefits under medical, dental, disability and other welfare benefit plans, practices, policies and programs provided by the Company, as in effect from time to time, on the same terms and conditions as those applicable to peer executives; (iv) the Executive shall be entitled to a car allowance of $500 per month; and (v) the Company shall provide the Executive with life insurance benefits above its standard benefit package in an amount equal to $1,000,000 until the Executive attains age 75.

(g) EXPENSES. Executive shall be reimbursed by the Company for

business expenses incurred on behalf of the Parking Companies in accordance with the policies and practices of the Company as in effect from time to time.

4. TERMINATION OF EMPLOYMENT.

(a) DEATH OR DISABILITY. In the event of the Executive's death during the Employment Period, the Executive's employment with the Company shall terminate automatically. The Company, in its discretion, shall have the right to terminate the Executive's employment because of the Executive's Disability during the Employment Period. "DISABILITY" means that (i) the Executive has been unable, for a period of 180 consecutive days, or for periods aggregating 180 business days in any period of twelve months, to perform the Executive's duties under this Agreement, as a result of physical or mental illness or injury, and (ii) a physician selected by the Company or its insurers has determined that the Executive's incapacity is total and permanent. A termination of the Executive's employment by the Company for Disability shall be communicated to the Executive by written notice, and shall be effective on the 30th day after receipt of such notice by the Executive (the "DISABILITY EFFECTIVE DATE") unless the Executive returns to full-time performance of the Executive's duties before the Disability Effective Date.

(b) BY THE COMPANY. In addition to termination for Disability, the Company may terminate the Executive's employment during the Employment Period for Cause or without Cause. "CAUSE" means:

(i) the continued and willful or deliberate failure of the Executive substantially to perform the Executive's duties, or to comply with the Executive's obligations, under this Agreement (other than as a result of physical or mental illness or injury), or

(ii) illegal conduct or gross misconduct by the Executive, in either case that is willful and results in material damage to the business or reputation of the Company.

Upon the occurrence of events constituting Cause as defined in subsection (i) of this paragraph (b), the Company shall give the Executive advance notice of any such termination for Cause and shall provide the Executive with a reasonable opportunity to cure.

(c) VOLUNTARILY BY THE EXECUTIVE. The Executive may terminate his employment by giving written notice thereof to the Company.

(d) DATE OF TERMINATION. The "DATE OF TERMINATION" means the date of the Executive's death, the Disability Effective Date, the date on which the termination of the Executive's employment by the Company for Cause as set forth in notice from the Company is effective, or the date on which the Executive gives the Company notice of a termination of employment, as the case may be. After the Executive's termination occurs for any reason, in addition to any other obligations hereunder, the Company shall pay the Executive:

(i) the Executive's Annual Base Salary for the period ending with the Date of Termination;

(ii) payment for unused vacation days accrued for the year in which the Executive's termination occurs, as determined in accordance with the Company policy as in effect from time to time; and

(iii) any other payments or benefits to be provided to the Executive by the Company pursuant to any employee benefit plans or arrangements adopted by the Company, to the extent such amounts are due from the Company. Except as may otherwise be expressly provided to the contrary in this Agreement, nothing in this Agreement shall be construed as requiring

Executive to be treated as employed by the Company for purposes of any employee benefit plan following the Date of Termination.

5. ADDITIONAL OBLIGATIONS OF THE COMPANY UPON TERMINATION.

(a) BY THE COMPANY OTHER THAN FOR CAUSE, DEATH OR DISABILITY: If, during the Employment Period, the Company terminates the Executive's employment, other than for Cause, death or Disability, but excluding any termination of employment at the end of the Employment Period (whether or not as a result of a Notice of Nonrenewal by the Company), the Company shall, for the remainder of the Employment Period as in effect immediately before the Date of Termination, continue to pay the Executive the Annual Base Salary and Annual Bonus(es) through the end of the then-current Employment Period, as and when such amounts would be paid in accordance with Sections 3(a) and (b) above; provided, that the amount of each of the Annual Bonus(es) so paid shall equal the Target Annual Bonus. The Company shall also continue to provide for the same period welfare

benefits to the Executive and/or the Executive's family, at least as favorable as those that would have been provided to them under clause (f)(iii) of Section 3 of this Agreement if the Executive's employment had continued until the end of the Employment Period; PROVIDED, that during any period when the Executive is eligible to receive such benefits under another employer-provided plan, the benefits provided by the Company under this Section 5(a) may be made secondary to those provided under such other plan. The payments provided pursuant to this Section 5(a) are intended as liquidated damages for a termination of the Executive's employment by the Company other than for Cause or Disability and shall be the sole and exclusive remedy therefor.

(b) DEATH. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, the Company shall make, within 30 days

after the Date of Termination, a lump-sum cash payment to the Executive's estate equal to the sum of (i) the Executive's Annual Base Salary through the end of the calendar month in which death occurs, (ii) any earned and unpaid Annual Bonus for any calendar year ended prior to the Date of Termination, (iii) any accrued but unpaid vacation pay and (iv) any other vested benefits to which the Executive is entitled, in each case to the extent not yet paid.

(c) DISABILITY. In the event the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period in accordance with Section 4(a) hereof, the Company shall pay to the Executive or the Executive's legal representative, as applicable, (i) the Executive's Annual Base Salary for the duration of the Employment Period in effect on the Date of Termination, provided that any such payments made to the Executive shall be reduced by the sum of the amounts, if any, payable to the Executive under any disability benefit plans of the Company or under the Social Security disability insurance program, (ii) any earned and unpaid Annual Bonus for any calendar year ended prior to the Date of Termination and (iii) any other vested benefits to which the Executive is entitled, in each case to the extent not yet paid.

(d) CAUSE: VOLUNTARY TERMINATION. If the Executive's employment is terminated by the Company for Cause or the Executive voluntarily terminates his employment during the Employment Period, the Company shall pay the Executive only those amounts specified in Section 4(d), in each case to the extent not yet paid, and the Company shall have no further obligations under this Agreement.

(e) TERMINATION AFTER A CHANGE IN CONTROL.

(i) If Executive is terminated by the Company during the three-year period following a Change in Control (as defined in Section 5(f) below) for any reason other than Cause, then Executive shall be entitled to the following:

(A) During the longer of (i) the 18-month period following his termination and (ii) the remainder of the Employment Period in effect at the date of termination, and except to the extent prohibited under the terms of any applicable insurance policy, he shall continue to be covered under the Company's welfare benefit plans to the same extent and on the same terms as those benefits are provided to the Company's active employees.

(B) He shall receive from the Company an amount (the "SEVERANCE PAY") equal to the greater of (i) one and one-half times the sum of (x) the Executive's current Annual Base Salary plus (y) the amount of any bonus paid to Executive in the preceding twelve months and (ii) the Annual Base Salary and Annual Bonuses through the end of the then current Employment Period (PROVIDED, that the amount of each of the Annual Bonuses so paid shall equal the Target Annual Bonus). The Severance Pay amount shall be paid (a) if clause (i) in the previous sentence applies, over the 18-month period commencing on the date Executive's employment terminates, in equal monthly or more frequent installments in accordance with the Company's payroll schedule or (b) if clause (ii) in the previous sentence applies, as and when such amounts would be paid in accordance with Sections 3(a) and (b) above.

The Company's obligation to provide welfare benefit coverage and make severance payments under this Section 5(c) shall cease with respect to periods after the earlier to occur of the date of Executive's death, or the date, if any, of the breach by Executive of the provisions of Section 6.

(ii) If Executive terminates his employment hereunder voluntarily following a Change in Control, then Executive shall not be entitled to Severance Pay; provided, however, that if Executive terminates his employment for Good Reason (as defined below) during the three-year period following a Change in Control, such termination shall not be considered a voluntary termination by Executive and Executive shall be treated as if he had been terminated by the Company pursuant to paragraph (i) of this Section 5(e) above. "GOOD REASON" means, in the event of or following a Change in Control:

(A) without the express written consent of the Executive, (1) the assignment to the Executive of duties inconsistent in any substantial respect with the Executive's position, authority or responsibilities as held, exercised and assigned during the ninety (90) day period immediately preceding the Change in Control, or (2) any other substantial adverse change in such position (including titles, authority or responsibilities) or significant reduction in salary, unless in either case the change is warranted by an objective evaluation of Executive's performance or is related to a bona fide company restructuring;

(B) any failure by the Company to comply with any of the provisions of this Agreement, other than an insubstantial and inadvertent failure remedied by the Company promptly after receipt of notice thereof given by the Executive; or

(C) the Company requires or otherwise takes such action as would reasonably require the Executive's relocation.

(f) For purposes of this Agreement, the term "CHANGE IN CONTROL" shall have the meaning ascribed to it in the Company's subordinated note indenture, as may be amended, or any change of control or similar provision in any other subordinated debt of the Company as may hereafter be in effect.

(g) In the event that it shall be necessary for Executive to engage in litigation in connection with the enforcement of his rights under paragraphs (i) and (ii) of Section 5(e), he shall be entitled to recover from the Company the reasonable attorney's fees and other costs incurred in such legal action, in addition to any other relief to which he may be entitled; provided, however, that Executive ultimately prevails in such litigation.

6. PROTECTION OF THE COMPANY ASSETS (CONFIDENTIALITY NON-COMPETITION AND OTHER MATTERS).

(a) Executive recognizes and acknowledges that the acquisition and operation of, and the providing of consulting services for, parking facilities is a unique enterprise and that there are relatively few firms engaged in these businesses in the primary areas in which the Parking Companies operate. Executive further recognizes and acknowledges that as a result of his employment with the Parking Companies, Executive has had and will continue to have access to confidential information and trade secrets of the Parking Companies that constitute proprietary information that the Parking Companies are entitled to protect, which information constitutes special and unique assets of the Parking Companies, including, but not limited to, (i) information relating to the Parking Companies' manner and methods of doing business, including, but not limited to, strategies for negotiating leases and management agreements; (ii) the identity of the Parking Companies' clients, customers, lessors and locations, and the identity of any individuals or entities having an equity or other economic interest in any of the Parking Companies to the extent such identity has not

otherwise been voluntarily disclosed by any of the Parking Companies; (iii) the specific confidential terms of management agreements, leases or other business agreements, including, but not limited to, the duration of, and the fees, rent or other payments due thereunder; (iv) the identities of beneficiaries under land trusts; (v) the business, developments, activities or systems of the Parking Companies, including, but not limited to, any marketing or customer service oriented programs in the development stages or not otherwise known to the general public; (vi) information concerning the business affairs of any individual or firm doing business with the Parking Companies; (vii) financial data and the operating expense structure pertaining to any parking facility owned, operated, leased or managed by the Parking Companies or for which the Parking Companies have or are providing consulting services; and (viii) other confidential information and trade secrets relating to the operation of the Company's business (the matters described in this sentence hereafter referred to as the "TRADE SECRETS").

(b) CONFIDENTIALITY. With respect to Trade Secrets, and except as may be required by the lawful order of a court of competent jurisdiction, the Executive agrees that he shall:

(i) hold all Trade Secrets in strict confidence and not publish or otherwise disclose any portion thereof to any person whatsoever except with the prior written consent of the Parking Companies;

(ii) use all reasonable precautions to assure that the Trade Secrets are properly protected and kept from unauthorized persons;

(iii) make no use of any Trade Secrets except as is required in the performance of his duties for the Parking Companies; and

(iv) upon termination of his employment with the Parking Companies, whether voluntary or involuntary and regardless of the reason or cause, or upon the request of the Parking Companies, promptly return to the Parking Companies any and all documents, and other things relating to the Trade Secrets, all of which are and shall remain the sole property of the Parking Companies. The term "documents" as used in the preceding sentence shall mean all forms of written or recorded information and shall include, but not be limited to, all accounts, budgets, compilations, computer records (including, but not limited to, computer, programs, software, disks, diskettes or any other electronic or magnetic storage media), contracts, correspondence, data, diagrams, drawings, financial statements, memoranda, microfilm or microfiche, notes, notebooks, marketing or other plans, printed materials, records and reports, as well as any and all copies, reproductions or summaries thereof.

Notwithstanding the above, nothing contained herein shall restrict Executive from using, at any time after his termination of employment with the Company, information which is in the public domain or knowledge acquired during the course of his employment with the Company which is generally known to persons of his experience in other companies in the same industry.

(c) ASSIGNMENT OF INTELLECTUAL PROPERTY RIGHTS. The Executive agrees to assign to the Company any and all intellectual property rights including patents, trademarks, copyright and business plans or systems developed, authored or conceived by the Executive while so employed and relating to the business of the Parking Companies, and the Executive agrees to cooperate with the Company's attorneys to perfect ownership rights thereof in the Company or any one or more of the Parking Companies. This agreement does not apply to an

invention for which no equipment, supplies, facility or trade secret information of the Parking Companies was used and which was developed entirely on the Executive's own time, unless (i) the invention relates either to the business of the Parking Companies or to actual or demonstrably anticipated research or development of the Parking Companies, or (ii) the invention results from any work performed by the Executive for the Parking Companies.

(d) COVENANTS NOT TO COMPETE. The Executive agrees that while he is employed by the Company and for a period of two (2) years after the date on which such employment terminates (or eighteen (18) months after the date such employment terminates if such termination follows a Change in Control), the Executive shall not, directly or indirectly:

(i) have an ownership interest in (other than ownership of 5% or less of the outstanding stock of any entity listed on the New York or American Stock Exchange or included in the National Association of Securities Dealers Automated Quotation System) any corporation, firm, joint venture, partnership, proprietorship, or other entity or association which manages, owns or operates a parking facility that is competitive with the business of the Parking Companies in any of the metropolitan areas in which, as of the time Executive's employment terminates, the Parking Companies own, manage and/or operate one or more parking facilities (hereinafter the "METROPOLITAN AREAS");

(ii) become employed by, work for, consult with, or assist any person, corporation, firm, joint venture, partnership, proprietorship, or any other entity or association that is engaged in a business which is competitive with the business of the Parking Companies in the Chicago metropolitan area or in any of the other Metropolitan Areas in which the Executive has been

responsible for performing supervisory or other services on behalf of any of the Parking Companies within the three (3) years immediately preceding the termination of his employment;

(iii) contact or solicit business from any client or customer of

the Parking Companies or from any person who is responsible for referring or who regularly refers business to the Parking Companies; or

(iv) take any action to recruit or to assist in the recruiting or solicitation for employment of any officer, employee or representative of the Parking Companies.

It is not the intention of the Parking Companies to interfere with the employment opportunities of former employees except in those situations, described above, in which such employment would conflict with the legitimate interests of the Parking Companies. If the Executive, after the termination of his employment hereunder, has any question regarding the applicability of the above provisions to a potential employment opportunity, the Executive acknowledges that it is his responsibility to contact the Company so that the Company may inform the Executive of its position with respect to such opportunity.

(e) REMEDIES. The Executive acknowledges that the Parking Companies would be irreparably injured by a violation of the covenants of this Section 6 and agrees that the Company, or any one or more of the Parking Companies, in addition to any other remedies available to it or them for such breach or threatened breach, shall be entitled to a preliminary injunction, temporary restraining order, or other equivalent relief, restraining the Executive from any actual or threatened breach of any of the provisions of this Section 6. If a bond is required to be posted in order for the Company or any one or more of the Parking Companies to secure an injunction or other equitable remedy, the parties agree that said bond need not

exceed a nominal sum. This Section shall be applicable regardless of the reason for the Executive's termination of employment, and independent of any alleged action or alleged breach of any provision hereby by the Company. If at any time any of the provisions of this Section 6 shall be determined to be invalid or unenforceable by reason of being vague or unreasonable as to duration, area, scope of activity or otherwise, then this Section 6 shall be considered divisible (with the other provisions to remain in full force and effect) and the invalid or unenforceable provisions shall become and be deemed to be immediately amended to include only such time, area, scope of activity and other restrictions, as shall be determined to be reasonable and enforceable by the court or other body having jurisdiction over the matter, and the Executive expressly agrees that this Agreement, as so amended, shall be valid and binding as though any invalid or unenforceable provision had not been included herein.

7. SUCCESSORS.

(a) This Agreement is personal to the Executive and, without the prior written consent of the Company, shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would have been required to perform it if no such succession had taken place. As used in this Agreement, "COMPANY" shall mean both the

Company as defined above and any such successor that assumes and agrees to perform this Agreement, by operation of law or otherwise.

8. MISCELLANEOUS.

(a) This Agreement shall be governed by, and construed in accordance with, the laws of the State of Illinois without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified except by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications under this Agreement shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

IF TO THE EXECUTIVE:

G. Marc Baumann
2643 Oak Avenue
Northbrook, Illinois 60062

IF TO THE COMPANY:

APCOA/Standard Parking, Inc.
900 North Michigan Avenue
Chicago, Illinois 60611
Attention: Robert N. Sacks,
Executive Vice President and General Counsel

or to such other address as either party furnishes to the other in writing in accordance with this paragraph (b) of Section 8. Notices and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any

provision of this Agreement shall be held invalid or unenforceable in part, the remaining portion of such provision, together with all other provisions of this Agreement, shall remain valid and enforceable and continue in full force and effect to the fullest extent consistent with law.

(d) Notwithstanding any other provision of this Agreement, the Company may withhold from amounts payable under this Agreement all federal, state, local and foreign taxes that are required to be withheld by applicable laws or regulations.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of, or to assert any right under, this Agreement shall not be deemed to be a waiver of such provision or right or of any other provision of or right under this Agreement.

(f) The Executive and the Company acknowledge that this Agreement supersedes any other agreement, whether written or oral, between them concerning the subject matter hereof, including, but not limited to the Prior Agreement.

(g) This Agreement may be executed in several counterparts, each of which shall be deemed an original, and said counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and the Company has caused this Agreement to be executed in its name on its behalf, all as of the day and year first above written.

G. MARC BAUMANN

APOCA/STANDARD PARKING, INC.

By:

Its:

APCOA/STANDARD PARKING, INC.

2001 STOCK OPTION PLAN

1. PURPOSES. The purposes of the APCOA/Standard Parking, Inc. 2001 Stock Option Plan are:

(a) To further the growth, development and success of the Company and its Affiliates by enabling the executive and other employees and directors of, and/or consultants to, the Company and its Affiliates to acquire a continuing equity interest in the Company, thereby increasing their personal interests in such growth, development and success and motivating such executives, employees, directors and/or consultants to exert their best efforts on behalf of the Company and its Affiliates; and

(b) To maintain the ability of the Company and its Affiliates to attract and retain executives, employees, directors and/or consultants of outstanding ability by offering them an opportunity to acquire a continuing equity interest in the Company and its Affiliates which will reflect the growth, development and success of the Company and its Affiliates.

Toward these objectives, the Committee may grant Options to such executives, employees, directors and/or consultants, all pursuant to the terms and conditions of the Plan.

2. ADMINISTRATION OF THE PLAN. (a) The Committee shall have exclusive authority to operate, manage and administer the Plan in accordance with its terms and conditions. Notwithstanding the foregoing, in its absolute discretion, the Board may at any time and from time to time exercise any and all rights, duties and responsibilities of the Committee under the Plan, including, but not limited to, establishing procedures to be followed by the Committee, except with respect to matters which under any applicable law, regulation or rule, are required to be determined in the sole discretion of the Committee. If and to the extent that no Committee exists which has the authority to administer the Plan, the functions of the Committee shall be exercised by the Board.

(b) The Committee shall be appointed from time to time by the Board. A Committee member may be removed by the Board at any time either with or without cause, and any such member may resign at any time by delivering notice thereof to the Board. Any vacancy on the Committee, whether due to action of the Board or any other reason, shall be filled by the Board.

(c) The Committee shall have full authority to grant, pursuant to the terms of the Plan, Options to those individuals who are eligible to receive Options under the Plan. In particular, the Committee shall have discretionary authority, in accordance with the terms of the Plan, to: determine eligibility for participation in the Plan; select, from time to time, from among those eligible, the executives, employees, directors and/or consultants to whom Options shall be

granted under the Plan, which selection may be based upon information furnished to the Committee by the Company's or an Affiliate's management; determine whether an Option shall take the form of an ISO or an Option other than an ISO; determine the number of shares of Stock to be included in any Option and the periods for which Options will be outstanding; establish and administer any terms, conditions, performance criteria, restrictions, limitations, forfeiture, vesting or exercise schedule, and other provisions of or relating to any Option; grant waivers of terms, conditions, restrictions and limitations under the Plan or applicable to any Option, or accelerate the vesting or exercisability of any Option; amend or adjust the terms and conditions of any outstanding Option and/or adjust the number and/or class of shares of Stock subject to any outstanding Option; at any time and from time to time after the granting of an Option, specify such additional terms, conditions and restrictions with respect to any such Option as may be deemed necessary or appropriate to ensure compliance with any and all applicable laws or rules, including, but not limited to, terms, restrictions and conditions for compliance with applicable securities laws, regarding an Optionee's exercise of Options by tendering shares of Stock or under any "cashless exercise" program established by the Committee, and methods of withholding or providing for the payment of required taxes; offer to buy out an Option previously granted, based on such terms and conditions as the Committee shall establish with and communicate to the Optionee at the time such offer is made; and, to the extent permitted under the applicable Agreement, permit the transfer of an Option or the exercise of an Option by one other than the Optionee who received the grant of such Option (other than any such transfer or exercise which would cause any ISO to fail to qualify as an "incentive stock option" under Section 422 of the Code).

(d) The Committee shall have all authority that may be necessary or helpful to enable it to discharge its responsibilities with respect to the Plan. Without limiting the generality of the foregoing sentence or Section 2(a), and in addition to the powers otherwise expressly designated to the Committee in the Plan, the Committee shall have the exclusive right and discretionary authority

to interpret the Plan and the Agreements; construe any ambiguous provision of the Plan and/or the Agreements and decide all questions concerning eligibility for and the amount of Options granted under the Plan. The Committee may establish, amend, waive and/or rescind rules and regulations and administrative guidelines for carrying out the Plan and may correct any errors, supply any omissions or reconcile any inconsistencies in the Plan and/or any Agreement or any other instrument relating to any Options. The Committee shall have the authority to adopt such procedures and subplans and grant Options on such terms and conditions as the Committee determines necessary or appropriate to permit participation in the Plan by individuals otherwise eligible to so participate who are foreign nationals or employed outside of the United States, or otherwise to conform to applicable requirements or practices of jurisdictions outside of the United States; and take any and all such other actions it deems necessary or advisable for the proper operation and/or administration of the Plan. The Committee shall have full discretionary authority in all matters related to the discharge of its responsibilities and the exercise of its authority under the Plan. Decisions and actions by the Committee with respect to the Plan and any Agreement shall be final, conclusive and binding on all persons having or claiming to have any right or interest in or under the Plan and/or any Agreement.

(e) Each Option shall be evidenced by an Agreement, which shall be executed by the Company and the Optionee to whom such Option has been granted, unless the Agreement

provides otherwise; two or more Options granted to a single Optionee may, however, be combined in a single Agreement. An Agreement shall not be a precondition to the granting of an Option; no person shall have any rights under any Option, however, unless and until the Optionee to whom the Option shall have been granted (i) shall have executed and delivered to the Company an Agreement or other instrument evidencing the Option, unless such Agreement provides otherwise, and (ii) has otherwise complied with the applicable terms and conditions of the Option. The Committee shall prescribe the form of all Agreements, and, subject to the terms and conditions of the Plan, shall determine the content of all Agreements. Any Agreement may be supplemented or amended in writing from time to time as approved by the Committee; PROVIDED that the terms and conditions of any such Agreement as supplemented or amended are not inconsistent with the provisions of the Plan.

(f) A majority of the members of the entire Committee shall constitute a quorum and the actions of a majority of the members of the Committee in attendance at a meeting at which a quorum is present, or actions by a written instrument signed by all members of the Committee, shall be the actions of the Committee.

(g) The Committee may consult with counsel who may be counsel to the Company. The Committee may, with the approval of the Board, employ such other attorneys and/or consultants, accountants, appraisers, brokers and other persons as it deems necessary or appropriate. In accordance with Section 11, the Committee shall not incur any liability for any action taken in good faith in reliance upon the advice of such counsel or other persons.

(h) In serving on the Committee, the members thereof shall be entitled to indemnification as directors of the Company, and to any limitation of liability and reimbursement as directors with respect to their services as members of the Committee.

3. SHARES OF STOCK SUBJECT TO THE PLAN. (a) The shares of stock subject to Options granted under the Plan shall be shares of Stock. Such shares of Stock subject to the Plan may be either authorized and unissued shares (which will not be subject to preemptive rights) or previously issued shares acquired by the Company or any Subsidiary. The total number of shares of Stock that may be delivered pursuant to Options granted under the Plan is 1,000 shares.

(b) Notwithstanding any of the foregoing limitations set forth in this Section 3, the number of shares of Stock specified in this Section 3 shall be adjusted as provided in Section 9.

(c) Any shares of Stock subject to an Option which for any reason expires or is terminated or forfeited without having been fully exercised may again be granted pursuant to an Option under the Plan, subject to the limitations of this Section 3.

(d) If the option exercise price of an Option granted under the Plan is paid by tendering to the Company shares of Stock already owned by the holder of such option (or such holder and his or her spouse jointly), only the number of shares of Stock issued net of the shares of Stock so tendered shall be deemed delivered for purposes of determining the total number of shares of Stock that may be delivered under the Plan.

(e) Any shares of Stock delivered under the Plan in assumption or substitution of outstanding stock options, or obligations to grant future stock options, under plans or arrangements of an entity other than the Company or an Affiliate in connection with the Company or an Affiliate acquiring such another entity, or an interest in such an entity, or a transaction otherwise described in Section 5(j), shall not reduce the maximum number of shares of Stock available for delivery under the Plan; PROVIDED, HOWEVER, that the maximum number of shares of Stock that may be delivered pursuant to Incentive Stock Options granted under the Plan shall be the number of shares set forth in paragraph (a) of this Section 3, as adjusted pursuant to paragraphs (b) and (c) of this Section 3.

4. ELIGIBILITY. Executive employees and other employees, including officers, of the Company and the Affiliates, directors (whether or not also employees) and/or consultants of the Company and the Affiliates, shall be eligible to become Optionees and receive Options in accordance with the terms and conditions of the Plan, subject to the limitations on the granting of ISOs set forth in Section 5(h).

5. TERMS AND CONDITIONS OF STOCK OPTIONS. All Options to purchase Stock granted under the Plan shall be either ISOs or Options other than ISOs. To the extent that any Option does not qualify as an ISO (whether because of its provisions or the time or manner of its exercise or otherwise), such Option, or the portion thereof which does not so qualify, shall constitute a separate Option other than an ISO. Each Option shall be subject to all the applicable provisions of the Plan, including the following terms and conditions, and to such other terms and conditions not inconsistent therewith as the Committee shall determine and which are set forth in the applicable Agreement. Options need not be uniform as to all grants and recipients thereof.

(a) The option exercise price per share of shares of Stock subject to each Option shall be determined by the Committee and stated in the Agreement; PROVIDED, HOWEVER, that, subject to paragraph (h)(iii) and/or (j) of this Section 5, if applicable, such option exercise price applicable to any Incentive Stock Option shall not be less than one hundred percent (100%) of the Fair Market Value of a share of Stock at the time that the ISO is granted.

(b) Each Option shall be exercisable in whole or in such installments, at such times and under such conditions, as may be determined by the Committee in its discretion in accordance with the Plan and stated in the Agreement, and, in any event, over a period of time ending not later than ten (10) years from the date such Option was granted, subject to paragraph (h)(C) of this Section 5.

(c) An Option shall not be exercisable with respect to a fractional share of Stock and no fractional shares of Stock shall be issued upon the exercise of an Option. In addition, an Option must be exercised in whole for the full number of shares of Stock provided under the Option; PROVIDED, HOWEVER, that in the event of an IPO, an Option may be exercisable with respect to the lesser of the number of shares designated by the Board at the time of such IPO or the full number of shares of Stock then subject to the Option.

(d) Each Option may be exercised by giving Notice to the Company specifying the number of shares of Stock to be purchased, which shall be accompanied by payment in full including applicable taxes, if any, in accordance with Section 8. Payment shall be in any manner permitted by applicable law and prescribed by the Committee, in its discretion, and set forth in the Agreement.

(e) No Optionee or other person shall become the beneficial owner of any shares of Stock subject to an Option, nor have any rights to dividends or other rights of a shareholder with respect to any such shares until he or she has exercised his or her Option in accordance with the provisions of the Plan and the applicable Agreement.

(f) An Option may be exercised only if at all times during the period beginning with the date of the granting of the Option and ending on the date of such exercise, the Optionee was an executive, employee, director or consultant of the Company or an Affiliate, as applicable. Notwithstanding the preceding sentence, the Committee may determine in its discretion that an Option may be exercised prior to expiration of such Option following termination of such continuous employment, directorship or consultancy, whether or not exercisable at the time of such termination, to the extent provided in the applicable Agreement.

(g) Subject to the terms and conditions and within the limitations of the Plan, the Committee may modify, extend or renew outstanding Options granted under the Plan, or accept the surrender of outstanding Options (up to the extent not theretofore exercised) and authorize the granting of new Options in substitution therefor (to the extent not theretofore exercised).

(h)(i) Each Agreement relating to an Option shall state whether such Option will or will not be treated as an ISO. No ISO shall be granted unless such Option, when granted, qualifies as an "incentive stock option" under

Section 422 of the Code. No ISO shall be granted to any individual otherwise eligible to participate in the Plan who is not an employee of the Company or a Subsidiary on the date of granting of such Option. Any ISO granted under the Plan shall contain such terms and conditions, consistent with the Plan, as the Committee may determine to be necessary to qualify such Option as an "incentive stock option" under Section 422 of the Code. Any ISO granted under the Plan may be modified by the Committee to disqualify such Option from treatment as an "incentive stock option" under Section 422 of the Code.

(ii) Notwithstanding any intent to grant ISOs, an Option granted under the Plan will not be considered an ISO to the extent that it, together with any other "incentive stock options" (within the meaning of Section 422 of the Code, but without regard to subsection (d) of such Section) under the Plan and any other "incentive stock option" plans of the Company, any Subsidiary and any "parent corporation" of the Company within the meaning of Section 424(e) of the Code, are exercisable for the first time by any Optionee during any calendar year with respect to Stock having an aggregate Fair Market Value in excess of $100,000 (or such other limit as may be required by the Code) as of the time the Option with

respect to such Stock is granted. The rule set forth in the preceding sentence shall be applied by taking Options into account in the order in which they were granted.

(iii) No ISO shall be granted to an individual otherwise eligible to participate in the Plan who owns (within the meaning of Section 424(d) of the Code), at the time the Option is granted, more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or a Subsidiary or any "parent corporation" of the Company within the meaning of Section 424(e) of the Code. This restriction does not apply if at the time such ISO is granted the Option exercise price per share of Stock subject to the Option is at least 110% of the Fair Market Value of a share of Stock on the date such ISO is granted, and the ISO by its terms is not exercisable after the expiration of five years from such date of grant.

(i) An Option and any shares of Stock received upon the exercise of an Option shall be subject to such other transfer and/or ownership restrictions and/or legending requirements as the Committee may establish in its discretion and which are specified in the Agreement and may be referred to on the certificates evidencing such shares of Stock. The Committee may require an Optionee to give prompt Notice to the Company concerning any disposition of shares of Stock received upon the exercise of an ISO within: (i) two (2) years from the date of granting such ISO to such Optionee or (ii) one (1) year from the transfer of such shares of Stock to such Optionee or (iii) such other period as the Committee may from time to time determine. The Committee may direct that an Optionee with respect to an ISO undertake in the applicable Agreement to give such Notice described in the preceding sentence, at such time and containing such information as the Committee may prescribe, and/or that the certificates evidencing shares of Stock acquired by exercise of an ISO refer to such requirement to give such Notice.

(j) In the event that a transaction described in Section 424(a) of the Code involving the Company or a Subsidiary is consummated, such as the acquisition of property or stock from an unrelated corporation, individuals who become eligible to participate in the Plan in connection with such transaction, as determined by the Committee, may be granted Options in substitution for options granted by another corporation that is a party to such transaction. If such substitute Options are granted, the Committee, in its discretion and consistent with Section 424(a) of the Code, if applicable, and the terms of the Plan, though notwithstanding paragraph (a) of this Section 5, shall determine the option exercise price and other terms and conditions of such substitute Options.

6. TRANSFER, LEAVE OF ABSENCE. A transfer of an employee from the Company to an Affiliate (or, for purposes of any ISO granted under the Plan, a Subsidiary), or vice versa, or from one Affiliate to another (or in the case of an ISO, from one Subsidiary to another), and a leave of absence, duly authorized in writing by the Company or a Subsidiary or Affiliate, shall not be deemed a termination of employment of the employee for purposes of the Plan or with respect to any Option (in the case of ISOs, to the extent permitted by the Code).

7. RIGHTS OF EMPLOYEES AND OTHER PERSONS. (a) No person shall have any rights or claims under the Plan except in accordance with the provisions of the Plan and the applicable Agreement.

(b) Nothing contained in the Plan or in any Agreement shall be deemed

to (i) give any employee or director the right to be retained in the service of the Company or any Affiliate nor restrict in any way the right of the Company or any Affiliate to terminate any employee's employment or any director's directorship at any time with or without cause or (ii) confer on any consultant any right of continued relationship with the Company or any Affiliate, or alter any relationship between them, including any right of the Company or an Affiliate to terminate its relationship with such consultant.

(c) The adoption of the Plan shall not be deemed to give any employee of the Company or any Affiliate or any other person any right to be selected to participate in the Plan or to be granted an Option.

(d) Nothing contained in the Plan or in any Agreement shall be deemed to give any employee the right to receive any bonus, whether payable in cash or in Stock, or in any combination thereof, from the Company or any Affiliate, nor be construed as limiting in any way the right of the Company or any Affiliate to determine, in its sole discretion, whether or not it shall pay any employee bonuses, and, if so paid, the amount thereof and the manner of such payment.

8. TAX WITHHOLDING OBLIGATIONS. (a) The Company and/or any Affiliate are authorized to take whatever actions are necessary and proper to satisfy all obligations of Optionees (including, for purposes of this Section 8, any other person entitled to exercise an Option pursuant to the Plan or an Agreement) for the payment of all Federal, state, local and foreign taxes in connection with any Options (including, but not limited to, actions pursuant to the following paragraph (b) of this Section 8).

(b) Each Optionee shall (and in no event shall Stock be delivered to such Optionee with respect to an Option until), no later than the date as of which the value of the Option first becomes includible in the gross income of the Optionee for income tax purposes, pay to the Company in cash, or make arrangements satisfactory to the Company, as determined in the Committee's discretion, regarding payment to the Company of, any taxes of any kind required by law to be withheld with respect to the Stock or other property subject to such Option, and the Company and any Affiliate shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to such Optionee.

9. CHANGES IN CAPITAL. (a) The existence of the Plan and any Options granted hereunder shall not affect in any way the right or power of the Board or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company or an Affiliate, any issue of debt, preferred or prior preference stock ahead of or affecting Stock, the authorization or issuance of additional shares of Stock, the dissolution or liquidation of the

Company or its Affiliates, any sale or transfer of all or part of its assets or business or any other corporate act or proceeding.

(b)(i) Upon changes in the outstanding Stock by reason of a stock dividend, stock split, reverse stock split, subdivision, recapitalization, reclassification, merger, consolidation (whether or not the Company is a surviving corporation), combination or exchange of shares of Stock, separation, or reorganization, or in the event of an extraordinary dividend, "spin-off," liquidation, other substantial distribution of assets of the Company or acquisition of property or stock or other change in capital of the Company, or the issuance by the Company of shares of its capital stock without receipt of full consideration therefor, or rights or securities exercisable, convertible or exchangeable for shares of such capital stock, or any similar change affecting the Company's capital structure, the aggregate number, class and kind of shares of stock available under the Plan as to which Options may be granted, the number, class and kind of shares under each outstanding Option and the exercise price per share applicable to any such Options shall be appropriately adjusted by the Committee in its discretion to preserve the benefits or potential benefits intended to be made available under the Plan or with respect to any outstanding Options or otherwise necessary to reflect any such change.

(ii) Fractional shares of Stock resulting from any adjustment in Options pursuant to Section 9(b)(i) shall be aggregated until, and eliminated at, the time of exercise of the affected Options. Notice of any adjustment shall be given by the Committee to each Optionee whose Option has been adjusted and such adjustment (whether or not such Notice is given) shall be effective and binding for all purposes of the Plan.

(c) (i) Immediately prior to the earlier of (A) a Change in Control, (B) an Initial Public Offering, (C) an "Option Redemption" (as described in the Certificate of Designations), or (D) March 15, 2008, all outstanding Options shall automatically be accelerated and become immediately exercisable, as to all of the shares of Stock covered thereby, notwithstanding anything to the contrary in the Plan or the Agreement.

(ii) In the event of any "Optional Redemption" or a "Change in Control Redemption" (as each such term is defined in Section 5 of the Certificate of Designations), the Optionee will automatically be treated as having exercised his or her Option, the Company's or the Optionee's election to exercise their rights of redemption, as applicable, shall extend to the Stock underlying such Option, and the Option shall be canceled immediately following such event. In such event, the Optionee shall not be required to make a payment to the Company with respect to the deemed exercise of such Option. Rather, such Optionee shall automatically receive a cash distribution (net of any applicable withholding obligations pursuant to Section 8) equal to the product of the number of shares underlying the Option multiplied by the difference between the per share redemption price paid by the Company in connection with such redemption and the exercise price provided for under the Option. Notwithstanding the foregoing, in the event of a Change in Control Redemption where the redemption price is not paid in cash, the Optionee will not automatically be treated as having exercised his or her Option, but such Option shall be exercisable and shall otherwise continue in accordance with its terms.

(iii) In the event of an IPO, each share of Stock underlying the Options granted hereunder shall be converted into the number of shares of common stock of the Company equal to the quotient of the then-effective "Redemption Price" (as such term is defined in the Certificate of Designations) divided by the price per share at which shares of the Company's common stock are offered in the IPO. The exercise price for each share of common stock under the converted option shall be equal to the product of the exercise price under the Option prior to the conversion multiplied by the quotient of the price per share at which shares of the Company's common stock are offered in the IPO divided by the then-effective Redemption Price.

(iv) In addition to the foregoing, in the event of any other redemption in cash of all of the then outstanding Stock at the election of the Company, the terms of which are not covered by the Certificate of Designations, (A) the Option shall automatically be accelerated and become immediately exercisable, as to all of the shares of Stock covered thereby, and (B) the Company shall give the Optionee reasonable advance notice of its intent to redeem the Stock, the details relating to the terms of such redemption and an opportunity for the Optionee to exercise his Option and participate in the redemption on the same terms as applicable to the other shareholders whose Stock is being redeemed pursuant to such redemption. In the event that the Optionee does not exercise his or her Option pursuant to such redemption, such Option shall otherwise continue in accordance with its terms, but shall not be exercisable until a subsequent exercise triggering event described in this Section 9(c).

(v) In its discretion, and on such terms and conditions as it deems appropriate, the Committee may provide, either by the terms of the Agreement applicable to any Option or by resolution adopted prior to the occurrence of a Change in Control, that any outstanding Option shall be adjusted by substituting for each share of Stock subject to such Option stock or other securities of the surviving corporation or any successor corporation to the Company, or a parent or subsidiary thereof, or that may be issuable by another corporation that is a party to the transaction resulting in the Change in Control, whether or not such stock or other securities are publicly traded, in which event, the aggregate exercise price of the Option shall remain the same and the amount of shares or other securities subject to the Option shall be the amount of shares or other securities which could have been purchased on the closing date or expiration date of such transaction with the proceeds which would have been received by the Optionee if the Option had been exercised in full (or with respect to a portion of such Option, as determined by the Committee, in its discretion) prior to such transaction or expiration date and the Optionee exchanged all of such shares in the Change in Control transaction.

(vi) Upon the exercise of an Option pursuant to this Section 9(c), the Optionee shall receive a cash (or, in the case of an IPO described under Section 9(c)(iii), stock) payment equal to the cash value of all of the dividends (as provided under Section 3 of the Certificate of Designations) that would have been paid with respect to the shares of Stock received upon exercise of the Option as if the Optionee actually owned such Stock from the date of grant through the date of such exercise.

Notwithstanding the foregoing, in no event may any Option be exercised after ten (10) years from the date it was originally granted.

10. MISCELLANEOUS PROVISIONS. (a) The Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the issuance of shares of Stock or the

payment of cash upon exercise or payment of any Option. Proceeds from the sale of shares of Stock pursuant to Options granted under the Plan shall constitute general funds of the Company.

(b) Except as otherwise provided in this paragraph (b) of Section 10 or by the Committee, an Option by its terms shall be personal and may not be sold, transferred, pledged, assigned, encumbered or otherwise alienated or hypothecated otherwise than by will or by the laws of descent and distribution and shall be exercisable during the lifetime of an Optionee only by him or her. An Agreement may permit the exercise or payment of an Optionee's Option (or any portion thereof) after his or her death by or to the beneficiary most recently named by such Optionee in a written designation thereof filed with the Company, or, in lieu of any such surviving beneficiary, as designated by the Optionee by will or by the laws of descent and distribution. In the event any Option is exercised by the executors, administrators, heirs or distributees of the estate of a deceased Optionee, or such an Optionee's beneficiary, or the transferee of an Option, in any such case pursuant to the terms and conditions of the Plan and the applicable Agreement and in accordance with such terms and conditions as may be specified from time to time by the Committee, the Company shall be under no obligation to issue Stock thereunder unless and until the Committee is satisfied that the person or persons exercising such Option is the duly appointed legal representative of the deceased Optionee's estate or the proper legatee or distributee thereof or the named beneficiary of such Optionee, or the valid transferee of such Option, as applicable.

(c) (i) If at any time the Committee shall determine, in its discretion, that the listing, registration and/or qualification of shares of Stock upon any securities exchange or under any state or Federal or foreign law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the sale or purchase of shares of Stock hereunder, no Option may be granted, exercised or paid in whole or in part unless and until such listing, registration, qualification, consent and/or approval shall have been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Committee.

(ii) If at any time counsel to the Company shall be of the opinion that any sale or delivery of shares of Stock pursuant to an Option is or may be in the circumstances unlawful or result in the imposition of excise taxes on the Company or any Affiliate under the statutes, rules or regulations of any applicable jurisdiction, the Company shall have no obligation to make such sale or delivery, or to make any application or to effect or to maintain any qualification or registration under the Securities Act, or otherwise with respect to shares of Stock or Options and the right to exercise any Option shall be suspended until, in the opinion of such counsel, such sale or delivery shall be lawful or will not result in the imposition of excise taxes on the Company or any Affiliate.

(iii) Upon termination of any period of suspension under this Section 10(c), any Option affected by such suspension which shall not then have expired or terminated shall be reinstated as to all shares available before such suspension and as to the shares which would otherwise have become available during the period of such suspension, but no suspension shall extend the term of any Option.

(d) The Committee may require each person receiving Stock in connection with any Option under the Plan to represent and agree with the Company in writing that such person is acquiring the shares of Stock for investment without a view to the distribution thereof. The Committee, in its absolute discretion, may impose such restrictions on the ownership and transferability of the shares of Stock purchasable or otherwise receivable by any person under any Option as it deems appropriate. Any such restrictions shall be set forth in the applicable Agreement, and the certificates evidencing such shares may include any legend that the Committee deems appropriate to reflect any such restrictions.

(e) By accepting any benefit under the Plan, each Optionee and each person claiming under or through such Optionee shall be conclusively deemed to have indicated their acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and any action taken under the Plan by the Committee, the Company or the Board, in any case in accordance with the terms and conditions of the Plan.

(f) In the discretion of the Committee, an Optionee may elect irrevocably (at a time and in a manner determined by the Committee) prior to exercising an Option that delivery of shares of Stock upon such exercise shall be deferred until a future date and/or the occurrence of a future event or events, specified in such election. Upon the exercise of any such Option and until the delivery of any deferred shares under this paragraph (f) of Section 10, the number of shares otherwise issuable to the Optionee shall be credited to a memorandum account in the records of the Company or its designee and any dividends or other distributions payable on such shares shall be deemed reinvested in additional shares of Stock, in a manner determined by the

Committee, until all shares of Stock credited to such Optionee's memorandum account shall become issuable pursuant to the Optionee's election.

(g) The Committee may, in its discretion, extend one or more loans to Optionees who are directors, key employees or consultants of the Company or an Affiliate in connection with the exercise or receipt of an Option granted to any such individual. The terms and conditions of any such loan shall be established by the Committee.

(h) Neither the adoption of the Plan nor anything contained herein shall affect any other compensation or incentive plans or arrangements of the Company or any Affiliate, or prevent or limit the right of the Company or any Affiliate to establish any other forms of incentives or compensation for their directors, employees or consultants or grant or assume options or other rights otherwise than under the Plan.

(i) The Plan shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to such state's conflict of law provisions, and, in any event, except as superseded by applicable Federal law.

(j) The words "Section," "subsection" and "paragraph" herein shall refer to provisions of the Plan, unless expressly indicated otherwise. Wherever any words are used in the Plan or any Agreement in the masculine gender they shall be construed as though they were also used in the feminine gender in all cases where they would so apply, and wherever any words are used herein in the singular form they shall be construed as though they were also used in the plural form in all cases where they would so apply.

(k) The Company shall bear all costs and expenses incurred in administering the Plan, including expenses of issuing Stock pursuant to any Options granted hereunder.

11. LIMITS OF LIABILITY. (a) Any liability of the Company or an Affiliate to any Optionee with respect to any Option shall be based solely upon contractual obligations created by the Plan and the Agreement.

(b) None of the Company, any Affiliate, any member of the Committee or the Board or any other person participating in any determination of any question under the Plan, or in the interpretation, administration or application of the Plan, shall have any liability, in the absence of bad faith, to any party for any action taken or not taken in connection with the Plan, except as may expressly be provided by statute.

12. AMENDMENTS AND TERMINATION. The Board may, at any time and with or without prior notice, amend, alter, suspend or terminate the Plan, retroactively or otherwise; PROVIDED, HOWEVER, unless otherwise required by law or specifically provided herein, no such amendment, alteration, suspension or termination shall be made which would impair the previously accrued rights of any holder of an Option theretofore granted without his or her written consent, or which, without first obtaining approval of the stockholders of the Company (where such approval is necessary to satisfy (i) any applicable requirements under the Code relating to ISOs; or (ii) any other applicable law, regulation or rule), would:

(a) except as is provided in Section 9, increase the maximum number of shares of Stock which may be sold or awarded under the Plan;

(b) except as is provided in Section 9, decrease the minimum option exercise price requirements of Section 5(a);

(c) change the class of persons eligible to receive Options under the Plan; or

(d) extend the duration of the Plan or the period during which Options may be exercised under Section 5(b).

The Committee may amend the terms of any Option theretofore granted, including any Agreement, retroactively or prospectively, but no such amendment shall impair the previously accrued rights of any Optionee without his or her written consent.

13. DURATION. Following the adoption of the Plan by the Board, the Plan shall become effective as of the date on which it is approved by the holders of a majority of the Company's

outstanding common stock which is present and voted at a meeting, or by written consent in lieu of a meeting, which approval must occur within the period ending twelve (12) months after the date the Plan is adopted by the Board. The Plan shall terminate upon the earliest to occur of:

(a) the effective date of a resolution adopted by the Board terminating the Plan;

(b) the date all shares of Stock subject to the Plan are delivered pursuant to the Plan's provisions; or

(c) ten (10) years from the date the Plan is approved by the Company's stockholders.

No Option may be granted under the Plan after the earliest to occur of the events or dates described in the foregoing paragraphs (a) through (c) of this Section 13; HOWEVER, Options theretofore granted may extend beyond such date.

No such termination of the Plan shall affect the previously accrued rights of any Optionee hereunder and all Options previously granted hereunder shall continue in force and in operation after the termination of the Plan, except as they may be otherwise terminated in accordance with the terms of the Plan or the Agreement.

14. DEFINITIONS. As used in the Plan, the following capitalized terms shall have the meanings set forth below:

(a) "AFFILIATE" - other than the Company, (i) any corporation or limited liability company in an unbroken chain of corporations or limited liability companies ending with the Company if each corporation or limited liability company owns stock or membership interests (as applicable) possessing more than fifty percent (50%) of the total combined voting power of all classes of stock in one of the other corporations or limited liability companies in such chain; (ii) any corporation, trade or business (including, without limitation, a partnership or limited liability company) which is more than fifty percent (50%) controlled (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) by the Company or one of its Affiliates; or (iii) any other entity, approved by the Committee as an Affiliate under the Plan, in which the Company or any of its Affiliates has a material equity interest.

(b) "AGREEMENT" - a written stock option award agreement evidencing an Option, as described in Section 2(e).

(c) "BOARD" - the Board of Directors of the Company.

(d) "CERTIFICATE OF DESIGNATIONS" - the Certificate of Designations, Preferences and Relative, Participating, Option and Other Special Rights of Preferred Stock and Qualifications, Limitations and Restrictions Thereof of 18% Senior Convertible Redeemable Series D Preferred Stock of APCOA/Standard Parking, Inc.

(e) Unless otherwise determined by the Committee and set forth in the applicable Agreement, "CHANGE IN CONTROL" shall mean a Change in Control as defined in the Certificate of Designations.

(f) "CODE" - the Internal Revenue Code of 1986, as it may be amended from time to time, including regulations and rules thereunder and successor provisions and regulations and rules thereto.

(g) "COMMITTEE" - the Chairman of the Board, or such Board committee as may be designated by the Board to administer the Plan.

(h) "COMPANY" - APCOA/Standard Parking Inc., a Delaware corporation, or any successor entity.

(i) "EFFECTIVE DATE" - the date on which the Plan is effective, as determined pursuant to Section 13.

(j) "EXCHANGE ACT" - the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(k) "FAIR MARKET VALUE" - of a share of Stock as of a given date shall be the fair market value of a share of Stock as determined by the Board in its sole discretion by such reasonable valuation method as the Board shall, in its discretion, select and apply in good faith on a given date; PROVIDED, HOWEVER, that for purposes of paragraphs (a) and (h) of Section 5, such fair market value shall be determined subject to Section 422(c)(7) of the Code; PROVIDED FURTHER, HOWEVER, that (i) if the Stock is listed or admitted on a national securities exchange, Fair Market Value on any date shall be the last sale price reported for a share of Stock on such exchange on such date or on the last date preceding such date on which a sale was reported, or (ii) if the Stock is not then listed or admitted on such an exchange, but is admitted to quotation on the Nasdaq National Market (or any successor or similar quotation system regularly reporting the market value of the Stock in the over-the-counter market), Fair Market Value on any date shall be the mean of the closing representative bid and asked prices for the Stock on such date or on the last date preceding such date on which a sale was reported.

(l) "IPO" or "INITIAL PUBLIC OFFERING" - an initial public offering of shares of common stock, par value $0.01, of the Company registered under the Securities Act, whether for the sale of shares of the Company's common stock by the Company or by stockholders of the Company.

(m) "IPO REDEMPTION" - an IPO Redemption as defined in the Certificate of Designations.

(l) "ISO" or "INCENTIVE STOCK OPTION" - a right to purchase Stock granted to an Optionee under the Plan in accordance with the terms and conditions set forth in Section 5 and which conforms to the applicable provisions of Section 422 of the Code.

(m) "NOTICE" - written notice actually received by the Company at its executive offices on the day of such receipt, if received on or before 1:30 p.m., on a day when the Company's executive offices are open for business, or, if received after such time, such notice shall be deemed received on the next such day, which notice may be delivered in person to the Chairman of the Board or sent to the Company in accordance with the Agreement at the address indicated in such Agreement.

(n) "OPTION" - a right to purchase Stock granted to an Optionee under the Plan in accordance with the terms and conditions set forth in Section 5. Options may be either ISOs or stock options other than ISOs.

(o) "OPTIONEE" - an individual who is eligible, pursuant to Section 4, and who has been selected, pursuant to Section 2(c), to participate in the Plan, and who holds an outstanding Option granted to such individual under the Plan in accordance with the terms and conditions set forth in Section 5.

(p) "PERSON" - an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

(q) "PLAN" - this APCOA/Standard Parking, Inc. 2001 Stock Option Plan.

(r) "SECURITIES ACT" - the Securities Act of 1933, as it may be amended from time to time, including the regulations and rules promulgated thereunder and successor provisions and regulations and rules thereto.

(s) "STOCK" - the 18% Senior Convertible Redeemable Series D Preferred Stock due 2008 of the Company.

(t) "SUBSIDIARY" - any present or future corporation which is or would be a "subsidiary corporation" of the Company as the term is defined in Section 424(f) of the Code.

EXECUTION COPY

- ---

EXCHANGE AGREEMENT

by and between

AP HOLDINGS, INC.

and

APCOA/STANDARD PARKING, INC.

dated as of

MARCH 11, 2002

- ---

EXCHANGE AGREEMENT (this "AGREEMENT"), dated as of March 11, 2002, by and between AP Holdings, Inc. ("AP HOLDINGS"), a Delaware corporation, and APCOA/Standard Parking, Inc. ("ASP"), a Delaware corporation.

W I T N E S S E T H:
- - - - - - - - - - -

WHEREAS, AP Holdings is the record and beneficial owner of 39.6213 shares of Series C Preferred Stock (the "SERIES C PREFERRED"), par value $0.01, of ASP;

WHEREAS, ASP has designated and authorized for issuance shares of its Series D Preferred Stock (the "SERIES D PREFERRED"), par value $0.01;

WHEREAS, the parties desire that AP Holdings exchange (the "EXCHANGE") 5.8373 shares of Series C Preferred (the "EXCHANGED SHARES") representing $8,800,000 Aggregate Liquidation Preference (as such term is defined in the Certificate of Designation of the Series C Preferred) for 500 shares of newly issued Series D Preferred, representing $5,000,000 aggregate Liquidation Amount (as such term is defined in the Certificate of Designation of the Series D Preferred);

WHEREAS, Steamboat Holdings, Inc. ("STEAMBOAT"), owner of all of the outstanding common stock of AP Holdings, intends to restructure certain of its obligations, and as part of such restructuring desires that AP Holdings participate in the Exchange;

WHEREAS, the Exchange is in furtherance of the continuing activities of each of Steamboat, AP Holdings and ASP to restructure their outstanding indebtedness; and

WHEREAS, the board of directors of each of AP Holdings and ASP have determined that the Exchange is advisable and in the best interest of the respective party.

NOW, THEREFORE, IT IS AGREED:

ARTICLE I

TRANSFER OF SHARES

Section 1.1 ISSUANCE OF SERIES D PREFERRED. Upon the terms set forth in this Agreement, ASP agrees to issue to AP Holdings 500 fully paid and nonassessable shares of Series D Preferred.

Section 1.2 EXCHANGE OF THE SERIES C PREFERRED. In exchange for the Series D Preferred being issued to AP Holdings as above described, AP Holdings shall, concurrent with such issuance of Series D Stock, deliver to ASP 5.8373 shares of Series C Preferred.

Section 1.3 MECHANICS OF EXCHANGE. Simultaneously herewith, AP Holdings shall deliver the certificates representing shares of Series C Preferred duly endorsed in blank or accompanied by stock powers duly endorsed in blank, with all necessary transfer tax and other revenue stamps, acquired at ASP's expense, affixed and canceled. AP Holdings agrees to cure any deficiencies with respect to the endorsement of such certificates or with respect to the stock

power accompanying any such certificates. If less than all of the shares of Series C Preferred represented by a certificate delivered for exchange are to be exchanged, ASP shall, contemporaneous with the delivery of the shares of Series

D Preferred, deliver a new certificate in the name of AP Holdings representing the shares of Series C Preferred not so delivered for exchange.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF ASP

ASP represents, warrants and agrees as follows:

Section 2.1 ORGANIZATION. ASP is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware, has all necessary corporate powers to own its properties and to carry on its business as now owned and operated by it, is duly qualified to do business and is in good standing in any jurisdiction where its business requires qualification.

Section 2.2 DUE AUTHORIZATION. ASP has the requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement by ASP have been duly authorized and approved by its Board of Directors and no other corporate action is necessary to authorize the execution, delivery and performance of this Agreement by ASP.

Section 2.3 ENFORCEABILITY. This Agreement has been, and all other instruments and agreements to be executed and delivered by ASP as contemplated hereby when delivered in accordance with the terms hereof, assuming the due execution and delivery of this Agreement by AP Holdings, has been duly executed and delivered by ASP and shall be a valid and binding obligation of ASP, enforceable against ASP in accordance with its terms, except to the extent that its enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and to general equitable principles.

Section 2.4 CONSENTS AND APPROVALS. The execution and delivery of this Agreement by ASP and the consummation by ASP of the transactions contemplated hereby will not, with or without the giving of notice or the passage of time or both: (i) violate any provision of the charter or by-laws (or other relevant governing documents or agreements, including partnership agreements) of ASP or its subsidiaries; (ii) violate any statute, ordinance, rule, regulation (together referred to herein as "Laws"), judgment, order or decree (together referred to herein as "Orders") of any court or of any governmental or regulatory body, agency or authority (each, a "GOVERNMENTAL AUTHORITY") or arbitrator applicable to ASP or any of its subsidiaries or by which any of their respective properties or assets may be bound; or, (iii) result in a violation or breach of, conflict with, constitute a default (or give rise to any right of termination, cancellation, payment or acceleration) under, or result in the creation of any Lien upon any of the properties or assets of ASP or any of its subsidiaries under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, franchise, permit, agreement, lease, franchise agreement or other instrument or obligation to which ASP or any of its subsidiaries is a party, or by which it or any of their respective properties or assets are bound, except, in the case of (iii)

above, for such violations, breaches, conflicts or defaults that would not have a material adverse effect on (x) the financial condition of ASP and its subsidiaries, taken as a whole, or (y) the ability of ASP to consummate the transactions contemplated hereby or to perform its obligations hereunder.

Section 2.5 NO VIOLATIONS. No consent, approval or action of, filing with or notice to any Governmental Authority or private third party is necessary or required under any of the terms, conditions or provisions of any Law or Order of any Governmental Authority, any license or any note, bond, mortgage, indenture, agreement, contract, lease, franchise or other instrument or obligation to which ASP or any of its subsidiaries is a party or by which any of them or any of their respective assets or properties are bound for the execution and delivery of this Agreement by ASP, or the performance by ASP of its obligations hereunder or the consummation of the transactions contemplated hereby.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF AP HOLDINGS

AP Holdings represents, warrants and agrees as follows:

Section 3.1 EXISTENCE AND GOOD STANDING; POWER AND AUTHORITY. AP Holdings is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. AP Holdings has the corporate power and authority to enter into, execute and deliver this Agreement and perform its obligations hereunder. The execution, delivery and performance of this Agreement by AP Holdings have been duly authorized and approved by its Board of Directors and no other corporate action is necessary to authorize the execution, delivery and performance of this Agreement by AP Holdings. This Agreement has been duly executed and delivered by AP Holdings and, assuming the due execution and delivery hereof by ASP, this Agreement constitutes a valid and binding

obligation of AP Holdings, enforceable against AP Holdings in accordance with its terms, except to the extent that its enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws effecting the enforcement of creditors' rights generally and to general equitable principles.

Section 3.2 OWNERSHIP OF SHARES. AP Holdings is the lawful owner, beneficially and of record, of the Exchanged Shares, free and clear of all Liens. AP Holdings has full legal right, power and authority to enter into this Agreement and to exchange, assign, transfer and convey the Exchanged Shares pursuant to this Agreement and the delivery to ASP of the Exchanged Shares pursuant to the provisions of this Agreement will transfer to ASP good and valid title thereto, free and clear of all Liens.

Section 3.3 CONSENTS AND APPROVALS. The execution and delivery of this Agreement by AP Holdings and the consummation by AP Holdings of the transactions contemplated hereby will not, with or without the giving of notice or the passage of time or both: (i) violate any provision of the charter or by-laws (or other relevant governing documents or agreements, including partnership agreements) of AP Holdings or its subsidiaries; (ii) violate any Law or Order of any Governmental Authority or arbitrator applicable to AP Holdings or any of its subsidiaries or by which any of their respective properties or assets may be bound; or, (iii) result

in a violation or breach of, conflict with, constitute a default (or give rise to any right of termination, cancellation, payment or acceleration) under, or result in the creation of any Lien upon any of the properties or assets of AP Holdings or any of its subsidiaries under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, franchise, permit, agreement, lease, franchise agreement or other instrument or obligation to which AP Holdings or any of its subsidiaries is a party, or by which it or any of their respective properties or assets are bound, except, in the case of (iii) above, for such violations, breaches, conflicts or defaults that would not have a material adverse effect on (x) the financial condition of AP Holdings and its subsidiaries, taken as a whole, or (y) the ability of AP Holdings to consummate the transactions contemplated hereby or to perform its obligations hereunder.

Section 3.4 NO VIOLATIONS. No consent, approval or action of, filing with or notice to any Governmental Authority or private third party is necessary or required under any of the terms, conditions or provisions of any Law or Order of any Governmental Authority, any license or any note, bond, mortgage, indenture, agreement, contract, lease, franchise or other instrument or obligation to which AP Holdings or any of its subsidiaries is a party or by which any of them or any of their respective assets or properties are bound for the execution and delivery of this Agreement by AP Holdings, or the performance by AP Holdings of its obligations hereunder or the consummation of the transactions contemplated hereby.

Section 3.5 INVESTMENT Intent. AP Holdings will acquire the Shares for its own account for investment and not with a view toward any resale or distribution thereof, PROVIDED, that the disposition of AP Holdings' property shall at all times remain within the sole control of AP Holdings.

ARTICLE IV

MISCELLANEOUS

Section 4.1 SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and shall inure to the benefit of each party and its respective successors, participants and assigns.

Section 4.2 GOVERNING LAW. The interpretation and construction of this Agreement, and all matters relating hereto, shall be governed by the laws of the State of New York applicable to agreements executed and to be performed solely within such State.

Section 4.3 COUNTERPARTS. This Agreement may be executed in two or more counterparts, all of which taken together shall constitute one instrument.

Section 4.4 AMENDMENTS. This Agreement may be changed or terminated and any provision of this Agreement can be waived, amended, supplemented or modified only by written agreement of AP Holdings and ASP.

[Signature page follows]

IN WITNESS WHEREOF, each of the parties hereto has caused its corporate name to be hereunto subscribed by its officer thereunto duly authorized all as of the day and year first above written.

AP HOLDINGS, INC.

By:

Name:
Title:

APCOA/STANDARD PARKING, INC.

By:

Name:
Title:

==========

EXCHANGE AND AMENDMENT AGREEMENT

BY AND BETWEEN

APCOA/STANDARD PARKING, INC.

AND

FIDUCIA LTD.

Dated as of November 20, 2001

==========

EXCHANGE AND AMENDMENT AGREEMENT

EXCHANGE AND AMENDMENT AGREEMENT (this "AGREEMENT") dated as of November 20, 2001 (the "Closing Date"), by and between APCOA/STANDARD PARKING, INC. (the "COMPANY"), a corporation organized under the laws of Delaware, and Fiducia Ltd. ("FIDUCIA"), a company organized under the laws of Bermuda.

W I T N E S S E T H:
- - - - - - - - - -

WHEREAS, the Company proposes to offer to exchange (the "EXCHANGE OFFER") pursuant to an Offering Circular (as defined herein) (a) $50.0 million (with a minimum of $45.5 million and a maximum of $65.0 million) of its newly issued 14% Senior Subordinated Second Lien Notes due 2006 (the "NEW NOTES") for the Company's outstanding 9 1/4% Senior Subordinated Notes due 2008 (the "9 1/4% NOTES") plus $506.90 additional cash to the Company per $1,000 of aggregate principal amount of 9 1/4% Notes tendered (subject to adjustment as described in the Offering Circular) or, alternatively, (b) 0.1 shares of its 18% Senior Convertible Redeemable Preferred Stock (the "PREFERRED STOCK") per $1,000 of aggregate principal amount of 9 1/4% Notes tendered;

WHEREAS, the Company seeks to amend the Indenture, dated as of March 30, 1998, between the Company, the guarantors named therein and State Street Bank and Trust Company, as trustee, (the "INDENTURE") governing the terms of its 9 1/4% Notes (the "AMENDMENTS") by soliciting the consents of holders of its 9 1/4% Notes to amend the Indenture (the "CONSENT SOLICITATION");

WHEREAS, Fiducia owns and has power to dispose of $35.0 million of the 9 1/4% Notes (the "SUBJECT NOTES");

WHEREAS, Fiducia desires that the Company undertake the Exchange Offer and the Consent Solicitation; and

WHEREAS, the execution of this Agreement by Fiducia and the Company is a condition precedent to the making of the Exchange Offer and the Consent Solicitation by the Company.

NOW, THEREFORE, in consideration of the foregoing and the mutual premises, representations, warranties, covenants and agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 GENERALLY. For purposes of this Agreement, capitalized terms used and not defined herein shall have the respective meanings ascribed to them in the Offering Circular.

Section 1.2 DEFINITIONS

"LIEN" shall mean, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction).

"OFFERING CIRCULAR" shall mean that Offering Circular and Consent Solicitation dated November 20, 2001 and accompanying documentation which sets forth the terms of the Exchange Offer and Consent Solicitation, substantially in

the form provided to Fiducia on the date hereof.

"PERMIT" shall mean all federal, state, local and foreign permits, approvals, licenses, authorizations, certificates, rights, exemptions and orders from Governmental Entities.

"PERSON" shall mean and include an individual, a partnership, a limited liability partnership, a joint venture, a corporation, an association, a joint stock company, a limited liability company, a trust, an unincorporated organization, a group, a government or other department or agency or political subdivision thereof or any other entity.

"SECURITIES ACT" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF FIDUCIA

Fiducia hereby represents and warrants to the Company as of the Closing Date as follows:

Section 2.1 DUE ORGANIZATION, ETC. Fiducia is duly organized and validly existing under the laws of the jurisdiction of its incorporation or organization. Fiducia further represents and warrants to, and covenants with, the Company that (i) Fiducia has full right, power, authority and capacity to enter into this Agreement and to consummate the transactions contemplated hereby, and (ii) upon the execution and delivery of this Agreement, this Agreement shall constitute a valid and binding obligation of Fiducia, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization,

moratorium or similar laws affecting creditors' and contracting parties' rights generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 2.2 OWNERSHIP OF FIDUCIA. Fiducia, or its affiliates, beneficially owns the Subject Notes. Fiducia has sole power of disposition with respect to the Subject Notes with no limitations, qualifications or restrictions on such rights, subject only to applicable securities laws and the terms of this Agreement.

Section 2.3 POWER TO DISPOSE AND CONSENT. Fiducia represents that it has all necessary power and authority to dispose of the Subject Notes pursuant to the Exchange Offer and to consent to the Amendments pursuant to the Consent Solicitation.

Section 2.4 NO CONFLICTS. None of the execution and delivery of this Agreement by Fiducia, the consummation by Fiducia of the transactions contemplated hereby or compliance by Fiducia with any of the provisions hereof shall (i) conflict with or result in any breach of any applicable organizational documents applicable to Fiducia, (ii) result in, or give rise to, a violation or breach of, or constitute (with or without notice or lapse of time or both) a default under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, contract, commitment, arrangement, understanding, agreement or other instrument or obligation of any kind to which Fiducia is a party or by which Fiducia or any of the Subject Notes, properties or assets may be bound, or (iii) violate any order, writ, injunction, decree, judgment, order, statute, rule or regulation applicable to Fiducia or any of Fiducia's properties or assets.

Section 2.5 NO FINDER'S FEES. No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of Fiducia.

Section 2.6 NO ENCUMBRANCES. The Subject Notes and the certificates representing the Subject Notes are now, and at all times during the term hereof will be, held by Fiducia, or by a nominee or custodian for the benefit of Fiducia, free and clear of all Liens except for any such encumbrances or proxies arising hereunder. The transfer by Fiducia of the Subject Notes to the Company pursuant to this Agreement shall pass to and unconditionally vest in the Company good and valid title to all of the Subject Notes, free and clear of all claims, Liens, restrictions, limitations and encumbrances whatsoever, other than any such encumbrances created by the Company.

Section 2.7 INVESTMENT INTENT. This Agreement is made with Fiducia in reliance upon Fiducia's representations to the Company, which, by Fiducia's execution of this Agreement Fiducia hereby confirms, that the Preferred Stock to be received by Fiducia in exchange for the Subject Notes will be acquired for investment for Fiducia's own account, not as a nominee or agent, and not with a

view to the resale or distribution of any part thereof, and that Fiducia has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, Fiducia further represents that it does not have any contract,

undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to the Preferred Stock.

Section 2.8 RELIANCE ON REPRESENTATIONS. Fiducia understands that the Preferred Stock is not registered under the Securities Act on the ground that the sale provided for in the Exchange Offer and the issuance of securities thereunder is exempt from registration under the Securities Act pursuant to Section 4(2) thereof, and that the Company's reliance on such exemption is predicated on Fiducia's representations set forth herein. Fiducia realizes that the basis for the exemption may not be present if, notwithstanding such representations, Fiducia has in mind merely acquiring shares of the Preferred Stock for a fixed or determinable period in the future, or for a market rise, or for sale if the market does not rise. Fiducia has no such intention.

Section 2.9 EXPERIENCED INVESTOR. Fiducia represents that it is experienced in evaluating and investing in private placement transactions of securities and acknowledges that it is able to fend for itself, can bear the economic risk of such investment, and has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the investment in the Preferred Stock. Fiducia also represents that it has not been organized for the purpose of acquiring the Preferred Stock.

Section 2.10 ACCREDITED INVESTOR. Fiducia represents that it is an institutional "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act.

Section 2.11 RESTRICTED SECURITY. Fiducia represents and acknowledges that the Preferred Stock may not be sold, transferred, or otherwise disposed of without registration under the Securities Act or an exemption therefrom and that in the absence of an effective registration statement covering the Preferred Stock or an available exemption from registration under the Securities Act, the Preferred Stock must be held indefinitely. Fiducia represents and acknowledges that the Preferred Stock will bear a legend substantially in the form set forth in the Offering Circular. Fiducia represents and acknowledges that the Company will be under no obligation to register the Preferred Stock under the Securities Act, and that the Company does not currently intend to register the Preferred Stock except to the extent set forth in the Offering Circular and the Certificate of Designation of the Preferred Stock.

Section 2.12 NO APPROVAL. Fiducia further represents and acknowledges that the offer and sale of the Preferred Stock has not been approved or disapproved by the U.S. Securities and Exchange Commission or any other federal or state office or agency, nor will such offer and sale be approved by any such agency at the time of the consummation of the Exchange Offer and Consent Solicitation.

Section 2.13 FULL INFORMATION. Fiducia represents and acknowledges that it has had an opportunity to ask questions of and receive answers from representatives of the Company concerning the terms of the Preferred Stock, the Exchange Offer and the Consent Solicitation, and all such questions have been answered to full satisfaction of Fiducia. Fiducia understands that no person other than the Company has been authorized to make any representation or warranty other than as contained in the Offering Circular and, if made, such representation may

not be relied on unless it is made in writing and signed by the Company. The Company has not rendered any investment or tax advice to Fiducia with respect to the suitability of an investment in the Preferred Stock or the tax consequences thereof. The Company has urged Fiducia to consult its own tax advisor concerning any tax matters relating to this investment.

Section 2.14 SUBJECT TO TERMS OF EXCHANGE OFFER. Fiducia represents and acknowledges that the terms of the Preferred Stock and the Exchange Offer are subject in all respects to the terms relating to the Preferred Stock and the Exchange Offer set forth in the Company's Offering Circular, substantially in the form attached hereto.

Section 2.15 SOLE CONSIDERATION. Fiducia represents that the only consideration it will receive from the Company for entering into this Agreement and for the consummation of the transactions described herein will be the Preferred Stock it receives pursuant to the terms of the Exchange Offer.

Section 2.16 NON-AFFILIATE. Fiducia represents that it is not under

common control with the Company, and does not possess direct or indirect power to direct the management or policies of the Company, whether through voting securities, agreement or otherwise.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Fiducia as of the Closing Date as follows:

Section 3.1 DUE ORGANIZATION. The Company is a company duly organized and validly existing under the laws of the jurisdiction of its incorporation or organization. The Company has all necessary power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby, including the issuance of the Preferred Stock.

Section 3.2 DUE AUTHORIZATION. All corporate action on the part of the Company, its officers and directors necessary for the authorization, execution and delivery of this Agreement has been taken or will be taken prior to the Closing Date. All corporate action on the part of the Company, its officers, directors and stockholders necessary for the authorization, issuance, sale and delivery of the Preferred Stock being sold hereunder has been taken or will be taken prior to the Expiration Date. This Agreement, when executed and delivered, will constitute valid and legally binding obligations of the Company, enforceable in accordance with its terms except to the extent that its enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

Section 3.3 VALID ISSUANCE. The Preferred Stock, when issued, sold and delivered in accordance with the terms of the Exchange Offer for the consideration expressed therein, will be duly and validly issued, fully paid and non-assessable.

Section 3.4 NO CONFLICTS. None of the execution and delivery of this Agreement by the Company or the consummation by the Company of the transactions contemplated hereby at the time of their consummation shall (i) conflict with or result in any breach of the organizational documents of the Company, (ii) result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default (or give rise to any third party right of termination, cancellation, material modification or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, contract, commitment, arrangement, understanding, agreement or other instrument or obligation of any kind to which the Company is a party or by which the Company or any of its respective properties or assets may be bound, or (iii) violate any order, writ, injunction, decree, judgment, order, statute, rule or regulation applicable to the Company or any of its respective properties or assets.

ARTICLE IV

COVENANTS OF FIDUCIA

Section 4.1 NO ENCUMBRANCE. Fiducia agrees that, except as contemplated by the terms of this Agreement, Fiducia shall not and shall cause its affiliates not to (i) sell, transfer, tender, pledge, encumber, assign or otherwise dispose of, or enter into any contract, option or other agreement with respect to, or consent to, the sale, transfer, tender, pledge, encumbrance, assignment or other disposition of, any or all of the Subject Notes, (ii) grant any proxies or powers of attorney in respect of the Subject Notes, or (iii) take any action that would have the effect of preventing or disabling Fiducia from performing its obligations under this Agreement.

Section 4.2 CONSENT. Fiducia agrees to consent to the Amendments in the Consent Solicitation in the full amount of the Subject Notes, prior to the Expiration Date and to refrain from taking any action that would cause its consent to be withdrawn from the Consent Solicitation or rejected by the Company or the Exchange Agent for failure to satisfy the terms and requirements of the Consent Solicitation relating to the proper means of consenting to the Amendments. Fiducia further agrees that in the event all or any part of its consent is rejected in the Consent Solicitation due to any defect in form or procedure, Fiducia will use its best efforts to cure such defect and consent to the Amendments pursuant to the Consent Solicitation prior to the Expiration Date.

Section 4.3 TENDER. Fiducia agrees to tender the Subject Notes pursuant to the terms of the Exchange Offer, on or prior to the Expiration Date and to refrain from taking any action which would cause the Subject Notes to be withdrawn from the Exchange Offer or rejected by the Company or the Exchange Agent for failure to satisfy the terms and requirements of the Exchange Offer relating to the proper tendering of securities. Fiducia further agrees that in the event all or any part of the Subject Notes are rejected for tender in the

Exchange Offer due to any defect in form or procedure, Fiducia will use its best efforts to cure such defect and tender the Subject Notes pursuant to the terms of the Exchange Offer prior to the Expiration Date. Fiducia further agrees that when tendering the Subject Notes in the Exchange Offer, it will select to receive Preferred Stock from the Company in exchange for the Subject Notes, for all amounts of the Subject Notes so tendered.

ARTICLE V

COVENANTS OF THE COMPANY

Section 5.1 CONSUMMATION OF THE EXCHANGE OFFER AND CONSENT SOLICITATION. The Company covenants to use its reasonable best efforts to consummate the Exchange Offer and Consent Solicitation in accordance with terms set forth in the Offering Circular; PROVIDED, HOWEVER, that the Company's obligation to consummate the Exchange Offer is conditioned upon, among other things, the satisfaction or waiver of certain conditions as described in the Offering Circular, including, but not limited to,

(i) the valid tender, and acceptance by the Company of a minimum of $35.0 million and a maximum of $62.9 million in aggregate principal amount of the 9 1/4% Notes for exchange into New Notes prior to the Expiration Date,

(ii) the receipt by the Company of at least $21.0 million in cash from holders of 9 1/4% Notes as partial consideration to exchange those notes for New Notes,

(iii) the exchange of at least $35.0 million in aggregate principal amount of 9 1/4% Notes inTO Preferred Stock,

(iv) the receipt of the consent of holders of 9 1/4% Notes to the Proposed AmendmenTS representing at least a majority in aggregate principal amount of the 9 1/4% Notes, excluding notes owned by the Company and its affiliates on or prior to the Expiration Date,

(v) the receipt by the Company's parent of waivers from holders of at least $25.6 million in aggregate principal amount of its 11 1/4% senior discount notes due 2008 to have their cash interest payments delayed until March 15, 2007 from September 15, 2003,

(vi) the receipt of the consent of holders of the Company's parent's 11 1/4% senior discount notes representing at least a majority in aggregate principal amount of such notes, excluding notes owned by the Company and its affiliates on or prior to the Expiration Date, to amend the indenture governing such notes to eliminate substantially all of the financial and restrictive covenants,

(vii) the entering into of a new senior credit facility, and

(viii) the effectiveness of all agreements, including the new senior credit facility, governing the transactions contemplated in the Offering Circular in accordance with their terms.

ARTICLE VI

MISCELLANEOUS

Section 6.1 PUBLICATION. Fiducia hereby permits the Company to publish and disclose in the Offering Circular the nature of its commitments, arrangements and understandings pursuant to this Agreement.

Section 6.2 ENTIRE AGREEMENT. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter contained herein and supersedes all prior agreements and understandings, oral and written, with respect thereto.

Section 6.3 BINDING EFFECT; BENEFIT; ASSIGNMENT. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto, except by will or by the laws of descent and distribution, without the prior written consent of each of the other parties, except that the Company may assign and transfer its rights and obligations hereunder to any direct or indirect wholly owned Subsidiary of the Company. Nothing in this Agreement, expressed or implied, is intended to confer on any Person, other than the parties hereto, any

rights or remedies.

Section 6.4 AMENDMENTS, WAIVERS, ETC. This Agreement may not be amended, changed, supplemented, waived or otherwise modified or terminated except upon the execution and delivery of a written agreement executed by all of the relevant parties hereto.

Section 6.5 NOTICES. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered in person or mailed, certified or registered mail with postage prepaid, or sent by facsimile (upon confirmation of receipt), as follows:

(i) If to Fiducia, at the address set forth below:

Fiducia Ltd.
Fourth Floor
British America Building
P.O. Box HM3143
Hamilton, Bermuda HM NX

(ii) If to the Company, at the address set forth below:

APCOA/Standard Parking, Inc.
900 North Michigan Avenue
Suite 1600
Chicago, Illinois 60611
Attention: Robert Sacks, Esq.

with a copy (which shall not constitute notice) to:

White & Case LLP
1155 Avenue of the Americas
New York, New York 10036
Attention:Timothy B.Goodell, Esq.
Jonathan E.Kahn, Esq.
Fax: 212-354-8113

or to such other Person or address as any party shall specify by notice in writing to each of the other parties. All such notices, requests, demands, waivers and communications shall be deemed to have been received on the date of delivery, except for a notice of a change of address, which shall be effective only upon receipt thereof.

Section 6.6 SPECIFIC ENFORCEMENT. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this being in addition to any other remedy to which they are entitled at law or in equity.

Section 6.7 REMEDIES CUMULATIVE. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

Section 6.8 NO WAIVER. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

Section 6.9 APPLICABLE LAW. THIS AGREEMENT AND THE LEGAL RELATIONS BETWEEN THE PARTIES HERETO SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CONFLICT OF LAWS RULES THEREOF. THE COMPETENT STATE OR FEDERAL COURTS LOCATED WITHIN THE STATE OF NEW YORK WILL HAVE JURISDICTION OVER ANY AND ALL DISPUTES BETWEEN THE PARTIES HERETO, WHETHER IN LAW OR EQUITY, ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE AGREEMENTS, INSTRUMENTS AND DOCUMENTS CONTEMPLATED HEREBY, AND THE PARTIES CONSENT TO AND AGREE TO SUBMIT TO THE JURISDICTION OF SUCH COURTS. EACH OF THE PARTIES HEREBY WAIVES AND AGREES NOT TO ASSERT IN ANY SUCH DISPUTE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY CLAIM THAT (I) SUCH PARTY IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS, (II) SUCH

PARTY AND SUCH PARTY'S PROPERTY IS IMMUNE FROM ANY LEGAL PROCESS ISSUED BY SUCH COURTS OR (III) ANY LITIGATION OR OTHER PROCEEDING COMMENCED IN SUCH COURTS IS

BROUGHT IN AN INCONVENIENT FORUM. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 6.10 HEADINGS. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement.

Section 6.11 COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

Section 6.12 TERMINATION. This Agreement shall terminate, and neither the Company nor Fiducia shall have any rights or obligations hereunder, and this Agreement shall become null and void and have no effect upon the earliest to occur of (i) the date on which the Exchange Offer and Consent Solicitation is withdrawn by the Company or expires in accordance with its terms and (ii) by the mutual consent of the Company and Fiducia.

* * *

IN WITNESS WHEREOF, the Company and Fiducia have caused this Agreement to be duly executed as of the day and year first above written.

APCOA/STANDARD PARKING, INC.

By

Name: G. Marc Baumann
Title: Executive Vice President, Chief Financial Officer and Treasurer

FIDUCIA LTD.

By

Name: John G. Wakely
Title: Chairman

TABLE OF CONTENTS

AMENDED AND RESTATED DEALER MANAGER AND CONSENT SOLICITATION AGREEMENT

December 19, 2001

CREDIT SUISSE FIRST BOSTON CORPORATION
Eleven Madison Avenue
New York, NY 10010-3629

Dear Ladies and Gentlemen:

This Amended and Restated Dealer Manager Agreement was originally executed on November 20, 2001, was amended and restated in its entirety on the date hereof only to reflect changes to (1) the fee paid to the Dealer Manager and (2) the payment of certain expenses by the Company.

1. THE EXCHANGE OFFER AND CONSENT SOLICITATION. APCOA/Standard Parking, Inc., a Delaware corporation ("Purchaser"), is making an exchange offer (hereinafter referred to, together with any amendments, supplements or extensions thereof, as the "Exchange Offer") to issue $50.00 million (with a minimum of $45.50 million and a maximum of $65.00 million) of its new 14% Senior Subordinated Second Lien Notes due 2006 (the "New Bonds") and shares of its new 18% Senior Convertible Redeemable Preferred Stock (the "Preferred Stock") in exchange for $41.43 million (with a minimum of $35.00 million and a maximum of $62.86 million) of the Purchaser's outstanding 9 1/4% Senior Subordinated Notes due 2008 (the "Old Bonds" and, together with the New Bonds, the "Bonds") and a payment to the Purchaser of $506.90 in cash for each $1,000 principal amount of Old Bonds tendered in exchange for New Bonds (subject to adjustment) and such other amounts of Old Bonds as may be tendered for exchange with the Preferred Stock, on the terms and subject to the conditions set forth in the Offering Circular and Consent Solicitation Statement (the "Offering Circular") and Consent and Letter of Transmittal (the "Consent and Letter of Transmittal") attached hereto as Exhibits A and B, respectively, as the same may be amended or supplemented from time to time. The New Bonds will be guaranteed (the "Subsidiary Guarantees") by the subsidiaries of the Company named on the signature pages hereto (each, a "Guarantor" and, collectively, the "Guarantors").

Concurrently with the Exchange Offer, the Purchaser intends to solicit (the "Solicitation") the consents (the "Consents") of the holders of the Old Bonds to certain proposed amendments (the "Proposed Amendments") to the indenture pursuant to which the Old Bonds were issued (the "Old Indenture"). The Proposed Amendments, to the extent that the requisite Consents are received, shall become effective upon the execution of a supplemental indenture (the "Supplemental Indenture") in respect of the Old Indenture

by the Purchaser and the several guarantors of the Old Bonds, but will not become operative until the consummation of the Exchange Offer.

The New Bonds and the Preferred Stock will be offered and exchanged pursuant to one or more exemptions from the registration requirements of the Securities Act of 1933, as amended (the "Act"). Accordingly, the New Bonds and the Preferred Stock will be offered to and exchanged with only holders of the Old Bonds who are either (i) "Qualified Institutional Buyers " (as defined in Rule 144A under the Act), (ii) "Institutional Accredited Investors" (as defined in Rule 501(a) (1), (2), (3) or (7) under the Act) ("IAIs") or (iii) non-U.S. Persons who will exchange their Old Securities outside the United States (within the meaning of Regulation S under the Act) (each of the holders in immediately preceding clauses (i) through (iii), the "Holders").

Holders of the New Bonds will have the registration rights set forth in the registration rights agreement (the "Registration Rights Agreement"), to be dated the date of consummation of the Exchange Offer, for so long as such New Bonds constitute "Transfer Restricted Securities" (as defined in the Registration Rights Agreement). Pursuant to the Registration Rights Agreement, the Company and the New Guarantors will agree to file with the Securities and Exchange Commission (the "Commission"), under the circumstances set forth therein, (i) a registration statement under the Act (the "Exchange Registered Statement") relating to the Company's new 14% Senior Subordinated Second Lien Notes due 2006 (the "New Registered Bonds") to be offered in exchange for the New Bonds (such offer to exchange being referred to as the "Registered Exchange Offer") and the Subsidiary Guarantees thereof and (ii), under certain circumstances, a shelf registration statement pursuant to Rule 415 under the Act (the "Shelf Registration Statement" and, together with the Exchange Registration Statement, the "Registration Statements"), relating to the resale by certain holders of the New Bonds, and to use their respective reasonable best efforts to cause such Registration Statements to be declared and remain effective and usable for the periods specified in the Registration Rights Agreement and to consummate the Registered Exchange Offer.

2. APPOINTMENT AS DEALER MANAGER AND SOLICITATION AGENT. Purchaser hereby appoints you as its sole Dealer Manager and Solicitation Agent (the "Dealer Manager and Solicitation Agent") and authorizes you to act as such in connection with the Exchange Offer and the Solicitation. On the basis of the representations, warranties and covenants of Purchaser contained herein, as Dealer Manager and Solicitation Agent, you agree, in accordance with your customary practice, to perform those services in connection with the Exchange Offer and the Solicitation as are customarily performed by investment banks in connection with exchange offers and consent solicitations of a like nature, including, but not limited to, using reasonable best efforts to solicit tenders of Old Bonds, pursuant to the Exchange Offer and Consents to the Proposed Amendments pursuant to the Solicitation, and communicating generally regarding the Exchange Offer and the Solicitation with brokers, dealers, commercial banks and trust companies and other holders of Old Bonds. In such capacity, you shall act as an independent contractor, and each of your duties arising out of your engagement pursuant to this Agreement shall be owed solely to Purchaser.

Purchaser further authorizes you to communicate with Wilmington Trust Company, in its capacity as Trustee for the New Bonds (the "Trustee"), and in its capacity as exchange

agent (the "Exchange Agent"), and with Mackenzie Partners, Inc., in its capacity as information agent (the "Information Agent"), with respect to matters relating to the Exchange Offer and Solicitation. Purchaser has instructed the Exchange Agent to advise you at least daily as to the number of Bonds that have been tendered pursuant to the Exchange Offer, the number of Consents that have been delivered pursuant to the Solicitation, and as to such other matters in connection with the Exchange Offer and the Solicitation as you may request.

3. NO LIABILITY FOR ACTS OF BROKERS, DEALERS, BANKS AND TRUST COMPANIES. Neither you nor any of your affiliates shall have any liability to Purchaser or any other person for any losses, claims, damages, liabilities and expenses (each, a "Loss" and collectively, the "Losses") arising from any act or omission on the part of any broker or dealer (other than Credit Suisse First Boston Corporation in its capacity as broker or dealer) in securities (a "Dealer"), bank or trust company, or any other person, and neither you nor any of your affiliates shall be liable for any Losses arising from your own acts or omissions in performing your obligations as Dealer Manager and Solicitation Agent or as a Dealer hereunder or otherwise in connection with the Exchange Offer or the Solicitation, except for any such Losses which are finally judicially determined to have resulted primarily from your bad faith, willful misconduct or gross negligence in performing the services that are the subject of this Agreement. In soliciting or obtaining tenders or delivery of Consents, no Dealer (other than you), bank or trust company is to be deemed to be acting as your agent or the agent of Purchaser or any of its affiliates, and you, as Dealer Manager and Solicitation Agent, are not to be deemed the agent of any Dealer (other than you), bank or trust company or the agent or fiduciary of Purchaser or any of its affiliates, security holders, creditors or of any other person. In soliciting or obtaining tenders of Old Bonds or delivery of Consents, you shall not be and shall not be deemed for any purpose to act as a partner or joint venturer of or a member of a syndicate or group with Purchaser or any of its affiliates in connection with the Exchange Offer or the Solicitation, any exchange of the Old Bonds, any distribution of the New Bonds or any distribution of the Preferred Stock, or otherwise, and neither Purchaser nor any of its affiliates shall be deemed to act as your agent. Purchaser shall have sole authority for the acceptance or rejection of any and all tenders of Bonds or delivery of Consents.

4. THE EXCHANGE OFFER AND CONSENT SOLICITATION MATERIAL. Purchaser agrees to furnish you, at its expense, with as many copies as you may reasonably request of the Offering Circular, the Consent and Letter of Transmittal (together with all exhibits, amendments and supplements thereto, the "Offering Circular") to be used by the Purchaser in connection with the Exchange Offer and the Solicitation and the transactions contemplated thereby and any other documents used in connection therewith (including, without limitation, press releases filed on Form 8-K), and other documents filed or to be filed with the Commission or any other Federal or state governmental or regulatory authorities or any court in connection with and related to the Exchange Offer and Consent Solicitation (each an "Other Agency" and collectively, the "Other Agencies") and any amendments or supplements to any such statements and documents (the definitive forms of all of the foregoing materials are hereinafter collectively referred to as the "Exchange Offer and Consent Solicitation Material") to be used by Purchaser or authorized by Purchaser for use in connection with the Exchange Offer or the Solicitation, and you are authorized to use copies of the Exchange Offer and Consent Solicitation Material in connection with the Exchange Offer and Solicitation, but shall have no obligation to cause copies of such Exchange Offer and Consent Solicitation

Material to be transmitted generally to holders of Old Bonds. The Exchange Offer and Consent Solicitation Material has been or will be prepared and approved by, and is the sole responsibility of, Purchaser (except with respect to any statements contained in the Exchange Offer and Consent Solicitation Material than are made in reliance upon and in conformity with information furnished or confirmed in writing by you to purchase expressly for the use therein).

You hereby agree, as Dealer Manager and Solicitation Agent, that you will not disseminate any written material for or in connection with the solicitation of tenders of Old Bonds and delivery of Consents pursuant to the Exchange Offer and Solicitation other than the Exchange Offer and Consent Solicitation Material, and you agree that you will not make any statements in connection with such solicitation, other than the statements that are set forth in the Exchange Offer and Consent Solicitation Material or as otherwise authorized by Purchaser, that authorization shall not be unreasonably withheld.

Purchaser agrees that no Exchange Offer and Consent Solicitation Material will be used in connection with the Exchange Offer and the Solicitation or the transactions contemplated thereby or filed with the Commission or any Other Agency with respect to the Exchange Offer and the Solicitation or the transactions contemplated thereby without first obtaining your prior approval, which approval shall not be unreasonably withheld. In the event that (i) Purchaser uses or permits the use of any Exchange Offer and Consent Solicitation Material in connection with the Exchange Offer and the Solicitation or the transactions contemplated thereby or files any such material with the Commission or any Other Agency without your prior approval, (ii) any stop order or restraining order has been issued and not thereafter stayed or vacated with respect to, or any proceeding, litigation or investigation has been initiated by or before the Commission or any Other Agency which is reasonably likely to have a material adverse effect on Purchaser's ability to consummate the Exchange Offer and the Solicitation, the exchange of Old Bonds for New Bonds and Preferred Stock pursuant thereto, the obtaining and use of the funds to make such purchase, the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby or thereby or (iii) Purchaser shall have breached in any material respect any of the representations, warranties or covenants, or failed to perform in any material respect its obligations, under this Agreement, then you shall be entitled to withdraw as Dealer Manager and Solicitation Agent in connection with the Exchange Offer and the Solicitation without any liability or penalty to you or any Indemnified Person (as hereinafter defined), and you shall remain entitled to the indemnification provided in Section 12 hereof and to receive the payment of all fees and expenses payable under this Agreement that have accrued to the date of such withdrawal or would otherwise be due to you on such date. If you withdraw as Dealer Manager and Solicitation Agent pursuant to this paragraph, the fees accrued and reimbursement for your expenses through the date of such withdrawal shall be paid to you promptly after such date.

5. COMPENSATION. Purchaser agrees to pay you, as compensation for your services as Dealer Manager and Solicitation Agent in connection with the Exchange Offer and Consent Solicitation, a fee of $3.0 million ($3,000,000.00) payable promptly after consummation of the Exchange Offer.

6. EXPENSES OF DEALER MANAGER AND SOLICITATION AGENT AND OTHERS. In addition to your compensation for your services hereunder pursuant to Section 5 hereof, Purchaser agrees to pay directly, or reimburse you, as the case may be, for (i) all reasonable fees and expenses incurred by you relating to the preparation, printing, filing, mailing and publishing of all Exchange Offer and Consent Solicitation Material, (ii) all fees and expenses of the Trustee, the Exchange Agent and the Information Agent referred to in the Offering Circular, (iii) all advertising charges in connection with the Exchange Offer and the Solicitation or the transactions contemplated thereby, including those of any public relations firm or other person or entity rendering services in connection therewith, (iv) all fees, if any, payable to Dealers (including you), and banks and trust companies as reimbursement for their customary mailing and handling expenses incurred in forwarding the Exchange Offer and Consent Solicitation Material to their customers and (v) all other reasonable fees and expenses incurred by you in connection with the Exchange Offer and the Solicitation or the transactions contemplated thereby or otherwise in connection with the performance of your services hereunder (including, without limitation, the fees and expenses of your legal counsel in an amount not to exceed $300,000). All payments to be made by Purchaser pursuant to this Section 6 shall be made promptly against delivery to Purchaser of statements therefor. Purchaser shall be liable for the foregoing payments whether or not the Exchange Offer or the Solicitation or the transactions contemplated thereby are commenced, withdrawn, terminated or canceled prior to the exchange of any Bonds or the receipt of any Consents, or whether Purchaser or any of its

subsidiaries or affiliates acquires any Old Bonds or Consents pursuant to the Exchange Offer and Consent Solicitation or whether you withdraw pursuant to Section 4 hereof.

7. SECURITYHOLDER LISTS. Purchaser will cause you to be provided with cards or lists or other records or copies thereof in such form as you may reasonably request showing the names and addresses of, and the number of Old Bonds held by, the holders of record or, to the extent available to Purchaser, the beneficial owners of Old Bonds as of a recent date and will cause you to be advised from day to day during the period of the Exchange Offer and the Solicitation as to any transfers of record of Old Bonds.

8. SUFFICIENT FUNDS. Purchaser represents and warrants to you that it has or, at the time Purchaser becomes obligated to exchange Old Bonds under the Exchange Offer, will have, sufficient consideration in the form of validly authorized and issued New Bonds and Preferred Stock to enable Purchaser to exchange, and Purchaser hereby agrees that it will exchange promptly, in accordance with and subject to the terms and conditions of the Exchange Offer and the Solicitation and Sections 5 and 6 hereof and applicable law, the consideration (and related costs) for the Old Bonds which Purchaser has offered, and which Purchaser may be required, to exchange for New Bonds and Preferred Stock under the Exchange Offer and the Solicitation, and the fees and expenses payable hereunder.

9. ADDITIONAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF PURCHASER. Purchaser represents and warrants to you that:

a) Each of Purchaser and the Guarantors is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its businesses or the ownership or leasing of

property requires such qualification, except to the extent that the failure to be so qualified or to be in good standing would not have a Material Adverse Effect on operations of Purchaser and the Guarantors and all of their respective subsidiaries, taken as a whole, as the case may be. As used herein, "MATERIAL ADVERSE EFFECT" shall mean, with respect to any person or entity, any effect or group of related or unrelated effects that would be reasonably expected to result in a material adverse effect on the assets, properties, business, results of operations or condition (financial or otherwise) of said person or entity and its subsidiaries, taken as a whole.

b) (i) Each of Purchaser and the Guarantors has full corporate power and authority to take and has duly taken all necessary corporate action to authorize (A) the Exchange Offer the Solicitation, (B) the exchange by Purchaser of the Old Bonds for the New Bonds and cash or Preferred Stock pursuant to the Exchange Offer and the Solicitation and the consummation of the other transactions contemplated thereby, and (C) the execution, delivery and performance of this Agreement, (ii) this Agreement has been duly authorized, executed and delivered on behalf of Purchaser and, assuming due authorization, execution and delivery of this Agreement by you, is a legal, valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms, except that the enforceability hereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws now or hereafter in effect relating to creditors' rights generally and general principles of equity.

c) (i) Each of Purchaser and the Guarantors, as applicable, has full corporate power and authority to take and has duly taken all necessary corporate action to authorize the execution, delivery and performance of the Supplemental Indenture, the indenture pursuant to which the New Bonds will be issued (the "New Indenture") and the Registration Rights Agreement, and (ii) the Supplemental Indenture, the New Indenture and the Registration Rights Agreement have been duly authorized by each of Purchaser and the Guarantors, and assuming due execution and delivery, the Supplemental Indenture, the New Indenture and the Registration Rights Agreement, valid and binding obligations of each of Purchaser and the Guarantors, as applicable, enforceable against each of them in accordance with its terms, except as enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws now or hereafter in effect relating to creditors' rights generally and general principles of equity and the right to indemnification or contribution provided by the Registration Rights Agreement may be limited by public policy considerations.

d) The Exchange Offer and Consent Solicitation Material complies or will comply in all material respects with the applicable provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the Commission thereunder (collectively, the "Exchange Act"), and the Exchange Offer and Consent Solicitation

Material does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading; PROVIDED, HOWEVER, that no representation is made with respect to any statements contained in, or any matter omitted from the Exchange Offer and Consent Solicitation Material in

reliance upon and in conformity with information furnished or confirmed in writing by you to Purchaser expressly for use therein.

e) Purchaser will file, if required, the Exchange Offer and Consent Solicitation Material and any and all necessary amendments or supplements to the Exchange Offer and Consent Solicitation Material relating to the Exchange Offer and Consent Solicitation and the transactions contemplated thereby with the Commission unless Purchaser withdraws or terminates the Exchange Offer and will promptly furnish to you true and complete copies of each such amendment and supplement upon the filing thereof.

f) The Exchange Offer and the Solicitation, the exchange by Purchaser of Old Bonds for New Bonds and Preferred Stock pursuant to the Exchange Offer and the consummation of the other transactions contemplated thereby, and the execution, delivery and performance of this Agreement and all related documents by Purchaser, comply and will comply in all material respects with all applicable requirements of Federal and state law, including, without limitation, any applicable regulations of the Commission and Other Agencies, and all applicable judgments, orders or decrees; and no consent, authorization, approval, order, exemption, registration, qualification or other action of, or filing with or notice to, the Commission or any Other Agency is required in connection with the execution, delivery and performance of this Agreement by Purchaser, the making or consummation by Purchaser of the Exchange Offer and the Solicitation or the consummation of the other transactions contemplated by this Agreement or the Offering Circular, except where the failure to obtain or make such consent, authorization, approval, order, exemption, registration, qualification or other action or filing or notification would not materially adversely affect the ability of Purchaser to execute, deliver and perform this Agreement or to commence and consummate the Exchange Offer and the Solicitation in accordance with their respective terms. All such required consents, authorizations, approvals, orders, exemptions, registrations, qualifications and other actions of and filings with and notices to the Commission and the Other Agencies will have been obtained, taken or made, as the case may be, and all statutory or regulatory waiting periods will have elapsed, prior to the exchange of the Old Bonds for New Bonds and Preferred Stock pursuant to the Exchange Offer and the Solicitation.

g) The Exchange Offer and the Solicitation, the exchange of Old Bonds for New Bonds and Preferred Stock by Purchaser pursuant to the Exchange Offer and the consummation of the other transactions contemplated thereby, and the execution, delivery and performance of this Agreement and the Registration Rights Agreement by Purchaser, do not and will not (i) conflict with or result in a violation of any of the provisions of the certificate of incorporation or by-laws (or similar organizational documents) of Purchaser or any of its subsidiaries, (ii) conflict with or violate in any material respect any law, rule, regulation, order, judgment or decree applicable to Purchaser or any of its subsidiaries or by which any property or asset of Purchaser or any of its subsidiaries is or may be subject or bound, except to the extent that such conflict or violation would not reasonably be expected to have a Material Adverse Effect on Purchaser and all of its subsidiaries taken as a whole or (iii) result in a breach of any of the terms or provisions of, or constitute a default (with or without due notice and/or lapse of

time) under, any loan or credit agreement, indenture, mortgage, note or other agreement or instrument to which Purchaser or any of its subsidiaries or affiliates is a party or by which any of them or any of their respective properties or assets is or may be subject or bound, except to the extent that such breach or default would not reasonably be expected to have Material Adverse Effect on Purchaser and all of its subsidiaries taken as a whole.

h) On the date of consummation of the Exchange Offer and on the date of execution of the Supplemental Indenture, the New Indenture and the Old Indenture, as amended by the Supplemental Indenture (collectively, the "Indentures"), will conform in all material respects to the requirement of the Trust Indenture Act of 1939, as amended (the

"TIA"), and the rules and regulations of the Commission applicable to an indenture which is qualified thereunder.

i) No stop order, restraining order or denial of an application for approval has been issued and no investigation, proceeding or litigation has been commenced or, to Purchaser's knowledge, threatened before the Commission or any Other Agency with respect to the making or consummation of the Exchange Offer and the Solicitation and the other transactions contemplated thereby or the consummation of the other transactions contemplated by this Agreement, the Registration Rights Agreement or the Offering Circular or with respect to the ownership of the Old Bonds by Purchaser or any of its subsidiaries or affiliates.

j) None of Purchaser or the Guarantors has any knowledge of any material fact or information concerning the Purchaser, the Guarantors or any of their respective subsidiaries, or the operations, assets, condition (financial or otherwise) or prospects of the Purchaser, the Guarantors or any of its subsidiaries, which is required to be made generally available to the public and which has not been, or is not being, or will not be, made generally available to the public through the Exchange Offer and Consent Solicitation Material or otherwise.

k) None of Purchaser or the Guarantors is, or will be as a result of the exchange by Purchaser of Old Bonds for New Bonds and Preferred Stock pursuant to the terms of the Exchange Offer, an "investment company" under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated by the Commission thereunder.

l) Each of the representations, warranties, covenants and other statements of Purchaser and the Guarantors set forth in this Agreement will be true and correct on and as of the date on which the Exchange Offer and the Solicitation is commenced and at all times during the period of the Exchange Offer and the Solicitation.

10. OPINIONS OF PURCHASER'S COUNSEL. Purchaser shall deliver to you opinions addressed to you and dated as of the date of the original execution of this agreement and the date of the closing of the Exchange Offer of Robert Sacks, Esq., Executive Vice President and General Counsel of Purchaser, and White & Case LLP, (special counsel to Purchaser), with respect to the matters set forth in Exhibits C-1 and C-2, respectively.

11. NOTIFICATION OF CERTAIN EVENTS. Purchaser shall advise you promptly of (i) the occurrence of any event that could cause Purchaser to withdraw, rescind, modify or terminate the Exchange Offer or the Solicitation or the transactions contemplated thereby or could permit Purchaser to exercise any right not to exchange Old Bonds for New Bonds (other than Purchaser's ability to adjust the amount of New Bonds issued as provided in the Exchange Offer and Consent Solicitation Material) and Preferred Stock tendered under the Exchange Offer, (ii) the occurrence of any event, or the discovery of any fact, the occurrence or existence of which it believes would require the making of any change in any of the Exchange Offer and Consent Solicitation Material then being used or would cause any representation, warranty or covenant contained in this Agreement to be untrue or inaccurate in any material respect, (iii) any proposal or requirement to make, amend or supplement any filing required by the Exchange Act in connection with the Exchange Offer and the Solicitation or the transactions contemplated thereby or to make any filing in connection with the Exchange Offer and the Solicitation or the transactions contemplated thereby pursuant to any other applicable law, rule or regulation, (iv) the issuance by the Commission or any Other Agency of any formal or informal comment or order or the taking of any other action concerning the Exchange Offer and the Solicitation or the transactions contemplated thereby (and, if in writing, will furnish you with a copy thereof), (v) any material developments in connection with the Exchange Offer and the Solicitation (or the financing thereof) or the transactions contemplated thereby, including, without limitation, the commencement of any lawsuit concerning the Exchange Offer and the Solicitation or the transactions contemplated thereby and (vi) any other information relating to the Exchange Offer and the Solicitation, the Exchange Offer and Consent Solicitation Material or this Agreement or the transactions contemplated hereby or thereby which you may from time to time reasonably request.

12. INDEMNIFICATION.

a) Purchaser agrees to hold harmless and indemnify you (including any affiliated companies) and any officer, director, partner, employee or agent of you or any of such affiliated companies and any entity or person controlling (within the meaning of Section 20(a) of the Exchange Act) you, including any affiliated companies (collectively, the "Indemnified Persons"), from and against any and all Losses whatsoever (including, but not limited to, any and all expenses reasonably incurred in investigating, preparing or defending against

any litigation or proceeding, commenced or threatened, or any claims whatsoever whether or not resulting in any liability) (i) arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in the Exchange Offer and Consent Solicitation Material, or arising out of or based upon the omission or alleged omission to state in the Exchange Offer and Consent Solicitation Material Material a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (other than statements or omissions made in reliance upon information furnished by you in writing to Purchaser expressly for use therein), (ii) arising out of or based upon the commencement of, or any withdrawal or termination by Purchaser of, or failure by Purchaser to make or consummate, the Exchange Offer, the Consent Solicitation or the other transactions contemplated by this Agreement or the Tender Offer and Consent Solicitation Material except in accordance with the terms of the Exchange Offer and Consent Solicitation Material or this Agreement or any other failure to comply with the terms and

conditions specified in the Exchange Offer and Consent Solicitation Material, (iii) arising out of the breach or alleged breach by Purchaser of any representation, warranty or covenant set forth in this Agreement, (iv) arising out of, relating to or in connection with any other action taken or omitted to be taken by an Indemnified Person or (v) otherwise arising out of, relating to or in connection with the Exchange Offer and the Solicitation, the other transactions described in the Exchange Offer and Consent Solicitation Material or your services as Dealer Manager and Solicitation Agent hereunder. Purchaser shall not, however, be responsible for any Loss pursuant to clauses (iv) or (v) of the preceding sentence of this Section 12 that has been finally judicially determined to have resulted primarily from the bad faith, willful misconduct or gross negligence on the part of any Indemnified Person, other than any Loss arising out of or resulting from actions performed or omitted to be performed at the request of, with the consent of, or in conformity with actions taken or omitted to be taken by, Purchaser.

b) Purchaser and you agree that if any indemnification sought by any Indemnified Person pursuant to this Section 12 is unavailable for any reason or insufficient to hold you harmless, then Purchaser and you shall contribute to the Losses for which such indemnification is held unavailable or insufficient in such proportion as is appropriate to reflect the relative benefits received (or anticipated to be received) by Purchaser, on the one hand, and actually received by you, on the other hand, in connection with the transactions contemplated by this Agreement or the Exchange Offer and Consent Solicitation Material or, if such allocation is not permitted by applicable law, not only such relative benefits but also the relative faults of Purchaser, on the one hand, and you, on the other hand, as well as any other equitable considerations, subject to the limitation that in any event the aggregate contribution by you to all Losses with respect to which contribution is available hereunder shall not exceed the fees actually received by you in connection with your engagement hereunder. It is hereby agreed that the relative benefits to Purchaser, on the one hand, and you, on the other hand, with respect to the Exchange Offer and the Solicitation and the transactions contemplated by this Agreement and the Exchange Offer and Consent Solicitation Material shall be deemed to be in the same proportion as (i) the total value expected to be received by Purchaser pursuant to the Exchange Offer and the Solicitation and the transactions contemplated thereby (whether or not the Exchange Offer and the Solicitation or such transactions are consummated) bears to (ii) the fees actually received by you from Purchaser in connection with your engagement hereunder.

c) The foregoing rights to indemnity and contribution shall be in addition to any other right that you and the other Indemnified Persons may have against Purchaser at common law or otherwise. If any litigation or proceeding is brought against any Indemnified Person in respect of which indemnification may be sought against Purchaser pursuant to this Section 12, such Indemnified Person shall promptly notify Purchaser in writing of the commencement of such litigation or proceeding, but the failure so to notify Purchaser shall relieve Purchaser from any liability which it may have hereunder only if, and to the extent that, such failure results in the forfeiture by Purchaser of substantial rights and defenses, and will not in any event relieve Purchaser from any other obligation or liability that they may have to any Indemnified Person other than under this Agreement.

In case any such litigation or proceeding shall be brought against any

Indemnified Person and such Indemnified Person shall notify Purchaser in writing of the commencement of such litigation or proceeding, Purchaser shall be entitled to participate in such litigation or proceeding, and, after written notice from Purchaser to such Indemnified Person, to assume the defense of such litigation or proceeding with counsel of its choice at its expense; PROVIDED, HOWEVER, that such counsel shall be satisfactory to the Indemnified Person in the exercise of its reasonable judgment. Notwithstanding the election of Purchaser to assume the defense of such litigation or proceeding, such Indemnified Person shall have the right to employ separate counsel and to participate in the defense of such litigation or proceeding, and Purchaser shall bear the reasonable fees, costs and expenses of such separate counsel and shall pay such fees, costs and expenses at least quarterly (provided that with respect to any single litigation or proceeding or with respect to several litigations or proceedings involving substantially similar legal claims, Purchaser shall not be required to bear the fees, costs and expenses of more than one such counsel in addition to any local counsel) if (i) in the reasonable judgment of such Indemnified Person the use of counsel chosen by Purchaser to represent such Indemnified Person would present such counsel with a conflict of interest, (ii) the defendants in, or targets of, any such litigation or proceeding include both an Indemnified Person and Purchaser, and such Indemnified Person shall have reasonably concluded that there may be legal defenses available to it or to other Indemnified Persons that are different from or additional to those available to Purchaser (in which case Purchaser shall not have the right to direct the defense of such action on behalf of the Indemnified Person), (iii) Purchaser shall not have employed counsel satisfactory to such Indemnified Person, in the exercise of the Indemnified Person's reasonable judgment, to represent such Indemnified Person within a reasonable time after notice of the institution of such litigation or proceeding or (iv) Purchaser shall authorize in writing such Indemnified Person to employ separate counsel at the expense of Purchaser. In any action or proceeding the defense of which Purchaser assumes, the Indemnified Person shall have the right to participate in such litigation and retain its own counsel at such Indemnified Person's own expense. Purchaser and you agree to notify the other promptly of the assertion of any claim against it, any of its directors or officers or any entity or person who controls it within the meaning of Section 20(a) of the Exchange Act in connection with the Exchange Offer and the Solicitation. The foregoing indemnification commitments shall apply whether or not the Indemnified Person is a formal party to such litigation or proceeding.

d) Purchaser agrees to reimburse each Indemnified Person for all reasonable expenses (including reasonable fees and disbursements of counsel) as they are incurred by such Indemnified Person in connection with investigating, preparing for, defending or providing evidence (including appearing as a witness) with respect to any action, claim, investigation, inquiry, arbitration or other proceeding referred to in this Section 12 or enforcing this Agreement, whether or not in connection with pending or threatened litigation in which any Indemnified Person is a party.

e) Purchaser agrees that it will not, without your prior written consent, settle, compromise or consent to the entry of any judgment in any pending or

threatened claim, action or proceeding in respect of which indemnification may be sought hereunder (whether or not you, any other Indemnified Person or Purchaser is an actual or potential party), unless such settlement, compromise or consent (i) includes an unconditional release of each Indemnified Person from all liability arising out of such claim, action or proceeding and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of an Indemnified Person.

f) The foregoing rights to indemnity and contribution shall apply whether or not the Indemnified Person is a formal party to such litigation or proceeding and shall be in addition to any other right which you and the other Indemnified Persons may have against Purchaser at common law or otherwise.

13. CONDITIONS TO OBLIGATIONS OF THE DEALER MANAGER AND SOLICITATION AGENT. Your obligations hereunder shall at all times be subject to the conditions that (a) all representations, warranties, covenants and other statements of Purchaser and the Guarantors contained herein are now, and at all times during the period of the Exchange Offer and the Solicitation shall be, true and correct in all material respects, (b) Purchaser at all times shall have performed in all material respects all its obligations hereunder theretofore to be performed and (c) at the closing of the Exchange Offer, you shall have received a certificate dated the date of the closing of the Exchange Offer, signed by the Chief Executive Officer and the Chief

Financial Officer of Purchaser, confirming (i) that all representations, warranties, covenants and other statements of Purchaser and the Guarantors contained herein are, as of such date, true and correct in all material respects, (ii) that each of the Purchaser and the Guarantors have complied with all of the agreements and satisfied all of the conditions herein contained and/or required to be complied with or satisfied on or prior to the closing of the Exchange Offer and the Solicitation and (iii) such other customary representations, warranties and other matters as are requested by you and your counsel.

14. TERMINATION. This Agreement shall terminate upon the expiration, termination or withdrawal of the Exchange Offer and the Solicitation or upon withdrawal by you as Dealer Manager and Solicitation Agent pursuant to Section 4 hereof, it being understood that Sections 3, 5, 6, 8, 9, 12, 14, 16, 17, 19, 20, 21, 22, 23 and 24 hereof shall survive any termination of this Agreement. In addition, you will have the right to terminate this Agreement if the opinions of counsel specified in Section 10 hereof are not received by you on the dates specified in Section 10.

15. NOTICES. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be given (and shall be deemed to have been given upon receipt) by delivery in person, by cable, by telecopy, by telegram, by telex or by registered or certified mail (postage prepaid, return receipt requested) to the applicable party at the addresses indicated below:

a) if to you:

CREDIT SUISSE FIRST BOSTON CORPORATION
Eleven Madison Avenue
New York, NY 10010-3629
Telecopy No.: (212) 325-8278

Attention: Transactions Advisory Group

with a copy to:

LATHAM & WATKINS
885 Third Avenue
New York, New York 10022
Telecopy No.: (212) 751-4864
Attention: Peter Labonski, Esq.

b) if to Purchaser:

APCOA/STANDARD PARKING, INC.
900 North Michigan Avenue
Suite 1600
Chicago, Illinois 60611
Telecopy No.: (312) 640-6162
Attention: General Counsel

with a copy to:

White & Case LLP
1155 Avenue of the Americas
New York, New York 10036
Telephone No.: (212) 819-8200
Telecopy No.: (212) 354-8113
Attention: Jonathan E. Kahn

16. CONSENT TO JURISDICTION; SERVICE OF PROCESS. Purchaser hereby (a) submits to the jurisdiction of any New York State or Federal court sitting in the City of New York with respect to any actions and proceedings arising out of or relating to this Agreement, (b) agrees that all claims with respect to such actions or proceedings may be heard and determined in such New York State or Federal court, (c) waives the defense of an inconvenient forum, (d) agrees not to commence any action or proceeding relating to this Agreement other than in a New York State or Federal court sitting in the City of New York and (e) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

17. JOINT AND SEVERAL OBLIGATIONS, ETC. In the event that Purchaser makes the Exchange Offer and the Solicitation through one or more of its affiliates, each reference in this Agreement to Purchaser shall be deemed to be a reference to Purchaser and any such affiliates, and the representations, warranties, covenants and agreements of Purchaser and any such affiliates hereunder shall be joint and several.

18. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, among the

parties, or any of them, with respect to the subject matter hereof.

19. AMENDMENT. This Agreement may not be amended except in writing signed by each party to be bound thereby.

20. GOVERNING LAW. The validity and interpretation of this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without regard to conflicts of law principles thereof.

21. WAIVER OF JURY TRIAL. PURCHASER HEREBY AGREES ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS SECURITY HOLDERS, TO WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM, COUNTER-CLAIM OR ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (INCLUDING, WITHOUT LIMITATION, THE EXCHANGE OFFER AND THE SOLICITATION).

22. COUNTERPARTS; SEVERABILITY. This Agreement may be executed in two or more separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction.

23. PARTIES IN INTEREST. This Agreement, including rights to indemnity and contribution hereunder, shall be binding upon and inure solely to the benefit of each party hereto, the Indemnified Persons and their respective successors, heirs and assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

24. TOMBSTONE. Purchaser acknowledges that you may, subject to applicable securities laws, at your expense place an announcement in such newspapers and periodicals as you may choose, stating that you have acted or are acting as Dealer Manager and financial advisor to Purchaser in connection with the Exchange Offer and the Solicitation and the transactions contemplated thereby.

[SIGNATURE PAGES FOLLOW]

Please indicate your willingness to act as Dealer Manager and your acceptance of the foregoing provisions by signing in the space provided below for that purpose and returning to us a copy of this Agreement so signed, whereupon this Agreement and your acceptance shall constitute a binding agreement between us.

Very truly yours,

A-1 Auto Park, Inc.

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

AP Holdings, Inc.

By:

Name: G. Marc Baumann
Title: Treasurer

APCOA Capital Corporation

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

Century Parking, Inc.

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

Events Parking Co., Inc.

By:

Name: G. Marc Baumann
Title: Treasurer

Hawaii Parking Maintenance, Inc.

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

Metropolitan Parking System, Inc.

By:

Name: G. Marc Baumann
Title: Treasurer

S&S Parking, Inc.

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

Sentinel Parking Co. of Ohio, Inc.

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

Sentry Parking Corporation

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

Standard Auto Park, Inc.

By:

Name: G. Marc Baumann
Title: Treasurer

Standard Parking Corporation

By:

Name: G. Marc Baumann
Title: Treasurer

Standard Parking Corporation, IL

By:

Name: G. Marc Baumann
Title: Treasurer

Tower Parking, Inc.

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

Virginia Parking Service, Inc.

By:

Name: G. Marc Baumann
Title: Vice President, Treasurer

APCOA Bradley Parking Company, LLC
By: APCOA/Standard Parking, Inc., its Sole Member

By:

Name: G. Marc Baumann
Title: Executive Vice President, Chief Financial Officer, Treasurer

APCOA LaSalle Parking Company, L.L.C.
By: APCOA/Standard Parking Inc., its Manager

By:

Name: G. Marc Baumann
Title: Executive Vice President, Chief Financial Officer, Treasurer

Executive Parking Industries, L.L.C.
By: APCOA/Standard Parking, Inc., its Manager

By:

Name: G. Marc Baumann
Title: Executive Vice President, Chief Financial Officer, Treasurer

Accepted as of the
date first above written:

CREDIT SUISSE FIRST BOSTON CORPORATION

By:

Name:
Title:

Exhibit A

Offering Circular

Exhibit B

Letter of Transmittal

Exhibit C-1

Matters to be Addressed in the Opinion of Robert Sacks, Esq.

a) Each of Purchaser and the Guarantors is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its businesses or the ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or to be in good standing, considering all such cases in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Purchaser and all of its subsidiaries, taken as a whole.

b) Purchaser has full corporate power and authority to take and has duly taken all necessary corporate action to authorize (i) the Exchange Offer and the Solicitation, (ii) the exchange by Purchaser of Old Bonds and, in certain cases, cash for New Bonds and Preferred Stock pursuant to the Exchange Offer and the consummation of the other transactions contemplated thereby, subject to the filing of the Certificate of Designation with the state of Delaware, and (iii) the execution, delivery and performance of this Agreement, and this Agreement has been duly executed and delivered on behalf of Purchaser and, assuming due authorization, execution and delivery of this Agreement by Credit Suisse First Boston Corporation, is a legal, valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting enforcement of creditor's rights generally and by general equitable principles (regardless of whether the issue of enforceability is considered in a proceeding in equity or at law) and except as rights to indemnity and contribution may be limited by federal or state laws or as being against public policy.

c) The Exchange Offer and the Solicitation, the exchange of Old Bonds and, in

certain cases, cash by Purchaser for New Bonds and Preferred Stock pursuant to the Exchange Offer and the consummation of the other transactions contemplated thereby, and the execution, delivery and performance of this Agreement by Purchaser and the Guarantors, do not and will not (i) conflict with or result in a violation of any of the provisions of the certificate of incorporation or by-laws (or similar organizational documents) of Purchaser or any of its subsidiaries, (ii) conflict with or violate in any material respect any law, rule, regulation, order, judgment or decree applicable to Purchaser or by which any property or asset of Purchaser or any of its subsidiaries is or may be bound, except to the extent that such conflict or violation would not reasonably be expected to have a Material Adverse Effect on Purchaser and all of its subsidiaries taken as a whole or (iii) result in a breach of any of the material terms or provisions of, or constitute a default (with or without due notice and/or lapse of time) under, any loan or credit agreement, indenture, mortgage, note or other agreement or instrument to which Purchaser or any of its subsidiaries is a

party or by which any of them or any of its properties or assets is or may be bound, except to the extent that such breach or default would not reasonably be expected to have a Material Adverse Effect on Purchaser and all of its subsidiaries taken as a whole.

d) The Exchange Offer and the Consent Solicitation, the exchange by Purchaser of Old Bonds and, in certain cases, cash for New Bonds and Preferred Stock pursuant to the Exchange Offer and the consummation of the other transactions contemplated thereby, and the execution, delivery and performance of this Agreement by Purchaser and the Guarantors, comply and will comply in all material respects with all applicable requirements of Federal, state and local law, (other than U.S. federal and state securities or "blue sky" laws and regulations as to which we do not express any opinion), any applicable regulations of Other Agencies (other than the Commission or Other Agencies that regulate securities as to which we do not express any opinion), and all applicable judgments, orders or decrees, and no consent authorization, approval, order, exemption, registration, qualification or other action of, or filing with or notice to, any Other Agencies is required (other than the Commission or Other Agencies that regulate securities, as to which we do not express any opinion) in connection with the execution, delivery and performance of this Agreement by Purchaser or any of the Guarantors, the making or consummation by Purchaser of the Exchange Offer and the Solicitation or the consummation of the other transactions contemplated by this Agreement or the Offering Circular, except where the failure to obtain or make such consent, authorization, approval, order, exemption, registration, qualification or other action or filing or notification would not materially adversely affect the ability of Purchaser to execute, deliver and perform this Agreement or to commence and consummate the Exchange Offer or the Solicitation in accordance with their respective terms.

e) Except as expressly disclosed in the Offering Circular, no stop order, restraining order or denial of an application for approval has been issued and no investigation, proceeding or litigation has been commenced or, to such counsel's knowledge threatened before the Commission or any Other Agency with respect to the making or consummation of the Exchange Offer and the Solicitation and the other transactions contemplated thereby or the consummation of the other transactions contemplated by this Agreement or the Exchange Offer and Consent Solicitation Material or with respect to the ownership of the Bonds by Purchaser, the Guarantors or any of their respective subsidiaries.

f) To such counsel's knowledge, Purchaser has no knowledge of any material fact or information concerning Purchaser or any of its subsidiaries, or the operations, assets, condition (financial or otherwise) of Purchaser or any of its subsidiaries, that is required to be made generally available to the public and which has not been, or is not being, or will not be, made generally available to the public through the Exchange Offer and Consent Solicitation Material or otherwise.

g) The statements under the captions "Business Government Regulation" and "Business Legal Proceedings" in the Offering Circular, insofar as such statements constitute a summary of the legal matters, documents or proceedings

referred to therein, fairly present in all material respects such legal matters, documents and proceedings.

Such counsel shall also advise that no facts have come to its attention which has caused it to believe that the Exchange Offer and Consent Solicitation Materials (apart from the financial information contained or incorporated by reference therein, as to which such counsel expresses no opinion) contains any untrue statement of a material fact or omits to state a material fact required

to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Exhibit C-2

Matters to be Addressed in the Opinion of White & Case LLP

a) None of (i) the issuance, sale and delivery by Purchaser of the New Bonds and Preferred Stock pursuant to the Exchange Offer, (ii) the execution and delivery of the Agreement, (iii) the compliance by Purchaser with the terms and provisions thereof or (iv) the consummation by Purchaser of the Transactions (as defined in the Offering Circular), will conflict with, constitute a default under, or violate any New York State law or Delaware corporation law or United States federal law or regulation which are explicitly and normally applicable to transactions of the type contemplated by the Exchange Offer, except where such conflict or default would not reasonably be expected to have a Material Adverse Effect on Purchaser and all of its subsidiaries taken as a whole.

No consent, approval, authorization, order, license, registration or qualification of or with any governmental agency or body is required for the issue and sale by Purchaser of the New Bonds or Preferred Stock pursuant to the Exchange Offer, the solicitation of Consents or the consummation by Purchaser of the other Transactions (as defined in the Offering Circular) or as contemplated by the Registration Rights Agreement, except such consents, approvals, authorizations, orders, licenses, registrations or qualifications as have been obtained under the Securities Act, the Securities Exchange Act and the Trust Indenture Act and state securities or Blue Sky laws in connection with the exchange of Old Bonds for New Bonds and Preferred Stock, except where the failure to obtain such consent, approval, authorization, order, license, registration or qualification would not reasonably be expected to have Material Adverse Effect on Purchaser and all of its subsidiaries taken as a whole.

b) Except as expressly disclosed in the Offering Circular, to such counsel's knowledge no stop order, restraining order or denial of an application for approval has been issued and no investigation, proceeding or litigation has been commenced or threatened before the Commission or any Other Agency with respect to the making or consummation of the Exchange Offer and the Solicitation or the consummation of the other transactions contemplated by this Agreement or the Offering Circular or with respect to the ownership of the Bonds by Purchaser or any of their respective subsidiaries.

c) None of Purchaser or the Guarantors is, or will be as a result of the exchange by Purchaser of Old Bonds for New Bonds and Preferred Stock pursuant to the terms of the Exchange Offer, an "investment company" under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated by the Commission thereunder.

d) The Exchange Offer and Consent Solicitation Material, taken as a whole, comply with Rule 14e-1 under the Exchange Act.

e) The Indentures conform in all material respects to the requirement of the TIA and the rules and regulations of the Commission applicable to an indenture which is qualified thereunder.*

f) The statements set forth in the Offering Circular under the caption "Description of Notes," insofar as it purports to constitute a summary of the terms of the New Bonds, the New Indenture, the Registration Rights Agreement and the Subsidiary Guarantee, fairly summarize in all material respects the terms thereof.* The statements contained in the section of the Offering Circular captioned "Certain U.S. Federal Income Tax Considerations," to the extent such statements constitute matters of the U.S. Federal income tax law and legal conclusions with respect thereto, are accurate in all material respects.

g) The Preferred Stock has been duly authorized and, upon payment and delivery in accordance with the Dealer Manager Agreement will be validly issued, fully paid and non-assessable.

h) The New Bonds have been duly authorized and validly executed and delivered by the Company. When the New Bonds have been issued, executed and authenticated in accordance with the provisions of the New Indenture and delivered to and exchanged for by the Holders of the Old Bonds in accordance with the terms of the Exchange Offer, the New Bonds will be entitled to the benefits of the New Indenture and will be valid and binding obligations of the Company, enforceable in accordance with their terms except as the enforceability thereof may be limited by (i) bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) equitable principles of general applicability (whether considered in a

proceeding in equity or at law).*

i) The New Registered Bonds have been duly authorized by the Company. When the New Registered Bonds are issued, executed and authenticated in accordance with the terms of the Registered Exchange Offer and the New Indenture, the New Registered Bonds will be entitled to the benefits of the New Indenture and will be the valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability.*

j) The Subsidiary Guarantee endorsed on the New Bonds by each Guarantor has been duly authorized, executed and delivered by each such Guarantor, is entitled to the benefits of the New Indenture and is the valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms, except as the enforceability thereof may be limited by (i) bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) equitable principles of general applicability (whether considered in a proceeding in equity or at law).*

k) The Subsidiary Guarantee to be endorsed on the New Registered Bonds by each Guarantor has been duly authorized by such Guarantor.*

l) The Agreement has been duly authorized and validly executed and delivered by the Company and constitutes a legal, valid and binding agreement of the Company, enforceable against the Company in accordance with its terms except

as the enforceability thereof may be limited by (i) bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) equitable principles of general applicability (whether considered in a proceeding in equity or at law), and that rights to indemnification or contribution provided for in this Agreement may be limited by federal and state laws or as being against public policy.

m) Each of the New Indenture, the Supplemental Indenture and the Registration Rights Agreement has been duly authorized and validly executed and delivered by the Company and constitutes a legal, valid and binding agreement of the Company, enforceable against the Company in accordance with its terms except as the enforceability thereof may be limited by (i) bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) equitable principles of general applicability (whether considered in a proceeding in equity or at law), and that rights to indemnification or contribution provided for in the Registration Rights Agreement may be limited by federal or state laws or as being against public policy.*

Such counsel shall also advise that no facts have come to its attention which has caused it to believe that the Exchange Offer and Consent Solicitation Material (apart from the financial information contained or incorporated by reference therein as to which such counsel expresses no opinion) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

"*" signifies opinions that will only be delivered at the Closing.

Exhibit 10.32

STOCK OPTION AGREEMENT'

This STOCK OPTION AGREEMENT (this "Agreement") is made effective as of March 30, 1998, by and between APCOA/Standard Parking, Inc., a Delaware corporation (the "Company"), and Myron C. Warshauer (together with his heirs and permitted successors and assigns, "Optionee").

1. GRANT. The Company hereby grants to Optionee an option to purchase from the Company .316257808 shares of the common stock of the Company (the "Shares") at the Exercise Price (as defined in paragraph 2 below) during the Exercise Period (as defined in paragraph 3 below) (the "Option"). Notwithstanding the foregoing, the number of Shares subject to the Option may be adjusted as provided in paragraph 9 hereof. The Option is a non-qualified stock option, not an incentive stock option, as defined in Section 422 of the Internal Revenue Code of 1986, as amended.

2. EXERCISE PRICE. The Exercise Price per share shall be $283,944.00;

3. EXERCISE PERIOD. Optionee may exercise the Option, in whole or in part, at any time and from time to time after March 30,1998 until the 10th anniversary of the date hereof (the "Exercise Period"). Said 10-year period shall not be subject to reduction for any reason.

4. VESTING. The Option shall fully vest and shall be immediately exercisable upon execution of this Agreement.

5. EXERCISE OF OPTION. Optionee may exercise the Option by delivery to the Company of a written notice in the form attached hereto as Exhibit A (the "Exercise Notice"). The Option shall be deemed to have been exercised when (a) the Company has received a completed Exercise Notice, and (b) the Company has received payment in the amount of the applicable Exercise Price. No Shares shall be issued pursuant to the exercise of the Option unless such issuance and exercise shall comply with all applicable laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Optionee on the date on which the Option is exercised with respect to such Shares.

(a) METHOD OF PAYMENT. Optionee may pay the applicable Exercise Price by any of the following means:

(i) cash or check; or

(ii) cashless exercise pursuant to paragraph 7 below.

(b) EXPENSES OF ISSUANCE. The Company shall issue the Shares upon exercise of this Option without charge to Optionee for any issuance tax or other cost incurred by the Company in connection with such exercise and the related issuance of the Shares. Each of the Shares shall, upon payment of the Exercise Price therefore, be fully paid and nonassessable and free from all liens and charges with respect to the issuance thereof.

(c) WITHHOLDING TAXES. In no event shall Shares be delivered to the Optionee until the Optionee has paid to the Company in cash, or made arrangements reasonably satisfactory to the Board regarding the payment of the amount of any taxes of any kind required by law to be withheld with respect to the Shares subject to the Option.

(d) RESERVE. The Company shall at all times reserve and keep available out of its authorized but unissued shares of common stock, for the purpose of issuance upon the exercise of this Option, such number of shares of common stock as are issuable upon the exercise in full of this Option. The Company shall take all such actions as may be necessary to assure that all such shares of common stock may be so issued without violation of any applicable law or governmental regulation or any requirements of any securities exchange upon which the Company's shares of common stock may be listed.

6. ADMINISTRATION. Any liability of the Company with respect to the Option shall be based solely upon contractual obligations created by this Agreement.

7. NET EXERCISE OPTION. At Optionee's election, Optionee shall have the right to make a net-exercise or cashless exchange. In such event, Optionee shall deliver the Exercise Notice to the Company and shall receive in exchange therefore the number of shares of the Company's common stock equal to the aggregate number of Shares being purchased upon exercise (I.E., the number of shares as to which the Option is being exercised) less the number of shares of the Company's common stock having a Market Value equal to the aggregate Exercise Price of the Shares as to which the Option is being exercised. Optionee shall also have the right to surrender to the Company securities of the Company having a Market Value equal to the Exercise Price of the Shares being purchased upon such exercise. The "Market Value" of a share of the Company's common stock shall

be determined pursuant to the formula set forth in Section 6.2(b) of the Stockholders Agreement by and among Dosher Partners, L.P., SP Associates, Holberg Industries, Inc. and AP Holdings, Inc., dated March 30, 1998, as same has been subsequently amended (the "Stockholders Agreement").

8. REPRESENTATIONS AND WARRANTIES OF OPTIONEE. Optionee represents and warrants to the Company as follows:

(a) RELIANCE UPON INITIAL HOLDER'S REPRESENTATIONS. Optionee understands that the Option is not, and any Shares acquired upon exercise of the Option (such Shares, together with the Option, being the "Securities") may not be, cost incurred by the Company in connection with such exercise and the related issuance of the Shares. Each of the Shares shall, upon payment of the Exercise Price therefore, be fully paid and nonassessable and free from all liens and charges with respect to the issuance thereof.

(b) ACCREDITED INVESTOR: INVESTMENT EXPERIENCE. Optionee is an accredited investor within the definition of Regulation D of the Securities Act. Optionee is experienced in evaluating and investing in private placement transactions of securities of companies similar to the Company and acknowledges that Optionee is able to fend for himself, can bear the economic risk of Optionee's investment, and has such knowledge and experience in financial and business matters that Optionee is capable of evaluating the merits and risks of the investment in the Option and Securities and can afford a complete loss of his investment.

(c) NO PUBLIC MARKET. Optionee understands that no public market now exists for any of the Securities issued by the Company and there is no assurance that a public market will ever exist for the Securities.

(d) RESTRICTED SECURITIES. Optionee understands that the Securities may not be sold, transferred, or otherwise disposed of without registration under the Securities Act or an exemption there from, and that in the absence of an effective registration statement covering the Securities or an available exemption from registration under the Securities Act, the Securities must be held indefinitely. In particular, Optionee is aware that the Securities may not be sold pursuant to Rule 144 promulgated under the Securities Act unless all of the conditions of that Rule are met. Among the conditions for use of Rule 144 may be the availability of current information to the public about the Company. Such information is not now available and the Company has no present plans to make such information available.

(e) TAX CONSULTATION. Optionee understands that Optionee may suffer adverse tax consequences as a result of Optionee's purchase or disposition of the Shares. Optionee represents that Optionee has consulted with any tax consultants Optionee deems advisable in connection with the purchase or disposition of the Shares and that Optionee is not relying on the Company for any tax advice.

9. ANTI-DILUTION. If at any time after the date hereof the Company shall issue shares of common stock, the Company hereby agrees to increase

the number of Shares subject to the Option by a number of shares of the Company's common stock equal to the product of (i) the total number of additional shares of common stock issued multiplied by (ii) a fraction, the numerator of which is the Shares subject to the Option immediately prior to the issuance of new shares of the Company's common stock and the denominator of which is the total number of shares of the Company's common stock outstanding immediately prior to the issuance of new shares of the Company's common stock.

10. RESTRICTIONS ON TRANSFER. This Option is not transferrable without the prior written consent of the Company, except that Optionee may transfer the Option to (a) Optionee's affiliates (including, without limitation, Dosher Partners, L.P. and Waverly Partners, L.P. or any success or entity to either of them), spouse and/or direct descendants, and/or the heirs, executors, administrators, testamentary trustees, legatees or beneficiaries of Optionee's estate (or the estate of his spouse or direct descendants) upon death (all of the foregoing? collectively, "Associates") or (b) any trust, the beneficiaries of which, or any corporation, limited liability company or partnership, the shareholders, members or `general or limited partners of which, consist solely of Optionee or his Associates (and only for so long as there are no other shareholders, members or partners) (each, a "Permitted Transferee"); provided, however, that (I) any such Permitted Transferee shall have agreed in writing to be bound by the terms of this Agreement with respect to the Shares and (ii) any transfer to a Permitted Transferee shall not be in violation of applicable federal or state securities laws. For purposes of this Section 10, an "affiliate" of a subject person or entity shall be a person or entity directly or indirectly controlling, controlled by or under common control with the subject person or entity.

11. INDEMNIFICATION. The Company shall hold Optionee harmless from, and `indemnify, reimburse and defend Optionee from and against, any and all (i)

claims, losses, liabilities, obligations (including, without limitation, taxes, assessments, interest and penalties thereon), damages, deficiencies and expenses resulting from the Company's breach of this Agreement, or (ii) tax, interest or penalties resulting from the grant (but not the exercise) of the Option. Optionee shall hold the Company harmless from, and indemnify and defend the Company against, any and all claims, losses, liabilities, obligations (including, without limitation, taxes, and assessments, interest and penalties thereon), damages, deficiencies and expenses resulting from Optionee's breach of this Agreement, including without limitation, Optionee's breach of the representations and warranties made herein.

12. COORDINATION WITH STOCKHOLDERS AGREEMENT. Except as otherwise expressly set forth in this Agreement, Optionee, the Company and the other parties (the "Other Parties") named on the Joinder attached hereto

as Exhibit B (who are all parties to the Stockholders Agreement) hereby agree that, upon exercise of the Option and transfer to Optionee of the Shares, Optionee shall be bound by, and shall have the benefit of. the terms and conditions of the Stockholders Agreement as a Stockholder, as therein defined. Without limiting the generality of the foregoing, Optionee, the Company and the Other Parties hereby acknowledge and agree that:

(a) the Option and the Shares acquirable pursuant to the Option are subject to, and are included in, any determinations of "Preemptive Rights" in favor of Optionee pursuant to Section 4.2 of the Stockholders Agreement;

(b) the Option and the Shares acquirable pursuant to the Option shall be subject to, and included in, the "Tag-Along Rights" and the "Drag-Along Rights"(and other terms) of Article V of the Stockholders Agreement (it being understood that, immediately prior to the closing of a transaction involving subject Tag-Along or Drag-Along Rights, as part of the inclusion of Shares subject to a previously unexercised Option, the remaining Option (or applicable portion thereof, as the case may be) shall be exercised and deemed exercised by Optionee in a manner designated by Optionee pursuant to Sections 5 and 7 of this Agreement);

(c) the Option and the Shares ~acquirable pursuant to the Option shall be subject to, and included in, the "Call Right" and the "Put Right" (and other terms) of Article VI of the Stockholders Agreement (it being understood that, immediately prior to the closing of a transaction involving a subject Put Right or Call Right, as part of the inclusion of Shares subject to a previously unexercised Option, the remaining Option (or applicable portion thereof, as the case may be) shall be exercised and deemed exercised by Optionee in a manner designated by Optionee pursuant to Sections 5 and 7 of this Agreement); and

(d) the Option and the Shares acquirable pursuant to the Option shall be deemed "Registrable Shares" for purposes of Article VII of the Stockholders Agreement and Optionee shall be given reasonable opportunity to exercise the Option (in any manner permitted by Sections 5 and 7 of this Agreement) so as to include Shares subject to the Option in any registration process which is the subject of said Article VII.

13. NO VOTING: LIMITATION ON LIABILITY: NO RIGHT TO CONTINUED EMPLOYMENT. This Option shall not entitle Optionee, prior to exercise, to any voting rights or other rights as a Stockholder of the Company (although Optionee may have such rights with respect to other shares of stock, or other interests, in the Company owned by him). No provision hereof, in the

absence of affirmative action by Optionee to purchase Shares, and no enumeration herein of the rights or privileges of Optionee, shall give rise to any liability of Optionee for the Exercise Price of the Shares. Neither the Option nor any terms contained in this Agreement shall confer upon the Optionee any express or implied right to be retained in the service of the Company or any subsidiary of the Company for any period or at all, nor restrict in any way any right of the Company or any subsidiary of the Company concerning Optionee's employment.

14. COMPLIANCE WITH LAWS AND REGULATIONS. THE Option and the obligation of the Company to sell and deliver Shares hereunder shall be subject in all respects to (I) all applicable Federal and state laws, rules and regulations and (ii) any applicable listing, registration, qualification, approvals or other requirements imposed by any securities exchange or government or regulatory agency or body. Moreover, notwithstanding any other provision hereof, the Option may not be exercised if its exercise, or the receipt of Shares pursuant thereto, would be contrary to applicable law. The Company shall use its reasonable, good faith efforts to cause timely compliance with all of the foregoing laws, requirements, etc. to the extent such compliance is within its reasonable control. Further, any delay or postponement of any right to exercise the Option shall give rise to an extension of the Exercise Period equal to the period of the delay or postponement, unless the delay is due to the fault of Optionee.

15. NOTICES. Any notice or other communication required or permitted hereunder to the Company may be delivered in person to the Company's Executive

Vice President and General Counsel or sent to the Company, attention: Robert Sacks, by facsimile at 312/640-6162, or ~sent by certified or registered mail or overnight courier, prepaid, addressed to the Company at APCOA/Standard Parking, Inc., 900 North Michigan Avenue, Chicago, Illinois 60611, and, if to the Optionee, shall be addressed to him at the address set forth below his signature hereon, subject to the right of either party to designate at any time hereafter in writing some other address.

16. DESCRIPTIVE HEADINGS: GOVERNING LAW. The descriptive headings of the several Sections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. The construction, validity and interpretation of this Agreement shall be governed by the internal law, and not the conflicts law, of the State of Delaware without presumption or construction against the party preparing it.

17. SUCCESSORS AND ASSIGNS. The Company may assign any and all of its rights under this Agreement to its successors, and this Agreement shall inure to the benefit of, and be binding on, the successors of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Optionee and his heirs, executors,

administrators, successors and assigns.

18. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes in its entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof, and may not be modified adversely to Optionee's interest except by means of a writing signed by the Company and Optionee.

19. SEVERABILITY. If any of the provisions of this Agreement should be deemed unenforceable, the remaining provisions shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused this Agreement to be signed and attested by its duly authorized officers under its corporate seal effective as of the date first written above.

APCOA/STANDARD PARKING, INC.

By

Its

MYRON C. WARSHAUER

Address: 1401 Waverly Road
Highland Park, IL 60035

EXHIBIT A

EXERCISE NOTICE

To: APCOA/Standard Parking, Inc. Dated:

The undersigned, pursuant to the provisions set forth in the Stock Option Agreement dated effective as of March 30,1998 (the "Agreement"), hereby exercises his right to purchase _____ of the Shares at the Exercise Price of _____ as provided in the Agreement, and makes payment herewith in full therefore, either in the form of cash or in a cashless (net exercise) exchange at the price per share provided in the Agreement.

Signature

EXHIBIT B

CONSENT AND JOINDER
TO
STOCK OPTION AGREEMENT

THIS CONSENT AND JOINDER (this "AGREEMENT") to that certain Stock Option Agreement made effective as of March 30, 1998, by and between APCOA/Standard Parking, Inc., a Delaware corporation (the "Company") and Myron C. Warshauer ("OPTIONEE") (the "STOCK OPTION AGREEMENT"), is made effective as of March 0, 1998, by and among the Company, Optionee, Dosher Partners, L.P., a Delaware limited partnership ("Dosher"), SP Associates, an Illinois general partnership

("SP Associates"), Steamboat Holdings, Inc., a Delaware corporation ("Steamboat"), AP Holdings, Inc., a Delaware corporation (AP Holdings"), and Waverly Partners, L.P., an Illinois limited partnership ("Waverly" and, together with Dosher, SP Associates, Holberg and Waverly, the "EXISTING SHAREHOLDERS"), who are parties to that certain Stockholders Agreement dated March 30,1998 by and among the Company and the Existing Shareholders (the "STOCKHOLDERS AGREEMENT"). Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Stockholders Agreement, as defined in the Stock Option Agreement.

WHEREAS, the Company has entered into the Stock Option Agreement with Optionee pursuant to which the Company granted Optionee an option to purchase (the "Option") certain shares of the Company's common stock (the "Shares");

WHEREAS, pursuant to the Stock Option Agreement, Optionee holds certain rights with respect to the Shares prior to exercise of the Option (the "Rights"); and

WHEREAS, the parties desire that the Option and the Shares shall be subject to the Stockholders Agreement as provided in the Stock Option Agreement;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

1. CONSENT TO GRANT OF RIGHTS. The Existing Shareholders hereby consent to the execution of the Stock Option Agreement and the grant of

Rights thereunder, and join as parties and agree to be bound by the terms and provisions of paragraph 11 of the Stock Option Agreement.

2. SUCCESSORS AND ASSIGNS. This Agreement shall bind and inure to the benefit of and be enforceable by the Company, the Existing Shareholders and Optionee, and their respective successors and assigns permitted under the Stockholders Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

APCOA/STANDARD PARKING, INC.

By: ----------

Its: ----------

Date: ----------

SP ASSOCIATES

By: SP Managers, L.P.
Its: Managing Partner
By: Standard Managers, Inc.
Its: General Partner

By: ----------

Its: ----------

Date: ----------

STEAMBOAT HOLDINGS, INC.

By: ----------

Its: ----------

Date: ----------

AP HOLDINGS, INC.

By: ----------

Its: ----------

Date: ----------

DOSHER PARTNERS, L.P.

By: ---

Its: ---

Date: ---

WAVERLY PARTNERS, L.P.

By: ---

Its: ---

Date: ---

MYRON C. WARSHAUER

By: ---

Its: ---

Date: ---

SECOND AMENDMENT TO EXECUTIVE EMPLOYMENT AGREEMENT

THIS SECOND AMENDMENT TO EXECUTIVE EMPLOYMENT AGREEMENT (this "Second Amendment") is made and entered into as of this 19th day of October 2001, by and between APCOA/STANDARD PARKING, INC., a Delaware corporation (the "Company") and JAMES A. WILHELM ("Executive").

RECITALS

A. The Company and Executive are parties to an Executive Employment Agreement dated August 1, 1999 (the "Employment Agreement"), which was modified pursuant the First Amendment to Executive Employment Agreement dated April 25, 2001 ("First Amendment"). The Employment Agreement and First Amendment are hereinafter collectively referred to as the "Employment Agreement". All capitalized terms used herein and not otherwise defined shall have the same meaning ascribed to such terms in the Employment Agreement.

B. By Resolution of the Board of Directors of the Company on October 19, 2001, Executive was elected to the office of Chief Executive Officer, such office to be held and exercised in addition to his existing duties and responsibilities as President.

C. The Company and Executive desire to amend certain terms of the Employment Agreement as hereinafter set forth to reflect the additions in title, duties, compensation and benefits of Executive which are effective as of October 19, 2001.

NOW, THEREFORE, the Employment Agreement is hereby amended in the following respects:

1. The first sentence of Paragraph 1. (a) is hereby amended by deleting the entire sentence and substituting the following sentence in lieu thereof:

> "(a) The Company agrees to employ Executive in the position of Chief Executive Officer and President as of October 19, 2001."

2. Subparagraph (a) of Paragraph 2 is hereby amended by deleting the entire first sentence and substituting the following sentence in lieu thereof:

> "(a) SALARY. Executive shall receive a base salary at the rate of not less than $530,000 per annum (the "Salary"), payable in accordance with the normal payroll practices of the Company as in effect from tine to time (but not less frequently then monthly)."

3. Subparagraph (b) of Paragraph 2 is hereby amended by deleting the entire subparagraph and inserting the following paragraph in lieu thereof:

> "(b) BONUS. For each calendar year during the term of the Agreement, the Executive shall be eligible for a pro-rata annual bonus of up to $150,000 (the "Annual Bonus") so long as the Company achieves not less than 96% of the EBITDA Goal (the "Minimum Attainment Level"). The Annual Bonus shall be calculated as the product of $150,000 multiplied by the EBITDA Attainment Level. Executive shall only be eligible for the Annual Bonus or a pro-rata portion thereof, as the case may be, upon the Company achieving the Minimum Attainment Level.
>
> For purposes of this Agreement, (i) the "EBITDA Goal" is $25 Million, determined each year from the Company's annual certified audit; and (ii) the "EBITDA Attainment Level" means the percentage of attainment of the EBITDA Goal from the Minimum Attainment Level to 100%."

4. Subparagraph (f) of Paragraph 2 is hereby amended by inserting the following sentence immediately following the last sentence of the subparagraph ending "... applicable to peer Executives.":

> "During the Employment Period the Company agrees to reimburse Executive (i) the initiation cost of a country club membership in the Chicago metropolitan area, and (ii) the annual cost of such country club membership, including monthly dues."

5. Subsection (i) of subparagraph 4 (c) is hereby amended by deleting the reference to "24-month period" in the first sentence and substituting in lieu thereof "36-month period".

6. Subsection (ii) of subparagraph 4 (c) is hereby amended by (x) deleting the multiplier "two times" in the first sentence and substituting in lieu thereof "three times", and (y) deleting the reference to the "24-month period" in the second sentence and substituting in lieu thereof "36-month period".

7. Subsection (i) of subparagraph 5 (g) is hereby amended by deleting the first sentence and substituting the following sentence in lieu thereof:

"(i) if Executive's termination occurs for any reason other than Cause, the sum of $265,000 in equal monthly installments for up to eighteen months following the date of Termination."

8. Except as specifically amended by this Second Amendment the Employment Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Executive and the Company have executed this Second Amendment as of day and year first above written.

APCOA/Standard Parking, Inc.

By:

John V. Holten
Chairman of the Board

Executive:

James A. Wilhelm

THIRD AMENDMENT TO EXECUTIVE EMPLOYMENT AGREEMENT

THIS THIRD AMENDMENT TO EXECUTIVE EMPLOYMENT AGREEMENT (this "Second Amendment") is made and entered into as of this 31st day of January 2002, by and between APCOA/STANDARD PARKING, INC., a Delaware corporation (the "Company") and JAMES A. WILHELM ("Executive").

RECITALS

A. The Company and Executive are parties to an Executive Employment Agreement dated August 1, 1999 (the "Employment Agreement"), which was modified pursuant the First Amendment to Executive Employment Agreement dated April 25, 2001 ("First Amendment") and the Second Amendment dated October 19, 2001 (the "Second Amendment"). The Employment Agreement, the First Amendment and Second Amendment are hereinafter collectively referred to as the "Employment Agreement". All capitalized terms used herein and not otherwise defined shall have the same meaning ascribed to such terms in the Employment Agreement.

B. The Company and Executive desire to amend certain terms of the Employment Agreement as hereinafter set forth.

NOW, THEREFORE, the Employment Agreement is hereby amended in the following respects:

1. Subparagraph (b) of Paragraph 2 is hereby amended by deleting the entire subparagraph and inserting the following paragraph in lieu thereof:

> "(b) BONUS. For the calendar year ending December 31, 2002, the Executive shall be eligible for a pro-rata annual bonus of up to $150,000 (the "Annual Bonus") so long as the Company achieves not less than 96% of the EBITDA Goal (the "Minimum Attainment Level"). The Annual Bonus shall be calculated as the product of $150,000 multiplied by the EBITDA Attainment Level. Executive shall only be eligible for the Annual Bonus or a pro-rata portion thereof, as the case may be, upon the Company achieving the Minimum Attainment Level.
>
> For purposes of this Agreement, (i) the "EBITDA Goal" is $25 Million, determined following the end of the calendar year ending December 31, 2002, from the Company's annual certified audit; and (ii) the "EBITDA Attainment Level" means the percentage of
>
> attainment of the EBITDA Goal from the Minimum Attainment Level to 100%.
>
> For each year during the term of the Agreement following the calendar year ending December 31, 2002, the parties shall mutually agree upon a new bonus formula.
>
> Notwithstanding anything contained in this subparagraph 2 to the contrary, if the Company shall make an acquisition of another company or entity which shall impact in any way the calculation of the Company's earnings and/or profits (losses) during calendar year 2002 or any year thereafter during the term of the Agreement, the parties agree to modify whatever bonus formula then in effect on terms mutually agreeable so that the impact of the acquisition does not distort the anticipated bonus goals previously agreed to.
>
> For calendar year ending December 31, 2001, Executive shall be eligible to receive 10/12ths of an annual bonus, based upon the terms and conditions of an annual bonus program established by the Company for such calendar year. "

2. Except as specifically amended by this Third Amendment the Employment Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Executive and the Company have executed this Third Amendment as of day and year first above written.

APCOA/Standard Parking, Inc.

By:

John V. Holten
Chairman of the Board

Executive:

James A. Wilhelm

Exhibit 10.35

AP HOLDINGS, INC.
545 Steamboat Road
Greenwich, Connecticut 06830

January 11, 2002

APCOA/Standard Parking, Inc.
900 North Michigan Avenue
Suite 1600
Chicago, Illinois 60611

Gentlemen:

This letter confirms the engagement of AP Holdings, Inc. ("AP Holdings") by APCOA/Standard Parking, Inc. (the "Company" or "ASP") to render certain advisory services (the "Services") to the Company, including in connection with the restructuring of the direct and indirect parents of the Company and in connection with the restructuring (the "Restructuring") of the Company and its subsidiary ASP, as described in ASP's Offering Circular and Consent Solicitation, dated November 20, 2001, as amended and supplemented (the "Amended Offering Circular"). The capitalized terms used herein shall have the same meaning ascribed to such terms in the Offering Circular, unless otherwise provided.

In consideration for the Services, the Company will pay to AP Holdings, at the closing of the Restructuring, Three Million Dollars ($3,000,000) (the "Restructure Fee").

The terms and conditions of this letter and the Company's obligations to make any other payments to AP Holdings as hereinafter described, in addition to the Restructure Fee, is expressly conditioned upon the Company's compliance with the terms of the covenants contained in, (a) the new $40 million senior credit facility with LaSalle Bank National Association and various financial institutions, and (b) the separate indentures governing (i) the 14% Senior Subordinated Second Lien Notes, and (ii) the 9 1/4 % Senior Subordinated Notes, including, but not limited to any restrictions on transactions with affiliates contained therein.

Subject to the foregoing paragraph, in addition to the fees payable to AP Holdings pursuant to the foregoing, the Company agrees, from time to time upon request, to reimburse AP Holdings for all reasonable out-of-pocket expenses and disbursements incurred in connection with this retention, including without limitation, the reasonable fees and disbursements of its legal counsel. Such expenses and disbursements shall be itemized on invoices and shall be submitted by AP Holdings to the Company.

The Company will furnish AP Holdings with such information as AP Holdings believes appropriate to its engagement (all such information so furnished, being the "Information"). The Company recognizes and confirms that AP Holdings (a) will use and rely primarily upon the Information and upon information available from generally recognized public sources in performing the services contemplated by this letter agreement without independent verification, appraisal or evaluation thereof (b) does not assume responsibility for the accuracy or completeness of the Information and such other information; (c) will not make an appraisal of any assets of the Company; and (d) with respect to any financial forecasts that may be furnished to or discussed with AP Holdings by the Company, will assume that they have been reasonably prepared and reflect the best then-currently available estimates and judgment of the Company's management.

The Company agrees to indemnify AP Holdings and its affiliates and their respective directors, officers, employees, agents, consultants, advisors and controlling persons (AP Holdings and each such person being an "Indemnified Party") from and against any and all losses, claims, damages and liabilities, joint or several, to which such Indemnified Party may become subject under any applicable federal, state or foreign law, or otherwise, and related to or arising out of the engagement of AP Holdings pursuant to, and the performance by AP Holdings of the services contemplated by, this letter agreement and will reimburse any Indemnified Party for all reasonable out-of-pocket expenses (including reasonable counsel fees and expenses) as they are incurred in connection with the investigation or defense of, or preparation of any pending or threatened claim or any action or proceeding arising therefrom, whether or not such Indemnified Party is a party and whether or not such claim, action or proceeding is initiated or brought by or on behalf of the Company. The Company will not be liable under the foregoing indemnification provision to the extent that any loss, claim, damage, liability or expense is found in a final judgment by a court to have resulted from AP Holdings' bad faith or gross negligence. The Company also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract, tort or otherwise) to the Company, its security holders or creditors related to or arising out of the engagement of AP Holdings

pursuant to, or the performance by AP Holdings of the services contemplated by, this letter agreement except to the extent that any loss, claim, damage or liability is found in a final judgment by a court to have resulted from AP Holdings' bad faith or gross negligence.

If the indemnification of an Indemnified Party provided for in this letter agreement is for any reason held unenforceable, although otherwise applicable in accordance with its terms, the Company agrees to contribute to the losses, claims, damages and liabilities for which such indemnification is held unenforceable (a) in such proportion as is appropriate to reflect the relative benefits to the Company, on the one hand, and AP Holdings, on the other hand, of the services provided pursuant to this letter agreement or (b) if (but only if) the allocation provided for in clause (a) is for any reason held unenforceable, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (a) but also the relative fault of the Company, on the one hand, and AP Holdings, on the other hand, as well as any other relevant equitable considerations. The Company agrees that for the purposes of this paragraph the relative benefits to the Company and AP Holdings of the services provided pursuant to the terms of this letter agreement shall be deemed to be in the same proportion that the total value realized by the Company as a result of or in connection with such services bears to the fees paid or to be paid to AP Holdings under this letter agreement; PROVIDED, that to the extent permitted by applicable law, in no event shall the Indemnified Parties be required to contribute an aggregate amount in excess of the aggregate fees actually paid to AP Holdings under this letter agreement.

The Company agrees that, without AP Holdings' prior written consent (which consent* shall not be unreasonably withheld, conditioned or delayed), it will not settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding in respect of which indemnification could reasonably be expected to be sought under the indemnification provisions of this letter agreement (whether or not AP Holdings or any other Indemnified Party is an actual or potential party to such claim, action or proceeding), unless such settlement, compromise or consent includes an unconditional release of each Indemnified Party from all liability arising out of such claim, action or proceeding.

The Company acknowledges and agrees that AP Holdings has been retained to act solely as an advisor to the Company. In such capacity, AP Holdings shall act as an independent contractor, and any duties of AP Holdings arising out of its engagement pursuant to this letter agreement shall be owed solely

to the Company.

AP Holdings' engagement hereunder may be terminated either by the Company or AP Holdings at any time after six (6) months after the date hereof upon written notice to that effect to the other party, it being understood that the provisions relating to the payment of fees and expenses, indemnification, limitations on the liability of the Indemnified Parties, contribution, settlements, the status of AP Holdings as an independent contractor, the limitation on to whom AP Holdings shall owe any duties and waiver of the right to trial by jury will survive any such termination.

In the event that an Indemnified Party is requested by the Company or legally required to appear as a witness in any action brought by or on behalf of or against the Company in which such Indemnified Party is not named as a defendant, the Company agrees to reimburse AP Holdings for all reasonable out-of-pocket expenses incurred by it in connection with such Indemnified Party's appearance and preparation to appear as such a witness, including without limitation, the reasonable fees and disbursements of its legal counsel. No waiver, amendment or other modification of this letter agreement shall be effective unless in writing and signed by each party to be bound thereby. This letter agreement shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to the conflict of laws provisions thereof.

Each of AP Holdings and the Company (on its own behalf and, to the extent permitted by applicable law, on behalf of its shareholders) waives all right to trial by jury in any action, proceeding or counterclaim (whether based upon contract, tort or otherwise) related to or arising out of the engagement of AP Holdings pursuant to, or the performance by AP Holdings of the services contemplated by, this letter agreement.

Please confirm that the foregoing correctly sets forth our agreement by signing and returning to AP Holdings the duplicate copy of this letter agreement enclosed herewith.

[Signature page follows.]

Very truly yours,

AP HOLDINGS, INC.

By:

John V. Holten
Chairman and Chief Executive Officer

Accepted and Agreed as of the date
first above written

APCOA/STANDARD PARKING, INC.

By:

G. Marc Baumann
Executive Vice President and Chief Financial Officer

Exhibit 10.36

CONSULTING AGREEMENT

THIS AGREEMENT, made and entered into this 16th day of October, 2001 is between SHORELINE ENTERPRISES, LLC, a Delaware limited liability company (the "Company"), and APCOA/STANDARD PARKING, INC., a Delaware corporation ("APCOA").

Myron C. Warshauer ("MW"), the manager and principal owner of the Company, has been the CEO of APCOA pursuant to an Employment Agreement dated March 30, 1998 (the "Employment Agreement"). MW has now voluntarily resigned as an officer/director of APCOA and is providing consulting services to APCOA pursuant to paragraph 5(d) of the Employment Agreement.

APCOA has now requested that the Company make MW available to provide certain additional consulting services to APCOA. The Company and MW are agreeable to same, but only on the terms set forth in this Agreement.

IT IS, THEREFORE, AGREED:

1. CONSULTING COVENANTS. Commencing on the date of this Agreement and continuing until terminated pursuant to paragraph 3 hereof, the Company shall make MW available to consult and advise APCOA concerning matters as to which MW has special competence, knowledge, skill or experience by reason of his former participation in the activities of APCOA. The Company shall be free to determine the amount of time which MW will spend in rendering such consulting services and to determine the specific manner in which his services will be performed, and to arrange Maw's own time, pursuits and consulting schedule; provided, that such services shall be rendered at mutually agreeable times and places, and shall not exceed 16 hours per month (in addition to the 24 hours per month referred to in said paragraph 5(d) of the Employment Agreement). MW shall provide such consulting services as "Vice Chairman (Emeritus)," which title and role shall NOT be that of an officer, director, employee or agent.

2. CONSIDERATION. In consideration of the promises and covenants of the Company hereunder, APCOA shall pay to the Company the annual sum of One Hundred Fifty Thousand Dollars ($150,000.00), payable not less frequently than monthly. Said amount shall be increased annually to reflect any adjustments in the Consumer Price Index for All Urban Consumers. APCOA shall also reimburse the Company for all expenses duly incurred in connection with the consulting services to be performed hereunder which are authorized by APCOA in writing in advance, upon submission of itemized expense statements in the manner and at the time specified by APCOA.

3. TERM. Unless mutually agreed otherwise by the parties, this Agreement shall have a term commencing on the date hereof and expiring on the earlier of (i) the "Cutoff Date" (as defined in the Employment Agreement), or (ii) the

Company's notice to APCOA that the Company elects to terminate this Agreement. This Agreement shall not be terminated for any other reason whatsoever, including but not limited to "reasonable cause," physical or mental incapacity or the like.

4. NOTICES. Any notice given pursuant to this Agreement shall be in writing and shall be deemed given on the earlier of the date the same is (a) personally delivered to the party to be notified, with receipt acknowledged, or (b) mailed, postage prepaid, registered or certified with return receipt requested, addressed as follows, or at such other address as a party may from time to time designate in writing:

To the Company:	c/o Myron C. Warshauer 1401 Waverly Rd. Highland Park, IL 60035
To APCOA:	c/o John V. Holton 545 Steamboat Rd. Greenwich, CT 06830
With a copy to:	APCOA/Standard Parking, Inc. 900 N. Michigan Ave. Chicago, IL 60611 Attn: General Counsel

5. MODIFICATION. No modification, amendment or waiver of the provisions of this Agreement shall be effective unless in writing specifically referring hereto and signed by both parties.

6. WAIVER OF BREACH. The waiver by either party of a breach of any

provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach.

7. ASSIGNABILITY AND BINDING EFFECT. Neither the Company nor APCOA shall assign its rights or delegate the performance of its obligations hereunder without the prior written consent of the other party. Subject to the provisions of the preceding sentence, all the terms of this Agreement shall be binding upon and shall inure to the benefit of the parties and their legal representatives, successors and assigns.

8. GOVERNING LAW. This Agreement and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Illinois. The unenforceability or invalidity of any provisions of this Agreement shall not affect the enforceability or validity of the balance of this Agreement.

9. CAPTIONS. Captions contained in this Agreement are inserted for convenience only and in no way define, limit, or extend the scope or intent of any provision of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

SHORELINE ENTERPRISES, LLC	APCOA/STANDARD PARKING, INC.
By: _____	By: _____
Its: _____	Its: Chairman

AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of January 11, 2002

by and among

APCOA/STANDARD PARKING, INC.
as Borrower,

LASALLE BANK NATIONAL ASSOCIATION
as Agent,

and
VARIOUS FINANCIAL INSTITUTIONS

TABLE OF CONTENTS

ARTICLE I

ARTICLE II

ARTICLE III

ARTICLE IV

Security Agreement
Exhibit B-4 Form of
Assignment of
Partnership Interest
Security Agreement
Exhibit B-5 Form of
Joint Venture Interest
Security Agreement
Exhibit C Form of
Revolving Credit Note
Exhibit D Form of Term
Note Exhibit E-1 Form
of Security Agreement
of the Company Exhibit
E-2 Form of Security
Agreement of the
Guarantors Exhibit F-1
Form of Amended and
Restated Patent
Collateral Security
and Pledge Agreement
Exhibit F-2 Form of
Amended and Restated
Trademark Collateral
Security and Pledge
Agreement Exhibit F-3
Form of Amended and
Restated Memorandum of
Grant of Security
Interest in Copyrights
Exhibit G Form of
Notice of Borrowing
Exhibit H Form of
Legal Opinion of
Counsel Exhibit I Form
of Notice of
Conversion/Continuation
Exhibit J Form of
Assignment and
Acceptance Exhibit K
Form of Borrowing Base
Certificate

SCHEDULES
Schedule
1.1-A
Preferred
Stock
Schedule
1.1-B
Subordinated
Note
Documents
Schedule
1.1-C
Existing
Subordinated
Note
Documents
Schedule
1.1-D Pro
Forma
Financial
Statements
Schedule
1.1-E Non-
Guarantor
Joint
Ventures
Schedule
2.5(m)
Parent
Indebtedness
Schedule 4.4
Subsidiaries
and Joint
Ventures
Schedule 4.5
Litigation
Schedule 4.7
Application
of Funds

Schedule 4.13 Environmental Matters
Schedule 4.15 Intellectual Property
Schedule 4.22 Bank Accounts
Schedule 4.23 Facility Leases and Management Agreements
Schedule 5.2(e) Indebtedness
Schedule 5.2(f) Liens
Schedule 5.2(k) Investments, Loans and Advances
Schedule 5.2(l)(12) Indebtedness to Company of Parent, Principals and/or Related Parties

AMENDED AND RESTATED CREDIT AGREEMENT

THIS AMENDED AND RESTATED CREDIT AGREEMENT (as it may be further amended, restated, modified or supplemented and in effect from time to time, this "Agreement"), dated as of January 11, 2002 (the "Effective Date"), is by and among APCOA/STANDARD PARKING, INC., a Delaware corporation (the "Company"), the lenders party hereto from time to time, which, unless the context indicates otherwise, shall include Bank One in its capacity as the issuer of any Existing Letters of Credit (collectively, the "Lenders" and individually, a "Lender"), and LASALLE BANK NATIONAL ASSOCIATION ("LaSalle"), a national banking association, as agent for the Lenders (in such capacity, the "Agent").

RECITALS

WHEREAS, pursuant to that certain Credit Agreement dated as of March 30, 1998 (as amended, restated, modified and/or supplemented from time to time prior to the date hereof, the "Existing Credit Agreement"), by and among the Company, certain lenders party thereto, and Bank One, NA, formerly known as The First National Bank of Chicago ("Bank One"), as agent, the Company obtained a $40,000,000 six year secured revolving credit facility, including letters of credit (the "Existing Credit Facility"), in order to refinance existing indebtedness, to provide for certain acquisitions and to provide funds and other financial accommodations for its corporate purposes; and

WHEREAS, the Company now desires to restructure the Existing Credit Facility in certain respects, including without limitation, to (i) convert $15,000,000 of the Existing Credit Facility into a term loan from Bank One, (ii) reduce the remaining principal amount of the Existing Credit Facility to the lesser of $25,000,000 or the Borrowing Base (as hereinafter defined) and repay any outstanding principal in excess of that amount, (iii) revise the commitment percentages of the Lenders, and (iv) replace Bank One as agent with the Agent; and

WHEREAS, the Lenders and the Agent are each amenable to such requests, subject to the following terms and conditions.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 CERTAIN DEFINITIONS. As used herein the following terms shall have the following respective meanings:

"ACCOUNT DEBTOR" shall mean any Person who is obligated to the Company or any Subsidiary under an Account Receivable.

"ACCOUNT RECEIVABLE" shall mean, with respect to any Person, any right of such person to payment for goods sold or leased or for services rendered, whether or not evidenced by an instrument or chattel paper and whether or not yet earned by performance.

"ACCRUING INTEREST RATE" is defined in Section 3.2(c)(ii).

"ACQUISITION" shall mean any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which the Company or any of its Subsidiaries (i) acquires any ongoing business or all or substantially all of the assets of any firm, corporation, partnership, limited liability company or other business entity, or division thereof, whether through purchase of assets, merger or otherwise or (ii) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the Capital Stock of any Person.

"ADJUSTED CORPORATE BASE RATE" shall mean the per annum rate equal to the sum of (i) the Applicable Margin, plus (ii) the greater of (a) the Corporate Base Rate or (b) the Federal Funds Rate plus 0.5%, in each case as in effect from time to time. The Adjusted Corporate Base Rate shall change simultaneously with any change in such Corporate Base Rate or Federal Funds Rate, as the case may be.

"ADJUSTED CORPORATE BASE RATE LOAN" shall mean any Revolving Credit Loan which bears interest at the Adjusted Corporate Base Rate.

"ADJUSTED EBITDA" shall mean without duplication, for any Calculation Period, the sum of (A) Net Income for such period, excluding to the extent reflected in determining such Net Income: (i) the income of any Person accrued prior to the date it becomes a Subsidiary of the Company or is merged into or consolidated with the Company or any of its Subsidiaries or that Person's assets are acquired by the Company or any of its Subsidiaries, (ii) the proceeds of any insurance policy, (iii) gains (but not losses) from the sale, exchange, transfer or other disposition of property or assets not in the ordinary course of business of the Company and its Subsidiaries, and related tax effects in accordance with Generally Accepted Accounting Principles, (iv) any other extraordinary or non-recurring gains or other gains not from continuing operations of the Company or its Subsidiaries, and related tax effects in accordance with Generally Accepted Accounting Principles, (v) the income of any Person (including without limitation any Subsidiary or Joint Venture, but excluding any Wholly Owned Subsidiary) in which any Person other than the Company or any of its Subsidiaries has a joint interest or partnership interest or other ownership interest, to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary or Joint Venture is not at the time permitted by operation of the terms of its charter or of any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary or Joint Venture, except to the extent of the amount of dividends or other distributions that are actually paid in cash to the Company during such period, (vi) extraordinary non-cash losses and non-recurring non-cash charges (including non-cash losses resulting from disposition of Facility Leases and Facility Management Agreements and the write off of intangible assets during such period), (vii) income taxes, (viii) minority interests, (ix) interest income net of interest expense, as defined in

accordance with Generally Accepted Accounting Principles (x) depreciation and amortization expense, (xi) restructuring and other special charges of $9,700,000 incurred by the Company in calendar year 2001, restructuring and other special charges of $6,000,000 incurred by the Company in calendar year 2002 as a result of consummating the transactions contemplated by this Agreement, by the Subordinated Note Documents and by the Preferred Stock Documents, (xii) bad debt provision of $12,900,000 taken by the Company in calendar year 2001 in connection with notes receivable from Holberg and Parent, and (xiii) any Affiliate Amount made pursuant to Section 5.2(l)(2), plus (B) Adjusted EBITDA as calculated herein of any Person related to any Permitted Acquisition consummated during such Calculation Period, calculated, upon the Agent's consent, as if such Permitted Acquisition had occurred on the first day of the relevant period.

"ADJUSTED FIXED CHARGES" as of any date, shall mean the sum of (i) Fixed Charges, provided that for fiscal quarters in 2002, Fixed Charges: (a) for the fiscal quarter ending March 31, 2002 shall be deemed equal to the product of Fixed Charges for such fiscal quarter times four, (b) for the fiscal quarter ending June 30, 2002 shall be deemed equal to the product of Fixed Charges for the two consecutive fiscal quarters then ending times two, and (c) for the fiscal quarter ending September 30, 2002 shall be deemed equal to the product of Fixed Charges for the three consecutive fiscal quarters then ending times four

thirds, all as determined in accordance with Generally Accepted Accounting Principles, PLUS (ii) any amounts paid to the Parent pursuant to Section 5.2(l)(5) within the consecutive twelve-month period ending on the calculation date.

"ADJUSTED OFF-BALANCE SHEET LIABILITIES" of a Person shall mean, Off-Balance Sheet Liabilities of such Person and its Subsidiaries, excluding (i) all Facility Leases, Ordinary Course Equipment Leases and Facility Management Agreements of such Person's and its Subsidiaries' businesses, and (ii) payments required pursuant to that certain Executive Parking Management Agreement dated as of May 1, 1998, together with the First Amendment thereto dated as of August 1, 1999, by and among the Company, D&E Parking, Inc., Edward E. Simmons and Dale G. Stark.

"ADJUSTED TOTAL DEBT" as of any date, shall mean the difference of (a) the sum of (i) the consolidated Indebtedness (excluding Earnouts and Off-Balance Sheet Liabilities) of the Company and its Subsidiaries as of such date, PLUS (ii) the aggregate liquidation preference of the Preferred Stock and any other preferred Capital Stock of the Company on which dividends, redemptions or other distributions are mandatorily payable in cash or Cash Equivalents and all accrued and unpaid dividends, redemptions and other distributions on any of the Preferred Stock or any other preferred Capital Stock, PROVIDED, that for purposes of calculating the covenant as of any date contained in Section 5.2(a) only, the amount of the Preferred Stock and other preferred Capital Stock of the Company shall include only such Preferred Stock and other preferred Capital Stock upon which dividends, redemptions or distributions in cash or Cash Equivalents are or will become mandatorily payable thereon within one year of such date and are allowed to be paid pursuant to the terms of this Agreement (but excluding the redemption of the Series C Preferred Stock in accordance with Sections 5.2(l)(4) and (5) hereof), PLUS (iii) Adjusted Off-Balance Sheet Liabilities, MINUS (b) the sum of (i) all Cash Equivalents of the Company and its

Subsidiaries at such date, PLUS (ii) the carrying value in excess of principal with respect to the Existing Subordinated Notes, as shown on the balance sheets of the Company.

"ADJUSTED TOTAL DEBT TO ADJUSTED EBITDA RATIO" shall mean, at any time, the ratio of (a) Adjusted Total Debt at such time to (b) Adjusted EBITDA, as calculated as of the four most recently completed fiscal quarters of the Company, all as determined in accordance with Generally Accepted Accounting Principles.

"AFFILIATE", when used with respect to any Person, shall mean any other Person which, directly or indirectly, controls or is controlled by or is under common control with such Person. For purposes of this definition "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), with respect to any Person, shall mean possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise. Without limiting the foregoing definition of Affiliate, any Person shall be deemed to control another Person if the controlling Person owns or controls 10% or more of any class of voting securities (or other ownership interest of any kind) of the controlled Person.

"AFFILIATE AMOUNT" shall have the meaning as set forth in Section 5.2(l)(2).

"APPLICABLE LENDING OFFICE" shall mean, with respect to any Revolving Credit Advance and/or the Term Loan made by any Lender or with respect to such Lender's Commitment, the office of such Lender or of any Affiliate of such Lender located at the address specified as the applicable lending office for such Lender set forth next to the name of such Lender in the signature pages hereof or any other office or Affiliate of such Lender or of any Affiliate of such Lender hereafter selected and notified to the Company and the Agent by such Lender.

"APPLICABLE MARGIN" shall mean, with respect to any Adjusted Corporate Base Rate Loan or LIBOR Loan, the applicable percentage set forth below:

TYPE OF REVOLVING CREDIT LOAN	APPLICABLE MARGIN
LIBOR Loan	3.75% (375 basis points)
Adjusted Corporate Base Rate	

Loan 1.50%
(150 basis
points)

"ASSIGNMENT AND ACCEPTANCE" is defined in Section 8.6(c).

"BANK SUBORDINATION AGREEMENT" shall mean that certain Subordination Agreement dated as of January 11, 2002 between LaSalle and Bank One, as the same may be amended, restated, modified or supplemented and in effect from time to time.

"BOARD OF DIRECTORS" shall mean the board of directors of the Company, or any authorized committee of such board of directors.

"BORROWING" shall mean the aggregation of Revolving Credit Advances, or continuations and conversions of Revolving Credit Loans, made pursuant to Article II on a single date and, in the case of any LIBOR Loans, for a single LIBOR Interest Period, which Borrowings may be classified for purposes of this Agreement by reference to the type of Revolving Credit Loans or the type of Revolving Credit Advances comprising the related Borrowing (e.g., a "LIBOR Borrowing" is a Borrowing comprised of LIBOR Loans and a "Letter of Credit Borrowing" is a Revolving Credit Advance comprised of a Single Letter of Credit).

"BORROWING BASE" shall mean, an amount equal to 80% of the unpaid amount (net of such reserves and allowances as the Agent deems necessary in its reasonable discretion) of all Eligible Accounts Receivable then existing, calculated in accordance with Section 5.1(d)(ii).

"BUSINESS DAY" shall mean a day other than a Saturday, Sunday or other day on which banks in Chicago, Illinois are not open to the public for carrying on substantially all of their banking functions.

"CALCULATION PERIOD" shall mean any consecutive four fiscal quarter period.

"CAPITAL EXPENDITURES" shall mean, for any period, the additions to property, plant and equipment and other capital expenditures of the Company and its Subsidiaries for such period, as determined in accordance with Generally Accepted Accounting Principles.

"CAPITAL LEASE" of any Person shall mean any lease which, in accordance with Generally Accepted Accounting Principles, is or should be capitalized on the books of such Person.

"CAPITAL STOCK" shall mean (i) in the case of any corporation, all capital stock and any securities exchangeable for or convertible into capital stock and any warrants, rights or other options to purchase or otherwise acquire capital stock or such securities or any other form of equity securities, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited) and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing Person.

"CASH EQUIVALENT" shall mean (i) cash in Dollars, (ii) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof having maturities of not more than six months from the date of acquisition, (iii) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard & Poor's Ratings Group or Moody's Investors Service, Inc., (iv) certificates of deposit and eurodollar time deposits with maturities of six months or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case with any Lender or with any domestic commercial bank, having capital and surplus in excess of $500,000,000 and a Keefe Bank Watch Rating of "B" or

better, (v) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (ii), (iii) and (iv) above entered into with any financial institution meeting the qualifications specified in clause (iv) above, (vi) commercial paper having one of the two highest ratings obtained from Standard & Poor's Ratings Group or Moody's Investors Service, Inc. and in each case maturing within six months after the date of acquisition and (vii) investments in money market funds which invest substantially all their assets in securities of the type described in clauses

(i) through (vi) above.

"CHANGE OF CONTROL" shall mean the occurrence of any of the following: (i) the sale, lease, transfer, conveyance or other disposition (other than in a transaction described in clause (vi) below), in one or a series of related transactions, of all or substantially all of the assets of Parent and its Subsidiaries or of the Company and its Subsidiaries, in each case, taken as a whole to any "person" (as such term is used in Section 13(d)(3) of the Exchange Act) other than the Principals or their Related Parties, (ii) the adoption of a plan relating to the liquidation or dissolution of Parent or the Company, (iii) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as defined above), other than the Principals and their Related Parties, becomes the "beneficial owner" (as such term is defined in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition), directly or indirectly, of more than 50% of the Voting Stock of Parent or the Company (measured by voting power rather than number of shares), (iv) the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors, (v) the occurrence of any "Change of Control" as defined in the Existing Subordinated Note Documents or the Subordinated Note Indenture or any change of control or similar provision in any other Subordinated Debt, the Preferred Stock or any other preferred Capital Stock of the Company, or (vi) the Parent or the Company consolidates with, or merges with or into, any Person or sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its assets to any Person, or any Person consolidates with, or merges with or into, the Parent or the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Parent or the Company is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of the Parent or the Company outstanding immediately prior to such transaction is converted into or exchanged for Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of such Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance).

"CODE" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.

"C/L/C" shall mean any commercial letter of credit issued hereunder, as amended from time to time.

"CLOSING DATE" shall mean the date upon which all the conditions set forth in Section 2.5 hereof shall have been satisfied (or waived in the Lenders' and the Agent's discretion).

"COMMITMENTS" shall mean, as to all Lenders, the aggregate of the Revolving Commitments and the Term Loan Commitments, and as to any Lender, shall mean such Lender's proportionate share of the Revolving Commitments and the Term Loan Commitments.

"CONSOLIDATED" or "CONSOLIDATED" shall mean, when used with reference to any financial term in this Agreement, the aggregate for two or more Persons of the amounts signified by such term, for all such Persons determined on a consolidated basis in accordance with Generally Accepted Accounting Principles.

"CONTINGENT LIABILITIES" shall mean as to any Person any obligation of such Person guaranteeing or intended to guarantee any Indebtedness, dividends or other obligations ("primary obligations") of any Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent; (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor; (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation; or (d) otherwise to assure or hold harmless the owner of such primary obligation against loss in respect thereof, PROVIDED however, that the term Contingent Liabilities shall not include endorsements of instruments for deposit or collection in the ordinary course of business; provided further, that, for purposes of calculating the financial covenants contained in Sections 5.2(a) through (d), Contingent Liabilities shall exclude all Off-Balance Sheet Liabilities of such Person except for the Adjusted Off-Balance Sheet Liabilities of such Person. The amount of any Contingent Liability shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Liability is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

"CONTINUING DIRECTORS" shall mean, as of any date of determination, any member of the Board of Directors of the Company who (i) was a member of such Board of Directors on the Effective Date or (ii) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election.

"CONTRACTUAL OBLIGATION" shall mean, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"CORPORATE BASE RATE" shall mean the per annum rate announced by the Agent from time to time as its prime rate of interest, which need not be the lowest rate of interest it charges any of its customers. The Corporate Base Rate shall change simultaneously with any change in such announced prime rate.

"DEFAULTING LENDER" shall mean any Lender that fails to make available to the Agent such Lender's Loans required to be made hereunder or shall have not made a payment required to be made to the Agent hereunder. Once a Lender becomes a Defaulting Lender, such Lender shall continue as a Defaulting Lender until such time as such Defaulting Lender makes available to the Agent the amount of such Defaulting Lender's Loans and all other amounts required to be paid to the Agent pursuant to this Agreement.

"DISQUALIFIED STOCK" shall mean any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, or otherwise has any distributions or other payments which are mandatory or otherwise required at any time on or prior to the date that is one year after the Term Loan Termination Date, provided that any payment that is required solely due to a customary change of control provision not more restrictive than the Change of Control default in this Agreement shall not cause such Capital Stock to be deemed Disqualified Stock. The foregoing definition does not include the Series C Preferred Stock or the Series D Preferred Stock.

"DOLLARS" and "$" shall mean the lawful money of the United States of America.

"DOMESTIC SUBSIDIARY" shall mean each present and future Subsidiary of the Company which is not a Foreign Subsidiary.

"EARNOUTS" shall mean any payment which may be owing by the Company in connection with any Acquisition, which payment is contingent upon the earnings or other financial performance of the assets or stock being acquired pursuant to such Acquisition.

"EFFECTIVE DATE" shall mean the effective date specified in the first paragraph of this Agreement.

"ELIGIBLE ACCOUNT RECEIVABLE" means an Account Receivable owing to the Company or any Guarantor (other than Parent) which meets each of the following requirements:

(1) it arises from the rendering of services by the Company or the applicable Guarantor;

(2) it (a) is subject to a perfected Lien in favor of the Agent and (b) is not subject to any other assignment, claim or Lien other than Permitted Liens;

(3) it is a valid, legally enforceable and unconditional obligation of the Account Debtor with respect thereto, and is not subject to any counterclaim, credit, allowance, discount, rebate or adjustment by the Account Debtor with respect thereto, or to any claim by such Account Debtor denying liability thereunder in whole or in part (PROVIDED, that in the event any counterclaim, credit, allowance, rebate or adjustment is asserted, or discount is granted, the Account Receivable shall only be ineligible pursuant to this CLAUSE (3) to the extent of the same);

(4) there is no bankruptcy, insolvency or liquidation proceeding by or against the Account Debtor with respect thereto;

(5) the Account Debtor with respect thereto is a resident or citizen of, and is located within, the United States, unless the sale of services giving rise to such Account Receivable is on letter of credit, banker's acceptance or other credit support terms reasonably satisfactory to the Agent;

(6) it arises in the ordinary course of business of the Company or the applicable Guarantor;

(7) if the Account Debtor (other than "monthly parkers") is the United States or any department, agency or instrumentality thereof, the Company or the applicable Guarantor has assigned its right to payment of such Account Receivable to the Agent pursuant to the Assignment of Claims Act of 1940;

(8) if the Company maintains a credit limit for an Account Debtor, the aggregate dollar amount of Accounts Receivable due from such Account Debtor, including such Account Receivable, does not exceed such credit limit;

(9) if the Account Receivable is evidenced by chattel paper or an instrument, the originals of such chattel paper or instrument shall have been endorsed and/or assigned and delivered to the Agent in a manner satisfactory to the Agent;

(10) such Account Receivable is not more than (a) 60 days past the due date thereof or (b) 90 days past the original invoice date thereof, in each case according to the original terms of sale;

(11) it is not an Account Receivable with respect to an Account Debtor that is located in any jurisdiction which has adopted a statute or other requirement with respect to which any Person that obtains business from within such jurisdiction must file a notice of business activities report or make any other required filings in a timely manner in order to enforce its claims in such jurisdiction's courts unless such notice of business activities report has been duly and timely filed or the Company or the applicable Guarantor is exempt from filing such report and has provided the Agent with satisfactory evidence of such exemption;

(12) the Account Debtor with respect thereto is not the Company or an Affiliate of the Company, PROVIDED, that the aggregate Accounts Receivable of Affiliates of the Company may be Eligible Accounts Receivable up to an aggregate amount of $500,000, and to the extent that they comply with the other clauses of this definition;

(13) it is not owed by an Account Debtor with respect to which 50% or more of the aggregate amount of outstanding Accounts Receivable owed at such time by such Account Debtor is classified as ineligible under CLAUSE (10) of this definition; and

(14) if the aggregate amount of all Accounts Receivable owed by the Account Debtor thereon exceeds 25% of the aggregate amount of all Accounts Receivable at such time, then all Accounts Receivable owed by such Account Debtor in excess of such amount shall be deemed ineligible.

An Account Receivable which is at any time an Eligible Account Receivable, but which subsequently fails to meet any of the foregoing requirements, shall forthwith cease to be an Eligible Account Receivable. Any Account Receivable or portion thereof which is not an Eligible Account Receivable, but for which the Company corrects the condition or conditions prohibiting it from being an Eligible Account Receivable (to the extent such condition or conditions are correctable), shall forthwith be deemed an Eligible Account Receivable to the extent it then meets all of the foregoing requirements for an Eligible Account Receivable. With respect to any Account Receivable, if the Agent or the Revolving Lenders at any time hereafter determine in their discretion that the prospect of payment or performance by the Account Debtor with respect thereto is materially impaired for any reason whatsoever, such Account Receivable shall cease to be an Eligible Account Receivable after notice of such determination is given to the Company.

"ENVIRONMENTAL LAWS" at any date shall mean all provisions of law, statutes, ordinances, rules, regulations, judgments, writs, injunctions, decrees, orders, awards and standards promulgated by the government of the United States of America or any foreign government or by any state, province, municipality or other political subdivision thereof or therein or by any court, agency, instrumentality, regulatory authority or commission of any of the foregoing concerning the protection of, or regulating the discharge of hazardous substances into, the environment.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations thereunder.

"ERISA AFFILIATE" shall mean any trade or business (whether or not incorporated) which, together with the Company or any Subsidiary of the Company, would be treated as a single employer under Section 414 of the Code.

"EVENT OF DEFAULT" shall mean any of the events or conditions described in Section 6.1.

"EXCESS CASH FLOW" shall mean Adjusted EBITDA MINUS Adjusted Fixed Charges, all as determined in accordance with Generally Accepted Accounting Principles.

"EXCHANGE ACT" shall mean the Securities Exchange Act of 1934, as amended.

"EXISTING INDENTURE" shall mean that certain Indenture dated March 30, 1998, by and among the Company, "Subsidiary Guarantors" (as named therein), and State Street Bank and Trust Company as trustee thereunder, as the same may be amended, restated, modified or supplemented and in effect from time to time.

"EXISTING LETTER OF CREDIT" shall mean any letter of credit issued by Bank One pursuant to the Existing Credit Agreement prior to the Effective Date which has not expired or been drawn in full and reimbursed as of the Effective Date.

"EXISTING SUBORDINATED NOTES" shall mean the 9 1/4% Senior Subordinated Notes issued by the Company in the original aggregate principal amount of $140,000,000 due 2008 issued pursuant to the Existing Indenture, as the same may be amended, restated, modified or supplemented and in effect from time to time.

"EXISTING SUBORDINATED NOTE DOCUMENTS" shall mean the Existing Indenture, the Existing Subordinated Notes and all agreements, instruments and documents executed in connection therewith at any time, including without limitation those agreements, instruments and documents listed on SCHEDULE 1.1-C hereto, in each case, as the same may be amended, restated, modified or supplemented and in effect from time to time.

"FACILITY LEASES" shall mean agreements for the lease by the Company or any of its Subsidiaries or Joint Ventures of real estate utilized as a vehicle parking facility and/or for ancillary parking and transportation services.

"FACILITY MANAGEMENT AGREEMENT" shall mean any agreement (other than the Facility Leases), for the provision by the Company or any of its Subsidiaries or Joint Ventures of services for the management or operation of a vehicle parking facility and/or ancillary parking and transportation services, including without limitation any such agreement designated as a management agreement, parking enforcement agreement, operating agreement or license agreement.

"FEDERAL FUNDS RATE" shall mean, for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10:00 a.m. (Chicago time) on such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by the Agent in its discretion.

"FEE LETTER" shall mean that certain letter agreement by and between the Company and the LaSalle, dated January 11, 2002, whereby the Company has agreed to pay an annual agency fee to LaSalle in its capacity as Agent, and a post-closing arrangement fee to LaSalle in its individual capacity, on the terms and conditions stated in such letter agreement.

"FIXED CHARGE COVERAGE RATIO" shall mean, as of the last day of any fiscal quarter of the Company, the ratio of (a) Adjusted EBITDA, to (b) Fixed Charges, in each case as calculated for the four consecutive fiscal quarters then ending, provided that Fixed Charges as calculated for the fiscal quarter ending March 31, 2002 shall be deemed equal to the product of Fixed Charges for such fiscal quarter times four, as calculated for the fiscal quarter ending June 30, 2002 shall

be deemed equal to the product of Fixed Charges for the two consecutive fiscal quarters then ending times two, and as calculated for the fiscal quarter ending September 30, 2002 shall be deemed equal to product of Fixed Charges for the three consecutive fiscal quarters then ending times four thirds, all as determined in accordance with Generally Accepted Accounting Principles.

"FIXED CHARGES" shall mean, for any period, the sum, without duplication, of (a) Net Interest Expense, PLUS (b) all payments of principal and other sums required to be paid in cash during such period by the Company or its Subsidiaries with respect to Indebtedness (excluding Off-Balance Sheet Liabilities and any payments of the principal amount of the Term Loan) of the Company or its Subsidiaries, PLUS (c) Net Capital Expenditures during such period by the Company and its Subsidiaries, PLUS (d) all dividends, distributions and other similar obligations actually paid in cash with respect to Capital Stock (other than pursuant to Sections 5.2(l)(2), (4) and (5)), PLUS (e) all payments which are actually paid in cash during such period by the Company or its Subsidiaries pursuant to any Earnouts and any Adjusted Off-Balance Sheet Liabilities, unless such amount has been previously deducted from Adjusted EBITDA, PLUS (f) all accrued income taxes paid or payable in cash

for such period for the Company or its Subsidiaries.

"FOREIGN SUBSIDIARY" shall mean any present or future Subsidiary of the Company incorporated or formed in any jurisdiction other than any State or other political subdivision of the United States of America.

"GENERALLY ACCEPTED ACCOUNTING PRINCIPLES" shall mean generally accepted accounting principles as in effect in the United States of America from time to time, applied on a basis consistent (except for changes concurred in by the Company's independent public accountants) with the most recent audited consolidated financial statements of the Company and its Subsidiaries delivered to the Lenders.

"GUARANTY" shall mean the Amended and Restated Guaranty entered into by each existing, new or future Guarantor, for the benefit of the Agent and the Lenders pursuant to this Agreement in substantially the form of Exhibit A hereto, as such guaranty may be amended, restated, modified or supplemented and in effect from time to time.

"GUARANTOR" shall mean the Parent, each present and future Domestic Subsidiary of the Company (other than Atrium Parking, Inc.), each other present and future Joint Venture of the Company (other than any present or future Joint Venture of the Company which is prohibited by its organizational documents from becoming a Guarantor, and which shall be identified on SCHEDULE 1.1-E attached hereto), or any other Person executing a Guaranty at any time.

"HAZARDOUS MATERIAL" is defined in Section 4.13.

"HOLBERG" shall mean, Holberg Industries, Inc., a Delaware corporation.

"HOLDERS" shall mean the record holders of the 14% Notes.

"INDEBTEDNESS" of any Person shall mean, as of any date, without duplication, (a) all obligations of such Person for borrowed money or evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof) or bankers' acceptances, (b) all obligations of such Person as lessee under any Capital Lease, (c) all obligations which are secured by any Lien existing on any asset or property of such Person whether or not the obligation secured thereby shall have been assumed by such Person, provided that if such Person shall not have assumed such obligation, then the amount of such obligation determined pursuant to this clause (c) shall not exceed the value of such encumbered asset or property, (d) the unpaid purchase price for goods, property or services acquired by such Person, except for trade accounts and accrued expenses payable arising in the ordinary course of business which are not past due within customary payment terms, (e) all obligations of such Person in respect of any Swap (valued in an amount equal to the highest termination payment, if any that would be payable by such Person upon termination for any reason on the date of determination), (f) all Earnouts, (g) all Disqualified Stock, (h) all Off-Balance Sheet Liabilities, and (i) all Contingent Liabilities of such Person with respect to or relating to indebtedness, obligations and liabilities of others similar in character to those described in clauses (a) through (h) of this definition.

"INTEREST COVERAGE RATIO" shall mean, as of the end of any fiscal quarter, the ratio of (a) Adjusted EBITDA to (b) Net Interest Expense, in each case as calculated for the four consecutive fiscal quarters then ending, provided that Net Interest Expense as calculated for the fiscal quarter ending March 31, 2002 shall be deemed equal to the product of Net Interest Expense for such fiscal quarter times four, as calculated for the fiscal quarter ending June 30, 2002 shall be deemed equal to the product of Net Interest Expense for the two consecutive fiscal quarters then ending times two and as calculated for the fiscal quarter ending September 30, 2002 shall be deemed equal to product of Net Interest Expense for the three consecutive fiscal quarters then ending times four thirds, all as determined in accordance with Generally Accepted Accounting Principles.

"INTEREST PAYMENT DATE" shall mean (a) for any LIBOR Loan, the last day of each LIBOR Interest Period with respect to such LIBOR Loan, and, in the case of any LIBOR Interest Period exceeding three months, those days that occur during such LIBOR Interest Period at intervals of three months after the first day of such LIBOR Interest Period; and (b) in all other cases, the last Business Day of each month occurring after the date hereof, commencing on January 31, 2001 (except as set forth in Section 3.2(c)(ii)).

"JOINT VENTURE" shall mean any corporation, limited or general partnership, limited liability company, association, trust or other business entity of which the Company or one or more of its Subsidiaries owns beneficially at least 25% but less than 100% of the Capital Stock.

"LENDER INDEBTEDNESS" shall mean (a) the Revolving Credit Advances, the Term Loan and all other indebtedness, obligations and liabilities of the Company and of each Guarantor to the Agent or the Lenders under any Loan Document, including without limitation, all amounts owed pursuant to any Reimbursement

Agreements and any "Permitted Junior Securities" issued in favor of Bank One as defined in and pursuant to the Bank Subordination Agreement, and (b)

all indebtedness, obligations and liabilities of the Company and of each Guarantor to any Lender in respect of any Swaps, in all cases whether now outstanding or hereafter arising.

"LETTER OF CREDIT" shall mean a C/L/C or S/L/C having a stated expiry date or a date upon which the draft must be reimbursed not later than twelve months (provided that Letters of Credit which are automatically renewable annually but may be canceled by the Agent annually are permissible) after the date of issuance and not later than 25 days before the Revolving Credit Termination Date (or such later date as the Agent may agree in its sole discretion, and provided that any Letter of Credit so issued shall be cash-collateralized or supported by another letter of credit issued by a bank acceptable to the Agent and issued on other terms and conditions acceptable to the Agent), issued by the Agent on behalf of the Revolving Lenders for the account of the Company or a Subsidiary pursuant to Section 2.1(a) under an application and related documentation acceptable to the Agent requiring, among other things, immediate reimbursement by the Company or a Subsidiary to the Agent in respect of all drafts or other demand for payment honored thereunder and all expenses paid or incurred by the Agent relative thereto.

"LETTER OF CREDIT ADVANCE" shall mean any issuance of a Letter of Credit under Section 2.4 and made pursuant to Section 2.1(a) occurring after the Effective Date in which each Revolving Lender acquires a pro rata risk participation.

"LETTER OF CREDIT DOCUMENTS" is defined in Section 3.3(b).

"LIBOR" shall mean, with respect to any LIBOR Loan and the related LIBOR Interest Period, the rate per annum obtained by dividing (i) the per annum rate of interest at which deposits in Dollars for such LIBOR Interest Period and in an aggregate amount comparable to the amount of the applicable LIBOR Loan are published by Bloomberg's Financial Markets Commodities News at approximately 8:00 a.m. Chicago time on the third LIBOR Business Day prior to the first day of such LIBOR Interest Period (or if not so published, Agent, in its sole discretion, shall designate another daily financial or governmental publication of national circulation to determine such rate); provided, however, that after the first election of a LIBOR Interest Period with respect to any LIBOR Loan, such per annum rate shall be determined at approximately 8:00 a.m. Chicago time on the first LIBOR Business Day of the month for each LIBOR Interest Period thereafter, by (ii) an amount equal to one minus the stated maximum rate (expressed as a decimal) of all reserve requirements (including, without limitation, any marginal, emergency, supplemental, special or other reserves) that are specified on the first day of such LIBOR Interest Period by the Board of Governors of the Federal Reserve System (or any successor agency thereto) for determining the maximum reserve requirement with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D of such Board) maintained by a member bank of such System;

all as conclusively determined by the Agent, such sum to be rounded up, if necessary, to the nearest whole multiple of one one-hundredth of one percent (1/100 of 1%).

"LIBOR BUSINESS DAY" shall mean, with respect to any LIBOR Loan, a day which is both a Business Day and a day on which dealings in Dollar deposits are carried out in the London interbank market.

"LIBOR INTEREST PERIOD" shall mean, with respect to any LIBOR Loan, the period commencing on the day such Loan is made or converted to a LIBOR Loan and ending on the date one, two or three months thereafter, as the Company may elect under Section 2.4 or 2.7, and each subsequent period commencing on the last day of the immediately preceding LIBOR Interest Period and ending on the date one, two or three months thereafter, as the Company may elect under Section 2.4 or 2.7, provided, however, that (a) any LIBOR Interest Period which commences on the last LIBOR Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last LIBOR Business Day of the appropriate subsequent calendar month, (b) each LIBOR Interest Period which would otherwise end on a day which is not a LIBOR Business Day shall end on the next succeeding LIBOR Business Day or, if such next succeeding LIBOR Business Day falls in the next succeeding calendar month, on the next preceding LIBOR Business Day, and (c) no LIBOR Interest Period which would end after the Revolving Credit Termination Date shall be permitted.

"LIBOR LOAN" shall mean any Revolving Credit Loan which bears interest at a rate equal to (i) the Applicable Margin, PLUS (ii) LIBOR, as determined for the relevant LIBOR Interest Period.

"LIEN" shall mean any pledge, assignment, hypothecation, mortgage, security interest, deposit arrangement, option, conditional sale or title retaining contract, sale and leaseback transaction, financing statement filing, lessor's or lessee's interest under any capital lease or any other type of lien, charge or encumbrance.

"LOANS" shall mean the Term Loan and the Revolving Credit Loan.

"LOAN DOCUMENTS" shall mean, collectively, this Agreement, the Notes, the Security Documents, the Bank Subordination Agreement and any other agreement, instrument or document executed in connection with any of the foregoing at any time, in each case, as the same may be amended, restated, modified or supplemented and in effect from time to time.

"MATERIAL ADVERSE EFFECT" shall mean (i) a material adverse effect on the property, business, operations, financial condition, liabilities, prospects or capitalization of the Company and its Subsidiaries, taken as a whole, (ii) a material adverse effect on the ability of the Company and the Guarantors to perform their collective obligations under the Loan Documents taken as a whole, or (iii) a material adverse effect on the rights and remedies of the Agent or the Lenders under the Loan Documents.

"MULTIEMPLOYER PLAN" shall mean any "multiemployer plan" as defined in Section 4001(a)(3) of ERISA or Section 414(f) of the Code.

"NET CAPITAL EXPENDITURES" shall mean Capital Expenditures, exclusive of any such Capital Expenditures financed on a non-recourse basis (i.e., on customary non-recourse terms and with recourse solely to the asset being financed with such non-recourse debt) by third parties which are not Affiliates of the Company, and, as may be permitted by the Agent in writing, exclusive of any Capital Expenditures to complete a Permitted Acquisition.

"NET CASH PROCEEDS" shall mean, (a) in connection with any sale or other disposition of any asset or any settlement by, or receipt of payment in respect of, any property insurance claim or condemnation award, the cash proceeds (including any, cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received) of such sale, settlement or payment, net of reasonable and documented attorneys' fees, accountants' fees, investment banking fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset which is the subject of such sale, insurance claim or condemnation award (other than any Lien in favor of the Agent for the benefit of the Agent and the Lenders) and other customary fees actually incurred in connection therewith and net of taxes paid or reasonably estimated to be payable as a result thereof and (b) in connection with any issuance or sale of any equity securities or debt securities or instruments or the incurrence of loans, the cash proceeds received from such issuance or incurrence, net of investment banking fees, reasonable and documented attorneys' fees, accountants' fees, underwriting discounts and commissions and other reasonable and customary fees and expenses actually incurred in connection therewith.

"NET INCOME" shall mean, for any period, the net income (or loss) of the Company and its Subsidiaries on a consolidated basis for such period taken as a single accounting period, determined in accordance with Generally Accepted Accounting Principles.

"NET INTEREST EXPENSE" shall mean, for any period, payments in cash or Cash Equivalents for (i) total interest (including without limitation, the Accruing Interest Rate, whether or not paid in cash) and related expense with respect to the Indebtedness (excluding Off-Balance Sheet Liabilities except for Adjusted Off-Balance Sheet Liabilities), (ii) all dividends, redemptions and other distributions or other payments of any kind due and actually paid on the Preferred Stock, other than any redemption of Series C Preferred Stock pursuant to Section 5.2(l)(4) or (5), (iii) the interest portion of any deferred payment obligations, (iv) all commissions, discounts and other fees and charges owed with respect to letter of credit and bankers acceptance financing, (v) the net costs and net payments under any Swap or similar agreement or arrangement, and (vi) prepayment charges, agency fees, administrative fees, commitment fees and capitalized transaction costs allocated to interest expense, paid, payable or accrued during such period (excluding all such charges, fees, costs and expenses incurred with respect to consummating this Agreement and the underlying transactions), without duplication for any other period, with respect to all outstanding Indebtedness and Preferred Stock of the Company and its Subsidiaries, net of any cash interest income of the Company and its Subsidiaries, all as determined for the Company and its Subsidiaries on a consolidated basis for such period in accordance with Generally Accepted Accounting Principles.

"NOTES" shall mean the Revolving Credit Notes and the Term Notes, and

"NOTE" shall mean any one Revolving Credit Note or Term Note.

"OFF-BALANCE SHEET LIABILITIES" of a Person shall mean, without duplication, (a) Receivables Facility Attributed Indebtedness and any repurchase obligation or liability of such Person or any of its Subsidiaries with respect to Accounts Receivable or notes receivable sold by such Person or any of its Subsidiaries (calculated to include the unrecovered investment of purchasers or transferees of Accounts Receivable or any other obligation of such Person or such transferor to purchasers/transferees of interests in Accounts Receivable or notes receivable or the agent for such purchasers/transferees), (b) any liability of such Person or any of its Subsidiaries under any sale and leaseback transactions which do not create a liability on the consolidated balance sheet of such Person, (c) any liability of such Person or any of its Subsidiaries under any financing lease or so-called "synthetic" lease transaction, or (d) any obligations of such Person or any of its Subsidiaries arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the consolidated balance sheets of such Person and its Subsidiaries.

"ORDINARY COURSE EQUIPMENT LEASE" shall mean an operating lease of equipment or motor vehicles entered into by the Company or its Subsidiaries or Joint Ventures in the ordinary course of business in connection with performing its obligations under a Facility Management Agreement or a Facility Lease.

"ORDINARY COURSE LEASE TERMINATION" shall mean (i) the termination of an Ordinary Course Equipment Lease pursuant to either (a) the termination of the related Facility Management Agreement or Facility Lease, or (b) a material modification of the related Facility Management Agreement or Facility Lease such that the items of equipment or motor vehicles which are leased under such Ordinary Course Equipment Lease are no longer needed or useful for the purposes of performance under such Facility Management Agreement or Facility Lease by the Company or the applicable Subsidiary, and (ii) termination of a Facility Lease or Facility Management Agreement that is no longer needed or useful in the business judgment of the Company.

"ORDINARY COURSE LEASE TERMINATION PAYMENTS" shall mean payments of liquidated damages or accelerated rentals or similar amounts which are paid under the terms of an Ordinary Course Equipment Lease, Facility Management Agreement or Facility Lease pursuant to an Ordinary Course Lease Termination thereof at or prior to expiration of the then-applicable respective terms thereunder.

"OVERDUE RATE" shall mean (a) in respect of principal of Adjusted Corporate Base Rate Loans, a rate per annum that is equal to the sum of two percent (2%) per annum plus the Adjusted Corporate Base Rate, (b) in respect of principal of LIBOR Loans, a rate per annum that is equal to the sum of two percent (2%) per annum plus the per annum rate in effect thereon until the end of the then current LIBOR Interest Period for such Revolving Credit Loan and, thereafter, a rate per annum that is equal to the sum of two percent (2%) per annum plus the Adjusted Corporate Base Rate, (c) in respect of the Payable Interest Rate (as defined in Section 3.2(c)) on the Term Loan, a rate per annum that is equal to two percent (2%) per annum plus the Payable Interest Rate, and in respect of the Accruing Interest Rate (as defined in Section

3.2(c)) on the Term Loan, a rate per annum that is equal to two percent (2%) per annum plus the Accruing Interest Rate, and (d) in respect of other amounts payable by the Company hereunder (other than interest), a per annum rate that is equal to the sum of two percent (2%) per annum plus the Adjusted Corporate Base Rate.

"PARENT" shall mean AP Holdings, Inc., a Delaware corporation.

"PARENT'S SENIOR DISCOUNT NOTES" shall mean the 11 1/4% Senior Discount Notes due 2008 issued by the Parent in the original aggregate principal amount of $70,000,000, as the same may be amended, restated, modified or supplemented and in effect from time to time.

"PAYABLE INTEREST RATE" is defined in Section 3.2(c).

"PBGC" shall mean the Pension Benefit Guaranty Corporation and any entity succeeding to any or all of its functions under ERISA.

"PERMITTED ACQUISITION" shall mean an Acquisition by the Company or a Guarantor of all or substantially all of the assets or stock of a Person which meets the requirements set forth in Section 5.2(g) of this Agreement.

"PERMITTED LIENS" shall mean Liens permitted by Section 5.2(f) hereof.

"PERSON" shall include an individual, a corporation, a limited liability company, an association, a partnership, a trust or estate, a joint stock company, an unincorporated organization, a joint venture, a trade or business (whether or not incorporated), a government (foreign or domestic) and any agency or political subdivision thereof, or any other entity.

"PLAN" shall mean any pension plan (including without limitation any Multiemployer Plan) subject to Title IV of ERISA or to the minimum funding standards of Section 412 of the Code which has been established or maintained by the Company, any Subsidiary of the Company or any ERISA Affiliate, or by any other Person if the Company, any Subsidiary of the Company or any ERISA Affiliate contributes or could have liability with respect to such pension plan.

"PLEDGE AGREEMENTS" shall mean the (i) Amended and Restated Pledge Agreement entered into by the Company substantially in the form attached hereto as Exhibit B-1, and (ii) the Amended and Restated Pledge Agreement entered into by the existing Guarantors, or to be entered into by any new or future Guarantor, substantially in the form attached hereto as Exhibit B-2, (iii) the Limited Liability Company Membership Interests Security Agreement entered into by the Company substantially in the form attached hereto as Exhibit B-3, (iv) Assignment of Partnership Interest Security Agreement entered into by the Company substantially in the form attached hereto as Exhibit B-4, (v) Joint Venture Interest Security Agreement entered into by the Company substantially in the form attached hereto as Exhibit B-5, each for the benefit of the

Agent and the Lenders pursuant to this Agreement, as each may be amended, restated, modified or supplemented and in effect from time to time.

"PREFERRED STOCK" shall mean, the Series C Preferred Stock and the Series D Preferred Stock.

"PREFERRED STOCK DOCUMENTS" shall mean all of the agreements, documents and instruments relating in any way to the Preferred Stock.

"PRINCIPALS" shall mean John V. Holten, Steamboat, the Parent and their respective Related Parties.

"PRO FORMA FINANCIAL STATEMENTS" shall mean the pro forma financial statements and projections prepared by the Company attached hereto as SCHEDULE 1.1-D.

"PROHIBITED TRANSACTION" shall mean any transaction involving any Plan which is proscribed by Section 406 of ERISA or Section 4975 of the Code.

"REAL ESTATE" shall mean all real property at any time owned or leased (as lessee or sublessee) or managed by the Company or any of its Subsidiaries.

"RECEIVABLES FACILITY ATTRIBUTED INDEBTEDNESS" shall mean the amount of obligations outstanding under a receivables purchase facility on any date of determination that would be characterized as principal if such facility were structured as a secured lending transaction rather than as a purchase.

"REIMBURSEMENT AGREEMENTS" shall mean the letter of credit applications and reimbursement agreements executed in connection with any Letters of Credit or Existing Letters of Credit, as each such application or agreement may be amended, restated, modified or supplemented and in effect from time to time.

"RELATED PARTY" with respect to any Principal shall mean (a) any controlling stockholder, 80% (or more) owned Subsidiary, or spouse or immediate family member (in the case of an individual) of such Principal or (b) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding an 80% or more controlling interest of which consist of such Principal and/or such other Persons referred to in the immediately preceding clause (a).

"REPORTABLE EVENT" shall mean a reportable event as described in Section 4043(b) of ERISA including without limitation those events as to which the thirty (30) day notice period is waived under Part 2615 of the regulations promulgated by the PBGC under ERISA.

"REQUIRED LENDERS" shall mean Lenders other than Defaulting Lenders holding not less than 62.5% of the Commitments (or 62.5% of the aggregate outstanding amount of the Revolving Credit Advances and the Term Loan if the Commitments have been terminated).

"REQUIRED REVOLVING LENDERS" shall mean Lenders, other than Defaulting Lenders, holding not less than 62.5% of the Revolving Commitments (or 62.5% of the aggregate outstanding amount of the Revolving Credit Advances).

"REQUIREMENT OF LAW" shall mean as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other governmental authority, in each case applicable to or binding upon, such Person or any of its property or to which such Person or any of its property is subject.

"REVOLVING COMMITMENTS" shall mean, with respect to each Lender, the commitment (if any) of such Lender to make Revolving Credit Loans, and to participate in Letter of Credit Advances and Existing Letters of Credit, in amounts not exceeding, in the aggregate at any time, the Revolving Commitment amount for such Lender set forth next to the name of such Lender on the signature pages hereof, or, as to any Lender becoming a party hereto after the Effective Date, as set forth in the applicable Assignment and Acceptance, in each case as reduced pursuant to Section 2.2 or modified pursuant to Section 8.6. To the extent not specifically provided herein, each reference to a Lender's Revolving Commitment at any time after all of the Revolving Commitments have been terminated pursuant to the terms of this Agreement shall be deemed a reference to such Lender's share of the then outstanding principal balance of the Revolving Loans plus such Lenders' share of the obligations to purchase participations in Letters of Credit and Existing Letters of Credit.

"REVOLVING CREDIT ADVANCE" shall mean any Revolving Credit Loan and any Letter of Credit Advance.

"REVOLVING CREDIT LOAN" shall mean any borrowing under Section 2.4 evidenced by the Revolving Credit Notes and made pursuant to Section 2.1(a). Any such Revolving Credit Loan or portion thereof may be denominated as an Adjusted Corporate Base Rate Loan or a LIBOR Loan and such Adjusted Corporate Base Rate Loans and LIBOR Loans are referred to herein as "types" of Revolving Credit Loans.

"REVOLVING CREDIT NOTES" shall mean the promissory notes of the Company to each Revolving Lender evidencing such Lender's Revolving Credit Loans, in substantially the form annexed hereto as Exhibit C, as each such note may be amended, restated, modified or supplemented and in effect from time to time, together with any promissory note or notes issued in exchange or replacement therefor, and "Revolving Credit Note" shall mean any one of such Revolving Credit Notes.

"REVOLVING CREDIT TERMINATION DATE" shall mean the earlier to occur of (i) March 1, 2004, and (ii) the date on which the Revolving Commitments shall be terminated pursuant to Section 2.2 or 6.2.

"REVOLVING LENDERS" shall mean any Lender with a Revolving Commitment (or, if the Revolving Commitments have terminated, any Lender holding any Revolving Credit Advances).

"SEC" shall mean the Securities and Exchange Commission or any successor agency.

"SECURITIES ACT" shall mean the Securities Act of 1933, as amended.

"SECURITY AGREEMENTS" shall mean each (i) Amended and Restated Security Agreement entered into by the Company substantially in the form attached hereto as Exhibit E-1; (ii) Amended and Restated Security Agreement entered into by each existing, new or future Guarantor substantially in the form attached hereto as Exhibit E-2; (iii) Amended and Restated Patent Collateral Security and Pledge Agreement entered into by the Company substantially in the form attached hereto as Exhibit F-1; (iv) Amended and Restated Trademark Collateral Security and Pledge Agreement entered into by the Company substantially in the form attached hereto as Exhibit F-2; (v) Amended and Restated Memorandum of Grant of Security Interest in Copyrights entered into by the Company substantially in the form attached hereto as Exhibit F-3, each for the benefit of the Agent and the Lenders pursuant to this Agreement, as each such agreement may be amended, restated, modified or supplemented and in effect from time to time, and any other agreement executed by the Company or the Guarantors granting a Lien for the benefit of the Agent and the Lenders in form or substance satisfactory to the Agent, as amended or modified from time to time.

"SECURITY DOCUMENTS" shall mean the Pledge Agreements, the Security Agreements, the Guaranties, the Reimbursement Agreements, and all other agreements, instruments and documents delivered pursuant to this Agreement or otherwise entered into by any Person to secure or guaranty the obligations of the Company under this Agreement, in each case, as amended, restated, modified or supplemented and in effect from time to time.

"SENIOR DEBT" shall mean all Indebtedness of the Company and its Subsidiaries to the Lenders existing pursuant to this Agreement.

"SENIOR DEBT TO ADJUSTED EBITDA RATIO" shall mean, at any time, the ratio of (a) Senior Debt at such time to (b) Adjusted EBITDA, as calculated as of the four most recently completed fiscal quarters of the Company, all as determined in accordance with Generally Accepted Accounting Principles.

"SERIES C PREFERRED STOCK" shall mean the Series C preferred stock of the Company issued in accordance with the certificate of designation attached hereto as SCHEDULE 1.1 -A-1.

"SERIES D PREFERRED STOCK" shall mean the Series D preferred stock of the Company issued in accordance with the certificate of designation attached hereto as SCHEDULE 1.1 -A-2.

"S/L/C" shall mean any standby letter of credit issued hereunder, as amended from time to time.

"STEAMBOAT" shall mean Steamboat Holdings, Inc., a Delaware corporation, and as of the Closing Date, the owner of 91.67% of the outstanding common stock of Parent.

"SUBORDINATED DEBT" shall mean, for any Person, any Indebtedness of such Person which is fully subordinated to all Indebtedness of such Person owing to the Agent and the Lenders, by written agreements and documents in form and substance satisfactory to the Required Lenders and which is governed by terms and provisions, including without limitation maturities, covenants, defaults, rates and fees, acceptable to the Agent, and shall include, without limitation, all Indebtedness owing pursuant to the Subordinated Notes and the Existing Subordinated Notes.

"SUBORDINATED DEBT DOCUMENTS" shall mean the Subordinated Note Documents, the Existing Subordinated Note Documents and any other agreement or document evidencing or relating to any Subordinated Debt, whether under the Subordinated Notes and the Existing Subordinated Notes, in each case, as the same may be amended, restated, modified or supplemented and in effect from time to time as permitted by the terms hereof.

"SUBORDINATED NOTE DOCUMENTS" shall mean the Subordinated Note Indenture, the Subordinated Notes, the Subordinated Note Intercreditor Agreement and all agreements, instruments and documents executed in connection therewith at any time, including without limitation those agreements, instruments and documents listed on SCHEDULE 1.1-B hereto, in each case, as the same may be amended, restated, modified or supplemented and in effect from time to time as permitted by the terms hereof.

"SUBORDINATED NOTE INTERCREDITOR AGREEMENT" shall mean that certain Intercreditor Agreement dated as of January 11, 2002 among the Agent, Wilmington Trust Company, as trustee for the holders of the Subordinated Notes, the Company and the Guarantors, as the same may be amended, restated, modified or supplemented and in effect from time to time in accordance with the terms thereof.

"SUBORDINATED NOTES" shall mean the 14% Senior Subordinated Second Lien Notes issued by the Company in the original aggregate principal amount of $59,285,000 due 2006 issued pursuant to the Subordinated Note Indenture, as the same may be amended, restated, modified or supplemented and in effect from time to time as permitted by the terms hereof.

"SUBORDINATED NOTE INDENTURE" shall mean the Indenture among the Company, each of the "Guarantors" named therein and Wilmington Trust Company as trustee thereunder, dated as of January 11, 2002, as amended, restated, modified or supplemented and in effect from time to time as permitted by the terms hereof.

"SUBSIDIARY" of any Person shall mean any other Person (whether now existing or hereafter organized or acquired) in which at least a majority of the securities or other ownership interests of each class having ordinary voting power or analogous right (other than securities or other ownership interests which have such power or right only by reason of the happening of a contingency), at the time as of which any determination is being made, are owned, beneficially and of record, by such Person or by one or more of the other Subsidiaries of such Person or by any combination thereof.

"SWAP" means an agreement, device or arrangement providing for payments which are related to fluctuations of interest rates, exchange rates or forward rates, including, but not limited to, dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, forward rate currency or interest rate options, puts and warrants.

"TERM LOAN" shall mean the term loan evidenced by the Term Notes and made pursuant to Section 2.1(b).

"TERM LOAN COMMITMENTS" shall mean, with respect to each Lender, the commitment (if any) of such Lender to make a Term Loan in an amount not exceeding the Term Loan Commitment of such Lender set forth next to the name of such Lender on the signature pages hereof, or, as to any Lender becoming a party hereto after the Effective Date, as set forth in the applicable Assignment and Acceptance, in each case as reduced pursuant to Section 2.2 or modified pursuant to Section 8.6. To the extent not specifically provided herein, each reference to a Lender's Term Loan Commitment at any time after the Closing Date shall be

deemed a reference to such Lender's share of the then outstanding principal balance of the Term Loan.

"TERM LOAN TERMINATION DATE" shall mean the earlier to occur of (i) March 10, 2004, and (ii) the date on which the Revolving Commitments shall be terminated in full pursuant to Section 2.2 or 6.2.

"TERM NOTES" shall mean the promissory notes of the Company to any Lender evidencing such Lender's Term Loan, in substantially the form annexed hereto as Exhibit D, as amended, restated, modified or supplemented and in effect from time to time and together with any promissory note or notes issued in exchange or replacement therefor, and "Term Note" shall mean any one of such Term Notes.

"TOTAL ASSETS" shall mean, at any time, the consolidated assets of the Company and its Subsidiaries, determined in accordance with Generally Accepted Accounting Principles.

"UNFUNDED BENEFIT LIABILITIES" shall mean, with respect to any Plan as of any date, the amount of the unfunded benefit liabilities determined in accordance with Generally Accepted Accounting Principles.

"UNMATURED EVENT" shall mean any event or condition which might become an Event of Default with notice or lapse of time or both.

"VOTING STOCK" shall mean any Capital Stock, the holders of which are at the time entitled, as such holders, to vote for the election of a majority of the directors (or persons performing similar functions) of the corporation, association, trust or other business entity involved, whether or not the right so to vote exists by reasoning of the happening of a contingency.

"WHOLLY OWNED SUBSIDIARY" shall mean any Subsidiary of the Company of which 100% of the Voting Stock, exclusive of directors' qualifying shares, is owned by the Company or by another Wholly Owned Subsidiary of the Company.

1.2 OTHER DEFINITIONS; RULES OF CONSTRUCTION. As used herein, the terms "Agent", "Lenders", "Company", and "this Agreement" shall have the respective meanings ascribed thereto in the introductory paragraph of this Agreement. Such terms, together with the other terms defined in Section 1.1, shall include both the singular and the plural forms thereof and shall be construed accordingly. Use of the terms "herein", "hereof", and "hereunder" shall be deemed references to this Agreement in its entirety and not to the Section or clause in which such term appears. References to "Sections", "subsections", "Exhibits", and "Schedules" shall be to Sections, subsections, Exhibits and Schedules, respectively, of this Agreement unless otherwise specifically provided.

1.3 Accounting Terms and Determinations.

(a) Except as otherwise expressly provided herein, all accounting terms used herein shall be interpreted, and all financial statements and certificates and reports as to financial matters required to be delivered to the Lenders hereunder shall (unless otherwise disclosed to the Lenders in writing at the time of delivery thereof in the manner described in subsection (b) below) be prepared, in accordance with Generally Accepted Accounting Principles; provided that, if the Company notifies the Agent that it wishes to amend any covenant in Article V to eliminate the effect of any change in Generally Accepted Accounting Principles (or if the Agent notifies the Company that the Required Lenders wish to amend Article V for such purpose), then the Company's compliance with such covenants shall be

determined on the basis of Generally Accepted Accounting Principles in effect immediately before the relevant change in Generally Accepted Accounting Principles became effective until either such notice is withdrawn or such covenant or any such defined term is amended in a manner satisfactory to the Company and the Required Lenders. Except as otherwise expressly provided herein, all references to a time of day shall be references to Chicago, Illinois time.

(b) The Company shall deliver to the Lenders at the same time as the delivery of any annual or quarterly financial statement under Section 5.1(d) hereof (i) a description in reasonable detail of any material variation between the application or other modification of accounting principles employed in the preparation of such statement and the application or other modification of accounting principles employed in the preparation of the immediately prior annual or quarterly financial statements as to which no objection has been made in accordance with the last sentence of subsection (a) above and (ii) reasonable estimates of the difference between such statements arising as a consequence thereof.

(c) To enable the ready and consistent determination of compliance with the covenants set forth in Section 5.2 hereof, the Company will not change the last day of its fiscal year from December 31 of each year, or the last days of

the first three fiscal quarters in each of its fiscal years from March 31, June 30, and September 30 of each year, respectively.

ARTICLE II

THE COMMITMENTS AND THE ADVANCES

2.1 Commitments of the Lenders.

(a) REVOLVING CREDIT ADVANCES. Each Revolving Lender agrees, for itself only, subject to the terms and conditions of this Agreement, to make Revolving Credit Loans to the Company pursuant to Section 2.4 and to participate in Letter of Credit Advances and Existing Letters of Credit to the Company pursuant to Section 3.3, from time to time from and including the Closing Date to but excluding the Revolving Credit Termination Date, not to exceed in aggregate principal amount at any time outstanding such Revolving Lenders's pro rata share of the amount determined pursuant to Section 2.1(c).

(b) TERM LOAN. Bank One, in its capacity as the only Lender having a Term Loan Commitment on the Closing Date, agrees, subject to the terms and conditions of this Agreement, to convert a portion of the existing Indebtedness of the Company owing to Bank One pursuant to the Existing Credit Agreement into a term loan in favor of the Company ("TERM LOAN") on the Closing Date in aggregate principal amount of $15,000,000. The Term Loan Commitments shall expire concurrently with the making of the Term Loan on the Closing Date. Amounts repaid on the Term Loans may not be reborrowed.

(c) LIMITATION ON AMOUNT OF REVOLVING CREDIT ADVANCES. Notwithstanding anything in this Agreement to the contrary, (i) the aggregate principal amount of the Revolving Credit Advances and any Existing Letters of Credit at any time outstanding to the Company shall not exceed the lesser of (A) the aggregate amount of the Revolving Commitments at such time, and (B) the Borrowing Base at such time, and (ii) the aggregate principal amount of Letter of Credit Advances and Existing Letters of Credit outstanding at any time shall not exceed $8,000,000.

2.2 Termination and Reduction of Commitments and the Term Loan.

(a) The Company shall have the right to terminate or reduce the Revolving Commitments at any time and from time to time, PROVIDED that (i) the Company shall give notice of such termination or reduction to the Agent specifying the amount and effective date thereof, (ii) each partial reduction thereof shall be in a minimum amount of $5,000,000 and in an integral multiple of $1,000,000 and shall reduce such Revolving Commitments of all of the Revolving Lenders proportionately in accordance with their respective Revolving Commitments, (iii) no such termination or reduction shall be permitted with respect to any portion of any such Revolving Commitments as to which a request for a Revolving Credit Advance pursuant to Section 2.4 is then pending, and (iv) the Revolving Commitments may not be terminated if any Revolving Credit Advances are then outstanding and may not be reduced below the principal amount of Revolving Credit Advances then outstanding. The Revolving Commitments or any portion thereof terminated or reduced pursuant to this Section 2.2, may not be reinstated.

(b) For purposes of this Agreement, a Letter of Credit Advance or Existing Letter of Credit (i) shall be deemed outstanding in an amount equal to the sum of the maximum amount available to be drawn under the related Letter of Credit or Existing Letter of Credit on or after the date of determination and on or before the stated expiry date thereof plus the amount of any draws under such Letter of Credit or Existing Letter of Credit that have not been reimbursed

as provided in Section 3.3 and (ii) shall be deemed outstanding at all times on and before such stated expiry date or such earlier date on which all amounts available to be drawn under such Letter of Credit or Existing Letter of Credit have been fully drawn, and thereafter until all related reimbursement obligations have been paid pursuant to Section 3.3. As provided in Section 3.3, upon each payment made by the Agent in respect of any draft or other demand for payment under any Letter of Credit or Existing Letter of Credit, the amount of any Letter of Credit or Existing Letter of Credit outstanding immediately prior to such payment shall be automatically reduced by the amount of each Revolving Credit Loan deemed advanced in respect of the related reimbursement obligation of the Company.

(c) Subject to Section 3.1(a)(ii), the Company shall not prepay the Term Loan at any time prior to the repayment in full of the Revolving Credit Advances and the termination of the Revolving Commitments, unless the Agent shall otherwise agree.

2.3 FEES.

(a) Upon the Effective Date, the Company agrees to pay the Agent, for the pro rata benefit of the Lenders, a non-refundable upfront fee of $600,000.

(b) Upon the Effective Date, the Company agrees to pay the Agent, for its own account, a non-refundable arrangement fee of $50,000.

(c) The Company agrees to pay the Agent, for the pro rata benefit of the Revolving Lenders, a commitment fee on the daily average unused amount of the Revolving Commitments, for the period from the Effective Date to but excluding the Revolving Credit Termination Date, at a rate equal to 37.5 basis points per annum. For purposes of this Section 2.3(c), all Letters of Credit and Existing Letters of Credit shall be considered usage of the Revolving Commitments. Such accrued commitment fees shall be payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing on March 31, 2002, and on the Revolving Credit Termination Date.

(d) The Company agrees to pay to the Agent, with respect to Letters of Credit and Existing Letters of Credit, a per annum fee computed at 375 basis points calculated on the maximum amount available to be drawn from time to time under a Letter of Credit or Existing Letter of Credit, which fee shall be paid quarterly in arrears on the last Business Day of each March, June, September and December for the period from and including the date of issuance of such Letter of Credit or, in the case of Existing Letters of Credit, from the Closing Date, to and including the stated expiry date of such Letter of Credit or Existing Letter of Credit, which fees shall be for the pro rata benefit of the Revolving Lenders, provided that (i) a fee computed at the rate of 0.25% per annum calculated on the face amount of each Letter of Credit shall be retained from such fee solely for the account of the Agent at any time when two or more Lenders hold Revolving Commitments and (ii) a fee computed at the rate of 0.25% per annum calculated on the face amount of each Existing Letter of Credit shall be retained from such fee solely for the account of Bank One. Such fees are nonrefundable and the Company shall not be entitled to any rebate of any portion thereof if such Letter of Credit does not remain outstanding through its

stated expiry date or for any other reason. The Company further agrees to pay to the Agent for its own account (and to Bank One for its own account in respect of any Existing Letters of Credit), on demand, such other customary administrative fees, charges and expenses of the Agent (or Bank One, as applicable) in respect of the issuance, negotiation, acceptance, amendment, transfer and payment of such Letter of Credit (or Existing Letter of Credit) or otherwise payable pursuant to the application and related documentation under which such Letter of Credit (or Existing Letter of Credit) is issued.

(e) The Company agrees to pay to the Agent agency fees for its services as Agent under this Agreement and for other services in the amounts stated in the Fee Letter, and such other amounts as may from time to time be agreed to in writing between the Company and the Agent.

2.4 Disbursement of Revolving Credit Advances.

(a) The Company shall give the Agent notice of its request for each Revolving Credit Advance in substantially the form of Exhibit G hereto not later than noon Chicago time (i) three LIBOR Business Days prior to the date such Revolving Credit Advance is requested to be made if such Revolving Credit Advance is to be made as a LIBOR Borrowing, (ii) five (5) Business Days prior to the date any Letter of Credit Advance is requested to be made, or such earlier date as reasonably determined by the Agent, and (iii) on the Business Day such Revolving Credit Advance is requested to be made in all other cases, which notice shall specify whether a LIBOR Borrowing, an Adjusted Corporate Base Rate Borrowing or a Letter of Credit Advance is requested and, in the case of each requested LIBOR Borrowing, the LIBOR Interest Period to be initially applicable to such Borrowing and, in the case of each Letter of Credit Advance, such information as may be necessary for the issuance thereof by the Agent. The Agent, reasonably promptly on the same Business Day such notice is given, shall provide notice of such requested Revolving Credit Advance to the Revolving Lenders. Subject to the terms and conditions of this Agreement, the proceeds of each such requested Revolving Credit Advance shall be made available to the Company by depositing the proceeds thereof, in immediately available funds, in an account maintained and designated by the Company at the principal office of the Agent. Subject to the terms and conditions of this Agreement, the Agent shall, on the date such Letter of Credit Advance is requested to be made, issue the related Letter of Credit on behalf of the Revolving Lenders for the account of the Company. Notwithstanding anything herein to the contrary, the Agent may decline to issue any requested Letter of Credit on the basis that the beneficiary, the purpose of issuance or the terms or the conditions of drawing are unacceptable to it in its reasonable discretion, provided that the Agent shall not unreasonably decline to issue a Letter of Credit pursuant to this sentence.

(b) Each Revolving Lender, not later than 2:00 p.m. Chicago time on the date any Borrowing in the form of a Revolving Credit Loan is required to be made, shall make its pro rata share of such Borrowing available in immediately available funds at the principal office of the Agent for disbursement to the

Company. Unless the Agent shall have received notice from any Revolving Lender prior to the date such Borrowing is requested to be made under this Section 2.4 that such Lender will not make available to the Agent such Lender's pro rata portion

of such Borrowing, the Agent may assume that such Lender has made such portion available to the Agent on the date such Borrowing is requested to be made in accordance with this Section 2.4. If and to the extent such Lender shall not have so made such pro rata portion available to the Agent, the Agent may (but shall not be obligated to) make such amount available to the Company, and such Lender and the Company severally agree to pay to the Agent forthwith on demand such amount together with interest thereon, for each day from the date such amount is made available to the Company by the Agent until the date such amount is repaid to the Agent, at a rate per annum equal to, in the case of the Company, the interest rate applicable to such Borrowing during such period and, in the case of any Revolving Lender, at the Federal Funds Rate for the first five days and at the interest rate applicable to such Borrowing thereafter. If such Lender shall pay such amount to the Agent together with interest, such amount so paid shall constitute a Revolving Credit Loan by such Lender as a part of such Borrowing for purposes of this Agreement. The failure of any Revolving Lender to make its pro rata portion of any such Borrowing available to the Agent shall not relieve any other Revolving Lender of its obligations to make available its pro rata portion of such Borrowing on the date such Borrowing is requested to be made, but no Revolving Lender shall be responsible for failure of any other Revolving Lender to make such pro rata portion available to the Agent on the date of any such Borrowing.

(c) All Loans shall be evidenced by the Notes and all such Loans shall be due and payable and bear interest as provided in Article III. Each Lender and the Agent is hereby authorized by the Company to record on the schedule attached to the Notes, or in its books and records, the date, and amount and type of each Loan and the duration of the related LIBOR Interest Period (if applicable), the amount of each payment or prepayment of principal thereon (if applicable), and the other information provided for on such schedule, which schedule or books and records, as the case may be, shall constitute prima facie evidence of the information so recorded, PROVIDED, however, that failure of any Lender or the Agent to record, or any error in recording, any such information shall not relieve the Company of its obligation to repay the outstanding principal amount of the Loans, all accrued interest thereon and other amounts payable with respect thereto in accordance with the terms of the Notes and this Agreement. Subject to the terms and conditions of this Agreement, the Company may borrow Revolving Credit Advances and under this Section 2.4 and under Section 3.3, prepay Revolving Credit Advances and the Term Loan pursuant to Section 3.1 and reborrow Revolving Credit Advances under this Section 2.4. The Term Loan shall not be reborrowed in whole or in part once repaid.

(d) Nothing in this Agreement shall be construed to require or authorize any Lender to issue any Letter of Credit, it being recognized that the Agent has the sole obligation under this Agreement to issue Letters of Credit for the risk of the Lenders. Upon issuance of a Letter of Credit by the Agent, and on the Closing Date with respect to each Existing Letter of Credit each Revolving Lender shall automatically acquire a pro rata risk participation interest in such Letter of Credit Advance or Existing Letter of Credit based on its respective Revolving Commitment. If the Agent or Bank One shall honor a draft or other demand for payment presented or made under any Letter of Credit or Existing Letter of Credit, as the case may be, the Agent or Bank One shall provide notice thereof to each Revolving Lender on the date such draft or demand is honored unless the Company or any of its Subsidiaries shall have satisfied its reimbursement obligation under Section 3.3 by payment to the Agent or Bank One on such date.

Each Revolving Lender, on such date, shall make its pro rata share of the amount paid by the Agent or Bank One available in immediately available funds at the principal office of the Agent for the account of the Agent, or, to the extent of payments made by Bank One with respect to Existing Letters of Credit, for the account of Bank One. If and to the extent such Revolving Lender shall not have made any required pro rata portion available to the Agent, such Revolving Lender and the Company, unconditionally and irrevocably, severally agree to pay to the Agent forthwith on demand such amount together with interest thereon, for each day from the date such amount was paid by the Agent or Bank One until such amount is so made available to the Agent for its own account or for the account of Bank One, as the case may be, at a per annum rate equal to the interest rate applicable during such period to the related Revolving Credit Loan disbursed under Section 3.3 in respect of the reimbursement obligation of the Company. If such Revolving Lender shall pay such amount to the Agent together with such interest, if any, accrued, such amount so paid shall constitute a Revolving Credit Loan by such Revolving Lender as part of the Revolving Credit Borrowing disbursed in respect of the reimbursement obligation of the Company under Section 3.3 for purposes of this Agreement. The failure of any Revolving Lender to make its pro rata portion of any such amount paid by the Agent available to

the Agent or Bank One shall not relieve any other Revolving Lender of its obligation to make available its pro rata portion of such amount, but no Revolving Lender shall be responsible for failure of any other Revolving Lender to make such pro rata portion available to the Agent. Notwithstanding anything herein to the contrary, it is acknowledged and agreed that Letters of Credit hereunder and Existing Letters of Credit may be or have been issued for the account of any of the Subsidiaries of the Company, provided that for all purposes of this Agreement both the Company and such Subsidiary shall be deemed the account party thereon and shall be jointly and severally liable for all obligations in connection therewith and the Company shall have obtained an agreement from such Subsidiary that such Subsidiary shall be bound all of the terms and provisions of this Agreement with respect to Letters of Credit and Existing Letters of Credit, such agreement to be in form of substance satisfactory to the Agent.

2.5 CONDITIONS FOR TERM LOAN AND FIRST DISBURSEMENT. The obligation of the Bank One to incur the Term Loan, and the obligation of the Revolving Lenders to make the first Revolving Credit Advance hereunder are subject to receipt by each Lender and the Agent of the following documents and completion of the following matters, in form and substance satisfactory to each Lender and the Agent:

(a) CHARTER DOCUMENTS. Certificates of recent date of the appropriate authority or official of the Company's and each Guarantor's respective jurisdiction of organization listing all charter documents of the Company or each Guarantor, respectively, on file in that office and certifying as to the good standing and existence of the Company and each Guarantor, respectively, together with copies of such charter documents of the Company or each Guarantor certified as of a recent date by such authority or official and certified as true and correct as of the Effective Date by a duly authorized officer of the Company or such Guarantor, respectively;

(b) GOVERNING DOCUMENTS AND CORPORATE AUTHORIZATIONS. Copies of the by-laws of the Company and by-laws, partnership agreement or operating agreement of each

Guarantor together with all authorizing resolutions and evidence of other action taken by the Company and each Guarantor to authorize the execution, delivery and performance by the Company and each Guarantor of this Agreement, the Notes and the Security Documents to which the Company or such Guarantor, respectively, is a party and the consummation by the Company or such Guarantor, respectively, of the transactions contemplated hereby or thereby, certified as true and correct as of the Effective Date by a duly authorized officer of the Company or each Guarantor, respectively;

(c) INCUMBENCY CERTIFICATE. Certificates of incumbency of the Company and each Guarantor containing, and attesting to the genuineness of, the signatures of those officers, partners, managers or members, as the case may be, authorized to act on behalf of the Company or such Guarantor in connection with this Agreement, the Notes and the Security Documents to which the Company and such Guarantor is a party and the consummation by the Company or such Guarantor of the transactions contemplated hereby or thereby, certified as true and correct as of the Effective Date by a duly authorized officer of the Company and such Guarantor;

(d) THIS AGREEMENT. This Agreement duly executed on behalf of each party hereto;

(e) NOTES. The Notes duly executed on behalf of the Company for each Lender;

(f) SECURITY DOCUMENTS. The Security Documents duly executed on behalf of the Company and the Guarantors, as the case may be, granting to the Lenders and the Agent the collateral and security intended to be provided pursuant to Section 2.10, together with:

(i) RECORDING, FILING, ETC. Recordation, filing and other action (including payment of any applicable taxes or fees) in such jurisdictions as the Lenders or the Agent may deem necessary or appropriate with respect to the Security Documents, including the filing of in-lieu financing statements and similar documents which the Lenders or the Agent may deem necessary or appropriate to create, preserve or perfect the liens, security interests and other rights intended to be granted to the Lenders or the Agent thereunder, together with Uniform Commercial Code record searches in such offices as the Lenders or the Agent may request; and

(ii) CASUALTY AND OTHER INSURANCE. Evidence that the casualty and other insurance and any accompanying certificates of insurance and loss payable endorsements required pursuant to Section 5.1(c), hereof or the Security Documents are in full force and effect;

(g) LEGAL OPINIONS. The favorable written opinion of counsel for the Company and each Guarantor, substantially in the form of Exhibit H attached hereto;

(h) CONSENTS, APPROVALS, ETC. Copies of all governmental and nongovernmental consents, approvals, authorizations, declarations, registrations or filings, if any, required on the part of the Company or any Guarantor in connection with the execution, delivery and performance of the Loan Documents or the transactions contemplated hereby or as a condition to the legality, validity or enforceability of, the Loan Documents, certified as true and

correct and in full force and effect as of the Effective Date by a duly authorized officer of the Company, or if none are required, a certificate of such officer to that effect.

(i) SUBORDINATED DEBT AND PREFERRED STOCK. Evidence satisfactory to the Agent that the Company has (i) incurred Subordinated Debt pursuant to the issuance of the Subordinated Notes in an aggregate amount equal to or greater than $45,500,000, which Subordinated Debt shall have been secured only on terms and conditions acceptable to the Lenders, (ii) exchanged a minimum of $24,500,000 of the proceeds of the Subordinated Notes for a minimum of $35,000,000 in face value of the Existing Subordinated Notes, and (iii) exchanged a minimum of $35,000,000 in face value of the Existing Subordinated Notes for the Series D Preferred Stock, all in accordance with the Subordinated Note Documents and applicable Preferred Stock Documents, and copies of all Subordinated Debt Documents and Preferred Stock Documents shall have been delivered to the Agent and approved by the Agent and all transactions contemplated pursuant to such Subordinated Debt Documents and Preferred Stock Documents shall have been completed;

(j) REDEMPTION OF PREFERRED STOCK AND PARENT'S SENIOR DISCOUNT NOTES. Evidence satisfactory to the Agent that (i) the Company has used a maximum of $1,500,000 of the proceeds from the Subordinated Notes to redeem not less than 1.5 shares of Series C Preferred Stock owned by the Parent, and (ii) that the Parent will use, or return to the Company, 100% of the proceeds described in the foregoing phrase (i) within 180 days of the Effective Date to repurchase and retire a portion of the Parent's Senior Discount Notes;

(k) REDUCTION OF EXISTING CREDIT FACILITY. The Company shall have used a minimum of $9,500,000 of the proceeds from the Subordinated Notes to reduce the outstanding principal amount of the Indebtedness to the Lenders pursuant to the Existing Credit Facility;

(l) DEFERMENT OF PARENT'S SENIOR DISCOUNT NOTES. The Company shall have obtained a written agreement, satisfactory to the Agent and the Lenders, from the holders of a minimum of $35,000,000 in face value of the Parent's Senior Discount Notes that payments of principal and interest on such notes shall be waived as to the holders of such notes until at least 366 days after the Term Loan Termination Date;

(m) PARENT INDEBTEDNESS. The Company shall cause the Parent to certify to the Agent on the Closing Date as follows: (i) SCHEDULE 2.5(m) lists all the Indebtedness of the Parent (excluding Indebtedness of the Company), (ii) the Company has no liability or obligation for payment or performance of such Indebtedness, and (iii) the Parent or the Company shall give the Agent prior written notice of (A) any modification to the terms of such Indebtedness which may make clause (ii) hereof incorrect, and (B) the incurrence of any additional Indebtedness (along with a new certification in accordance with the terms of this Section 2.5(m) with respect to such new Indebtedness);

(n) PAYMENTS. Evidence satisfactory to the Agent that all transfers of funds, payments of fees pursuant to Section 2.3 and other fees and payments described on SCHEDULE 4.7 are being accomplished simultaneously, or at such other time as noted on SCHEDULE 4.7, with the

first Revolving Credit Advance hereunder, including without limitation the payment in full of all Indebtedness and other liabilities of the Company to Bank One pursuant to the Existing Credit Agreement to the extent such Indebtedness and liabilities exceed its Term Loan Commitment hereunder, and the termination of all commitments to lend relating to the Existing Credit Agreement, as described on SCHEDULE 4.7;

(o) DUE DILIGENCE. The Agent shall have received and be satisfied with all litigation searches, Uniform Commercial Code lien searches, a review of all material contracts and Contingent Liabilities, and all other due diligence and investigation required by the Agent;

(p) CERTIFICATES. The Agent shall have received, in form and substance satisfactory to the Agent, (i) the Pro Forma Financial Statements, and (ii) a solvency certificate as of the Closing Date in form and substance satisfactory to the Agent, both certified by the chief financial officer of the Company; and

(q) OTHER CONDITIONS. Such other documents and completion of such other

matters as the Agent may reasonably request, including without limitation copies of all final projections and financial statements.

2.6 FURTHER CONDITIONS FOR DISBURSEMENT. The obligation of the Lenders to make the Term Loan or any Revolving Credit Advance (including the first Revolving Credit Advance), or any continuation or conversion under Section 2.7, is further subject to the satisfaction of the following conditions precedent:

(a) The representations and warranties contained in Article IV hereof and in the Security Documents shall be true and correct on and as of the date such Term Loan or Revolving Credit Advance, or continuation or conversion, is made (before and after such Term Loan or Revolving Credit Advance, or continuation or conversion, is made) as if such representations and warranties were made on and as of such date;

(b) No Event of Default or Unmatured Event shall exist or shall have occurred and be continuing on the date such Term Loan or Revolving Credit Advance, or continuation or conversion, is made and the making of such Term Loan or Revolving Credit Advance, or continuation or conversion, shall not cause an Event of Default or Unmatured Event;

(c) In addition to all other applicable conditions, in the case of any Letter of Credit Advance, the Company shall have delivered to the Agent issuing the related Letter of Credit an application for such Letter of Credit and other related documentation requested by and acceptable to the Agent appropriately completed and duly executed on behalf of the Company; and

(d) As to any Revolving Credit Advances requested as of March 31, 2002 and thereafter, the Company shall have moved all of its and its Subsidiaries' disbursement accounts to LaSalle, and otherwise established LaSalle as its primary depository bank and provider of cash management services, notwithstanding that the Company and its Subsidiaries may maintain (i) account number 574332292 with Firstar Bank, NA for collection of credit card receipts,

PROVIDED, that such account is swept daily to a concentration account in the name of the Company maintained at LaSalle, (ii) local depository and disbursement accounts with other financial institutions in Canada, as necessary to the conduct of the Company's or its Subsidiaries' business there, and (iii) local depository and disbursement accounts in the United States of America as necessary to pay payroll expenses or otherwise necessary to the conduct of business, in the locations where the Company or its Subsidiaries are doing business, PROVIDED, that with respect to any local depository accounts not maintained at LaSalle, such accounts are swept (net of amounts necessary to pay payroll expenses) daily, where daily electronic wire transfers are available and cost effective, to a concentration account maintained at LaSalle, or are swept (net of amounts necessary to pay payroll expenses) to such concentration account no less often than three times a week where daily wire transfers are not available or are not cost effective. LaSalle shall use commercially reasonable efforts to cooperate with the Company in complying with this subsection 2.6(c).

2.7 SUBSEQUENT ELECTIONS AS TO BORROWINGS. The Company may elect (a) to continue a LIBOR Borrowing, or a portion thereof, as a LIBOR Borrowing, or (b) may elect to convert a LIBOR Borrowing of one type, or a portion thereof, to an Adjusted Corporate Base Rate Borrowing, or (c) elect to convert an Adjusted Corporate Base Rate Borrowing, or a portion thereof, to a LIBOR Borrowing, in each case by giving notice thereof to the Agent in substantially the form of Exhibit I hereto not later than 11:00 a.m. Chicago time three LIBOR Business Days prior to the date any such continuation of or conversion to a LIBOR Borrowing is to be effective and not later than noon Chicago time on the Business Day such conversion is to be effective in all other cases, provided that an outstanding LIBOR Borrowing may only be continued or converted on the last day of the then current LIBOR Interest Period with respect to such Borrowing, and provided, further, if a continuation of a Borrowing as, or a conversion of a Borrowing to, a LIBOR Borrowing is requested, such notice shall also specify the LIBOR Interest Period to be applicable thereto upon such continuation or conversion. The Agent, reasonably promptly on the Business Day such notice is given, shall provide notice of such election to the Revolving Lenders. If the Company shall not timely deliver such a notice with respect to any outstanding LIBOR Borrowing, the Company shall be deemed to have elected to convert such LIBOR Borrowing to an Adjusted Corporate Base Rate Borrowing on the last day of the then current LIBOR Interest Period with respect to such Borrowing.

2.8 LIMITATION OF REQUESTS AND ELECTIONS. Notwithstanding any other provision of this Agreement to the contrary, if, upon receiving a request for a LIBOR Borrowing pursuant to Section 2.4, or a request for a continuation of a LIBOR Borrowing, or a request for a conversion of an Adjusted Corporate Base Rate Borrowing to a LIBOR Borrowing pursuant to Section 2.7, (a) in the case of any LIBOR Borrowing, deposits in Dollars for periods comparable to the LIBOR Interest Period elected are not available to any Lender in the relevant interbank market, or (b) the applicable interest rate will not adequately and fairly reflect the cost to any Lender of making, funding or maintaining the related LIBOR Borrowing or (c) by reason of national or international financial,

political or economic conditions or by reason of any applicable law, treaty, rule or regulation (whether domestic or foreign) now or hereafter in effect, or the interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof, or compliance by any Lender with any guideline, request

or directive of such authority (whether or not having the force of law), including without limitation exchange controls, it is impracticable, unlawful or impossible for any Lender (i) to make or fund the relevant LIBOR Borrowing or (ii) to continue such LIBOR Borrowing or (iii) to convert a Borrowing to such a LIBOR Borrowing, then the Company shall not be entitled, so long as such circumstances continue, to request a LIBOR Borrowing pursuant to Section 2.4 or a continuation of or conversion to a LIBOR Borrowing pursuant to Section 2.7. In the event that such circumstances no longer exist, the Lenders shall again, subject to the terms and conditions hereof, provide LIBOR Borrowings pursuant to Section 2.4, and requests for continuations of and conversions to LIBOR Borrowings of the affected type pursuant to Section 2.7.

2.9 MINIMUM AMOUNTS; LIMITATION ON NUMBER OF BORROWINGS. Except for (a) Revolving Credit Advances and conversions thereof which exhaust the entire remaining amount of the Revolving Commitments, (b) prepayment of the Term Loan permitted by this Agreement, and (c) payments required pursuant to Section 3.8, each Borrowing and each continuation or conversion pursuant to Section 2.7 and each prepayment thereof shall be in a minimum amount of, in the case of LIBOR Borrowings, $2,000,000 and in integral multiples of $500,000, and in the case of Adjusted Corporate Base Rate Borrowings, $250,000 and in integral multiples of $50,000. No more than five LIBOR Interest Periods shall be permitted to exist at any one time with respect to all Revolving Credit Advances outstanding hereunder from time to time.

2.10 SECURITY AND COLLATERAL. To secure the payment when due of the Notes and all other obligations of the Company under this Agreement to the Lenders and the Agent, the Company shall execute and deliver, or cause to be executed and delivered, to the Lenders and the Agent, Security Documents granting the following:

(a) Security interests in all present and future accounts, inventory, equipment, fixtures and all other personal property of the Company and each Guarantor;

(b) Mortgage liens on all real property and fixtures, if any, owned by the Company and each Guarantor;

(c) Pledges of all Capital Stock owned by the Company or any Guarantor (other than Parent), provided that (i) the amount of Capital Stock of any Foreign Subsidiary pledged to the Agent shall not exceed 65% of the aggregate Capital Stock of such Foreign Subsidiary and (ii) the Company shall not be required to pledge the Capital Stock of Atrium Parking, Inc., a Delaware corporation, and (iii) the Company shall not be required to pledge the Capital Stock of any future Domestic Subsidiary so long as those entities do not have any assets or operations valued in excess of $100,000, all subject to certain other exclusions and the further terms and conditions of the Security Documents;

(d) Guaranties of all Guarantors;

(e) Pledges of all Capital Stock (other than the Preferred Stock) owned by the Parent; and

(f) All other security and collateral described in the Security Documents.

Notwithstanding the foregoing, it is acknowledged and agreed that the Company and the Guarantors shall not be required to grant a lien or security interest on any assets to the extent such assets are specifically excluded from the collateral pursuant to the terms of the Security Agreements.

ARTICLE III

PAYMENTS AND PREPAYMENTS OF ADVANCES

3.1 PRINCIPAL PAYMENTS.

(a) Unless earlier payment is permitted or required under this Agreement, the Company shall pay to the Agent, for the benefit of the Lenders, (i) on the Revolving Credit Termination Date, the entire outstanding principal amount of the Revolving Credit Advances, (ii) on or before December 31, 2002, $5,000,000 of the outstanding principal balance of the Term Loan, and (iii) on the Term Loan Termination Date, the entire outstanding principal amount of the Term Loan. If the Revolving Credit Advances at any time exceed the amount allowed pursuant to Section 2.1(c), the Company shall prepay the Revolving

Credit Advances by an amount equal to or, at its option, greater than such excess.

(b) The Company may at any time and from time to time prepay all or a portion of the Revolving Credit Loans, without premium or penalty, provided that (i) the Company may not prepay any portion of any Revolving Credit Loan as to which an election of or a conversion to a LIBOR Loan is pending pursuant to Section 2.7, and (ii) the Company shall comply with all requirements of Section 3.9 in connection with any payment of any LIBOR Loan. The Company shall not prepay the Term Loan at any time prior to the repayment in full of the Revolving Credit Advances and the termination of the Revolving Commitments, unless the Agent shall otherwise agree.

3.2 INTEREST PAYMENTS. The Company shall pay interest to the Agent, on behalf of the Lenders, on the unpaid principal amount of each Loan, for the period commencing on the Closing Date (or if later, the date such Loan is made) until such Loan is paid in full, on each Interest Payment Date and at maturity (whether at stated maturity, by acceleration or otherwise), and thereafter on demand, at the following rates per annum:

(a) During such periods that any Revolving Credit Loan is an Adjusted Corporate Base Rate Loan, the Adjusted Corporate Base Rate.

(b) During such periods that any Revolving Credit Loan is a LIBOR Loan, the LIBOR applicable to such Revolving Credit Loan for each related LIBOR Interest Period, plus the Applicable Margin.

(c) With respect to the Term Loan, interest shall accrue commencing on the Closing Date:

(i) at the rate of 9 1/2% per annum, payable in arrears on each Interest Payment Date (the "Payable Interest Rate"), plus

(ii) 3 1/2 % per annum, which shall not be compounded, and which shall be payable only on the Term Loan Termination Date or earlier maturity, whether pursuant to permitted prepayment, acceleration or otherwise (the "Accruing Interest Rate").

Notwithstanding the foregoing paragraphs (a), (b) and (c), but subject to other terms contained herein regarding the relative rights of the Lenders to payment of interest upon and during the continuance of any Event of Default, the Company shall pay interest on demand at the Overdue Rate on the outstanding principal amount of any Loan and any other amount payable by the Company hereunder (other than interest) upon and during the continuance of any Event of Default if required by the Required Lenders, or by Bank One with respect to its Lender Indebtedness, provided that the Company shall automatically pay interest on demand at the Overdue Rate on the outstanding principal amount of any Loan and any other amount payable by the Company hereunder (other than interest) if the Loans become due and payable at any time for any reason.

3.3 Letter of Credit Reimbursement Payments.

(a) (i) The Company agrees to pay to the Agent, not later than 1:00 p.m. Chicago time on the date on which the Agent shall honor a draft or other demand for payment presented or made under any Letter of Credit, or shall pay to Bank One not later than 1:00 p.m. Chicago time on the date on which Bank One shall honor a draft or other demand for payment presented or made under any Existing Letter of Credit, an amount equal to the amount paid by the Agent in respect of such draft or other demand under any such Letter of Credit or by Bank One in respect of such draft or other demand under any such Existing Letter of Credit, and all reasonable expenses paid or incurred by the Agent or Bank One relative thereto (the "Reimbursement Amount"). The Agent shall, on the date of each demand for payment under any Letter of Credit issued by the Agent, give the Company notice thereof and Bank One shall, on the date of each demand for payment under any Existing Letter of Credit, give the Agent and the Company notice thereof and, in each case, of the amount of the Company's reimbursement obligation and liability for expenses relative thereto; provided that the failure of the Agent or Bank One to give any such notice shall not affect the reimbursement and other obligations of the Company under this Section 3.3. Unless the Company shall have made such payment to the Agent, or to Bank One with respect to any Existing Letter of Credit, on such day, upon each such payment by the Agent, or by Bank One with respect to any Existing Letter of Credit, the Company shall be deemed to have elected to satisfy its reimbursement obligation by an Adjusted Corporate Base Rate Borrowing in an amount equal to the amount so paid by the Agent in respect of such draft or other demand under such Letter of Credit, or by Bank One in respect of any Existing Letter of Credit, and the Agent shall be deemed to have disbursed to the Company, for the account of the Revolving Lenders, the Adjusted Corporate Base Rate Loans comprising such Adjusted Corporate Base Rate Borrowing, and each Lender holding a Revolving Commitment shall make its share of each such Adjusted Corporate Base Rate Borrowing

available to the Agent for its own account or, to the extent of any payment made by Bank One with respect to any Existing Letters of Credit, for the account of Bank One, in accordance with this Agreement. Such Adjusted Corporate Base Rate Loans shall be deemed disbursed notwithstanding any failure to satisfy any conditions for disbursement of any Revolving Credit Loan and, to the extent of the Adjusted Corporate Base Rate Loans so disbursed, the reimbursement obligation of the Company with respect to such Letter of Credit or Existing Letter of Credit under this subsection (a)(i) shall be deemed satisfied.

(ii) If, for any reason (including without limitation as a result of the occurrence of an Event of Default with respect to the Company pursuant to Section 6.1(h)), Adjusted Corporate Base Rate Loans may not be made by the Lenders as described in subsection (a)(i) of this Section 3.3, (A) the Company agrees that each Reimbursement Amount not paid pursuant to the first sentence of subsection (a)(i) of this Section 3.3 shall bear interest, payable on demand by the Agent or, with respect to any Existing Letters of Credit, Bank One, at the interest rate then applicable to Adjusted Corporate Base Rate Loans, and (B) effective on the date each such Adjusted Corporate Base Rate Loan would otherwise have been made with respect to any Letter of Credit or Existing Letter of Credit, each Lender holding a Revolving Commitment severally agrees that it shall unconditionally and irrevocably, without regard to the occurrence of any Event of Default or Unmatured Event to the extent of such Lender's pro rata share (based on the percentage of the aggregate Revolving Commitments of all Revolving Lenders then constituted by such Lender's Revolving Commitment) purchase a participating interest in each Reimbursement Amount. Each such Lender will immediately transfer to the Agent, in same day funds, the amount of its participation for its own account or, to the extent of any payment made by Bank One with respect to any Existing Letters of Credit, for the account of Bank One. Each such Lender shall share on a pro rata basis in any interest which accrues thereon and in all repayments thereof. If and to the extent that any such Lender shall not have so made the amount of such participating interest available to the Agent, such Lender agrees to pay to the Agent for its own account or, to the extent of any payment made by Bank One with respect to any Existing Letters of Credit, for the account of Bank One, forthwith on demand such amount together with interest thereon, for each day from the date of demand by the Agent until the date such amount is paid to the Agent, at the Federal Funds Rate for the first five days after such demand and at the Overdue Rate thereafter.

(iii) Each Lender holding a Revolving Commitment shall be obligated, absolutely and unconditionally to make Adjusted Corporate Base Rate Loans pursuant to Section 3.3(a)(i), and to purchase and fund participation interests in Letters of Credit and Existing Letters of Credit pursuant to Section 2.4(d) and 3.3(a)(ii), and such obligation shall not be affected by any circumstance whatsoever, including, without limitation, (i) any set off, counterclaim, recoupment, defense or other right which such Lender or the Company may have against the Agent, Bank One, the Company or anyone else for any reason whatsoever, (ii) the occurrence of any Event of Default or Unmatured Event, (iii) any adverse change in the condition (financial or otherwise) of the Company or any of its Subsidiaries, (iv) any breach of this Agreement by the Company, any of its Subsidiaries, the Agent, Bank One or any other Lender, or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing, including without limitation any termination or other limitation on the Revolving Commitments

or any failure to satisfy any conditions precedent to any Revolving Credit Advance contained herein or any other provision of this Agreement.

(b) The reimbursement obligation of the Company under this Section 3.3 shall be absolute, unconditional and irrevocable and shall remain in full force and effect until all reimbursement obligations of the Company to the Revolving Lenders hereunder shall have been satisfied, and such obligations of the Company shall not be affected, modified or impaired upon the happening of any event, including without limitation, any of the following, whether or not with notice to, or the consent of, the Company:

(i) Any lack of validity or enforceability of any Letter of Credit or Existing Letter of Credit or any documentation relating to any Letter of Credit or Existing Letter of Credit or to any transaction related in any way to any Letter of Credit or Existing Letter of Credit (the "Letter of Credit Documents").

(ii) Any amendment, modification, waiver, consent, or any substitution, exchange or release of or failure to perfect any interest in collateral or security, with respect to any of the Letter of Credit Documents;

(iii) The existence of any claim, setoff, defense or other right which the Company may have at any time against any beneficiary or any transferee of any Letter of Credit or Existing Letter of Credit (or any Persons or entities for whom any such beneficiary or any such transferee may be acting), the Agent, Bank One or any Lender or any other Person or entity, whether in connection with any of the Letter of Credit Documents, the transactions contemplated herein or

therein or any unrelated transactions;

(iv) Any draft or other statement or document presented under any Letter of Credit or Existing Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(v) Payment by the Agent or Bank One to the beneficiary under any Letter of Credit or Existing Letter of Credit against presentation of documents which do not comply with the terms of the Letter of Credit or Existing Letter of Credit, including failure of any documents to bear any reference or adequate reference to such Letter of Credit or Existing Letter of Credit;

(vi) Any failure, omission, delay or lack on the part of the Agent or any Lender or any party to any of the Letter of Credit Documents to enforce, assert or exercise any right, power or remedy conferred upon the Agent, Bank One any Lender or any such party under this Agreement or any of the Letter of Credit Documents, or any other acts or omissions on the part of the Agent, any Lender or any such party; or

(vii) Any other event or circumstance that would, in the absence of this clause, result in the release or discharge by operation of law or otherwise of the Company from the performance or observance of any obligation, covenant or agreement contained in this Section 3.3.

No setoff, counterclaim, reduction or diminution of any obligation or any defense of any kind or nature which the Company has or may have against the beneficiary of any Letter of Credit or Existing Letter of Credit shall be available hereunder to the Company against the Agent, Bank One or any Lender. Nothing in this Section 3.3 shall limit the liability, if any, of the Revolving Lenders to the Company pursuant to Section 3.3(c).

(c) The Company hereby indemnifies and agrees to hold harmless the Lenders, the Agent, Bank One and their respective officers, directors, employees and agents, harmless from and against any and all claims, damages, losses, liabilities, costs or expenses of any kind or nature whatsoever which the Lenders, the Agent, Bank One or any such Person may incur or which may be claimed against any of them by reason of or in connection with any Letter of Credit or Existing Letter of Credit, and neither any Lender, the Agent, Bank One nor any of their respective officers, directors, employees or agents shall be liable or responsible for: (i) the use which may be made of any Letter of Credit or Existing Letter of Credit or for any acts or omissions of any beneficiary in connection therewith; (ii) the validity, sufficiency or genuineness of documents or of any endorsement thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; (iii) payment by the Agent or Bank One to the beneficiary under any Letter of Credit or Existing Letter of Credit against presentation of documents which do not comply with the terms of such Letter of Credit or Existing Letter of Credit, including failure of any documents to bear any reference or adequate reference to such Letter of Credit or Existing Letter of Credit; (iv) any error, omission interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit or Existing Letter of Credit; or (v) any other event or circumstance whatsoever arising in connection with any Letter of Credit or Existing Letter of Credit; provided, however, that the Company shall not be required to indemnify the Lenders, the Agent, Bank One and such other Persons, and the Agent, Bank One and the Revolving Lenders shall be severally liable to the Company to the extent, but only to the extent, of any direct, as opposed to consequential or incidental, damages suffered by the Company which were caused by (A) the Agent's (or Bank One's) wrongful dishonor of any Letter of Credit or Existing Letter of Credit after the presentation to it by the beneficiary thereunder of a draft or other demand for payment and other documentation strictly complying with the terms and conditions of such Letter of Credit or Existing Letter of Credit, or (B) the payment by the Agent (or Bank One) to the beneficiary under any Letter of Credit or Existing Letter of Credit against presentation of documents which do not comply with the terms of the Letter of Credit or Existing Letter of Credit to the extent, but only to the extent, that such payment constitutes gross negligence or wilful misconduct of the Agent (or Bank One, as applicable), provided that none of the Agent, Bank One, any Lender holding a Revolving Commitment or any such Person shall have the right to be indemnified hereunder for its own gross negligence or wilful misconduct as determined by a court of competent jurisdiction. It is understood that in making any payment under a Letter of Credit or Existing Letter of Credit the Agent or Bank One will rely on documents presented to it under such Letter of Credit or Existing Letter of Credit as to any and all matters set forth therein without further investigation and regardless of any notice or information to the contrary, and such reliance and payment against documents presented under a Letter of Credit or Existing Letter of Credit substantially complying with the terms thereof shall not be deemed gross negligence or wilful misconduct of the Agent or Bank One in connection

with such payment. It is further acknowledged and agreed that the Company may have rights against the beneficiary or others in connection with any Letter of Credit or Existing Letter of Credit with respect to which the Revolving Lenders, Bank One or the Agent are alleged to be liable and it shall be a precondition of the assertion of any liability of the Revolving Lenders, Bank One or the Agent under this Section that the Company shall first have exhausted all remedies in respect of the alleged loss against such beneficiary and any other parties obligated or liable in connection with such Letter of Credit or Existing Letter of Credit and any related transactions.

3.4 PAYMENT METHOD.

(a) All payments to be made by the Company hereunder will be made in Dollars and in immediately available funds to the Agent for the account of the Lenders at its address set forth on the signature pages not later than 1:00 p.m. Chicago time on the date on which such payment shall become due. Payments received after 1:00 p.m. Chicago time shall be deemed to be payments made prior to 1:00 p.m. Chicago time on the next succeeding Business Day. The Company hereby authorizes the Agent to charge its account with the Agent in order to cause timely payment of principal, interest and fees due under Section 2.3 to be made (subject to sufficient funds being available in such account for that purpose).

(b) At the time of making each such payment, the Company shall, subject to the other terms and conditions of this Agreement, specify to the Agent that Revolving Credit Advance, portion of the Term Loan, accrued and payable interest, or other obligation of the Company hereunder to which such payment is to be applied. In the event that the Company fails to so specify the relevant obligation, the Agent may apply such payments to any principal, interest, fees or expenses that are then due and payable as it may determine, or if the Loans shall have become due and payable, the Agent shall apply such payments in accordance with Section 6.3 hereof.

(c) On the day such payments are deemed received, the Agent shall remit to the Lenders their pro rata shares of such payments in immediately available funds, (i) in the case of payments of principal and interest on any Borrowing, determined with respect to each such Lender by the ratio which the outstanding principal balance of its Revolving Credit Loan included in such Borrowing bears to the outstanding principal balance of the Revolving Credit Loans of all the Lenders included in such Borrowing, (ii) in the case of the payment of $5,000,000 of principal on or before December 31, 2002, and in the case of payments of accrued and payable interest as required herein, on the Term Loan, determined with respect to each such Lender by the ratio of such Lender's share of the Term Loan to the then-outstanding aggregate principal amount of the Term Loan, and (iii) in the case of fees paid pursuant to Section 2.3 and other amounts payable hereunder (other than the fees payable to the Agent for its own account pursuant to Section 2.3 and amounts payable to any Lender under Section 3.7) determined with respect to each such Lender by the ratio which the Commitment of such Lender bears to the Commitments of all the Lenders.

3.5 NO SETOFF OR DEDUCTION. All payments of principal and interest on the Loans and other amounts payable by the Company hereunder shall be made by the Company without setoff or counterclaim, and free and clear of, and without deduction or withholding for, or on account of, any present or future taxes, levies, imposts, duties, fees, assessments, or other charges of whatever nature, imposed by any governmental authority, or by any department, agency or other political subdivision or taxing authority.

3.6 PAYMENT ON NON-BUSINESS DAY; PAYMENT COMPUTATIONS. Except as otherwise provided in this Agreement to the contrary, whenever any installment of principal of, or interest on, any Loan or any other amount due hereunder becomes due and payable on a day which is not a Business Day, the maturity thereof shall be extended to the next succeeding Business Day and, in the case of any installment of principal, interest shall be payable thereon at the rate per annum determined in accordance with this Agreement during such extension. Computations of interest and other amounts due under this Agreement shall be made on the basis of a year of 360 days for the actual number of days elapsed, including the first day but excluding the last day of the relevant period.

3.7 ADDITIONAL COSTS.

(a) In the event that on or after the date hereof, the adoption of or any change in any applicable law, treaty, rule or regulation (whether domestic or foreign) now or hereafter in effect and whether or not presently applicable to any Lender or the Agent, or any interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof, or compliance by any Lender or the Agent with any guideline, request or directive of any such authority (whether or not having the force of law), shall (i) directly affect the basis of taxation of payments to any Lender or the Agent of any amounts payable by the Company under this Agreement (other than taxes imposed on the overall net income of any Lender or the Agent, by the jurisdiction, or by, any political subdivision or taxing authority of any such

jurisdiction, in which any Lender or the Agent, as the case may be, has its principal office), or (ii) shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by any Lender or the Agent, or (iii) shall impose any other condition with respect to this Agreement, the Commitments, the Notes, the Loans or any Letters of Credit, and the result of any of the foregoing (i.e., (i), (ii) or (iii)) is to increase the cost to any Lender or the Agent, as the case may be, of making, funding or maintaining any LIBOR Loan or any Letter of Credit or to reduce the amount of any sum receivable by any Lender or the Agent, as the case may be, thereon, then the Company shall pay to such Lender or the Agent, as the case may be, from time to time, upon request by such Lender (with a copy of such request to be provided to the Agent) or the Agent, additional amounts sufficient to compensate such Lender or the Agent, as the case may be, for such increased cost or reduced sum receivable to the extent, in the case of any LIBOR Loan, such Lender or the Agent is not compensated therefor in the computation of the interest rate applicable to such LIBOR Loan. A statement as to the amount of such increased cost or reduced sum receivable, prepared in good faith and in reasonable detail by such Lender or the Agent, as the case may be, and submitted by such Lender or the Agent, as the case may be, to the Company, shall be conclusive and binding for all purposes absent manifest error in computation.

(b) In the event that on or after the date hereof, the adoption of or any change in any applicable law, treaty, rule or regulation (whether domestic or foreign) now or hereafter in effect and whether or not presently applicable to any Lender or the Agent, or any interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof, or compliance by any Lender or the Agent with any guideline, request or directive of any such authority (whether or not having the force of law), including any risk-based capital guidelines, affects or would affect the amount of capital required or expected to be maintained by such Lender or the Agent (or any corporation controlling such Lender or the Agent) and such Lender or the Agent, as the case may be, determines that the amount of such capital is increased by or based upon the existence of such Lender's or the Agent's obligations hereunder and such increase has the effect of reducing the rate of return on such Lender's or the Agent's (or such controlling corporation's) capital as a consequence of such obligations hereunder to a level below that which such Lender or the Agent (or such controlling corporation) could have achieved but for such circumstances (taking into consideration its policies with respect to capital adequacy) by an amount deemed by such Lender or the Agent to be material, then the Company shall pay to such Lender or the Agent, as the case may be, from time to time, upon request by such Lender (with a copy of such request to be provided to the Agent) or the Agent, additional amounts sufficient to compensate such Lender or the Agent (or such controlling corporation) for any increase in the amount of capital and reduced rate of return which such Lender or the Agent reasonably determines to be allocable to the existence of such Lender's or the Agent's obligations hereunder. A statement as to the amount of such compensation, prepared in good faith and in reasonable detail by such Lender or the Agent, as the case may be, and submitted by such Lender or the Agent to the Company, shall be conclusive and binding for all purposes absent manifest error in computation.

(c) Each Lender will promptly notify the Company and the Agent of any event of which it has knowledge, occurring after the date hereof, which will entitle such Lender to compensation pursuant to this Section and will designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not in the judgment of such Lender be otherwise disadvantageous to such Lender or contrary to its policies.

3.8 ILLEGALITY AND IMPOSSIBILITY. In the event that on or after the date hereof, the adoption of or any change in any applicable law, treaty, rule or regulation (whether domestic or foreign) or any change in any interpretation or administration of any applicable law, treaty, rule or regulation (whether domestic or foreign) now or hereafter in effect and whether or not presently applicable to any Lender or the Agent, by any governmental authority charged with the interpretation or administration thereof, or compliance by any Lender with any guideline, request or directive or such authority (whether or not having the force of law), including without limitation exchange controls, shall make it unlawful or impossible for any Lender to maintain any LIBOR Loan under this Agreement, such Lender's outstanding LIBOR Loans, if any, shall be converted automatically to Adjusted Corporate Base Loans on the respective last days of the then current LIBOR Interest Periods with respect to such LIBOR Loans or within such earlier period as required by law. If any such conversion of a LIBOR Loan occurs on a day which is not the last day of the then current LIBOR Interest Period with respect thereto, the Company shall

pay to such Lender such amounts, if any, as may be required pursuant to Section 3.9 as if such conversion were a prepayment.

3.9 INDEMNIFICATION. If the Company makes any payment of principal with respect to any LIBOR Loan on any other date than the last day of a LIBOR Interest Period applicable thereto (whether pursuant to Section 3.8, Section 6.2 or otherwise), or if the Company fails to borrow any LIBOR Loan after notice has been given to the Lenders in accordance with Section 2.4, or if the Company fails to make any payment of principal or interest in respect of a LIBOR Loan when due, the Company shall reimburse each Lender on demand for any resulting loss or expense incurred by each such Lender, including, without limitation any loss incurred in obtaining, liquidating or employing deposits from third parties, whether or not such Lender shall have funded or committed to fund such Revolving Credit Loan. A statement as to the amount of such loss or expense, prepared in good faith and in reasonable detail by such Lender and submitted by such Lender to the Company, shall be conclusive and binding for all purposes absent manifest error in computation. Calculation of all amounts payable to such Lender under this Section 3.9 shall be made as though such Lender shall have actually funded or committed to fund the relevant LIBOR Loan through the purchase of an underlying deposit in an amount equal to the amount of such Revolving Credit Loan and having a maturity comparable to the related LIBOR Interest Period and through the transfer of such deposit from an offshore office of such Lender to a domestic office of such Lender in the United States of America; provided, however, that such Lender may fund any LIBOR Loan in any manner it sees fit and the foregoing assumption shall be utilized only for the purpose of calculation of amounts payable under this Section 3.9.

3.10 SUBSTITUTION OF LENDER. If (i) the obligation of any Lender to make or maintain LIBOR Loans has been suspended pursuant to Section 3.8 when not all Lender's obligations have been suspended, (ii) any Lender has demanded compensation under Section 3.7 or (iii) any Lender is a Defaulting Lender, the Company shall have the right, if no Unmatured Event or Event of Default then exists, to replace such Lender (a "Replaced Lender") with one or more other lenders (collectively, the "Replacement Lender") acceptable to the Agent, provided that (x) at the time of any replacement pursuant to this Section 3.10, the Replacement Lender shall enter into one or more Assignment and Acceptances, pursuant to which the Replacement Lender shall acquire the Commitments, the outstanding Revolving Credit Advances, the Replaced Lender's pro rata portion of the outstanding Term Loan and other obligations of the Replaced Lender and, in connection therewith, shall pay to the Replaced Lender in respect thereof an amount equal to the sum of (A) the amount of principal of, and all accrued interest on, all outstanding Loans of the Replaced Lender, (B) the amount of all accrued, but theretofore unpaid, fees owing to the Replaced Lender under Section 2.3 and (C) the amount which would be payable by the Company to the Replaced Lender pursuant to Section 3.9 if the Company prepaid at the time of such replacement all of the Loans of such Replaced Lender outstanding at such time and (y) all obligations of the Company then owing to the Replaced Lender (other than those specifically described in clause (x) above in respect of which the assignment purchase price has been, or is concurrently being, deemed paid) shall be paid in full to such Replaced Lender concurrently with such replacement. Upon the execution of the respective Assignment and Acceptances, the payment of amounts referred to in clauses (x) and (y) above and, if so requested by the

Replacement Lender, delivery to the Replacement Lender of the appropriate Note or Notes executed by the Company, the Replacement Lender shall become a Lender hereunder and the Replaced Lender shall cease to constitute a Lender hereunder. The provisions of this Agreement (including without limitation Sections 3.9 and 8.5) shall continue to govern the rights and obligations of a Replaced Lender with respect to any Loans made or any other actions taken by such lender while it was a Lender. Nothing herein shall release any Defaulting Lender from any obligation it may have to the Company, the Agent or any other Lender.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

The Company represents and warrants that:

4.1 CORPORATE EXISTENCE AND POWER. The Company and each Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is duly qualified to do business, and is in good standing, in all additional jurisdictions where such qualification is necessary under applicable law, except for those jurisdictions where the failure to so qualify or be in good standing could not reasonably be expected to result in any Material Adverse Effect. The Company and each Guarantor has all requisite power to own or lease the properties used in its business and to carry on its business as now being conducted and as proposed to be conducted except where the failure to have such power could not reasonably be expected to result in a Material Adverse Effect, and to execute and deliver the Loan Documents to which it is a party and to engage in the transactions contemplated by the Loan Documents.

4.2 CORPORATE AUTHORITY. The execution, delivery and performance by the Company and the Guarantors of the Loan Documents to which each of them is a party have been duly authorized by all necessary action and are not in contravention of any law, rule or regulation, or any judgment, decree, writ,

injunction, order or award of any arbitrator, court or governmental authority, or of the terms of the Company's or any Guarantor's organizational or governing documents, or of any contract or undertaking to which the Company or any Guarantor is a party or by which the Company or any Guarantor or their respective property may be bound or affected or result in the imposition of any Lien except for Permitted Liens.

4.3 BINDING EFFECT. The Loan Documents to which the Company or any Guarantor is a party are the legal, valid and binding obligations of the Company and the Guarantors, respectively, enforceable against the Company and the Guarantors in accordance with their respective terms, subject to the effect of bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and to general principles of equity.

4.4 SUBSIDIARIES. SCHEDULE 4.4 hereto correctly sets forth the legal name, jurisdiction of organization and ownership of each Subsidiary and Joint Venture of the Company. Each such Subsidiary and Joint Venture is, and each Person becoming a Subsidiary or Joint Venture of the Company after the date hereof will be a corporation, partnership or limited liability company

duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization and is and will be duly qualified to do business in each additional jurisdiction where such qualification is or may be necessary under applicable law, except for those jurisdictions where the failure to so qualify or be in good standing could not reasonably be expected to result in any Material Adverse Effect. Each Subsidiary and Joint Venture of the Company has and will have all requisite power to own or lease the properties used in its business and to carry on its business as now being conducted and as proposed to be conducted, except where the failure to have such power could not reasonably be expected to result in a Material Adverse Effect. All outstanding shares of Capital Stock of each class of each Subsidiary and Joint Venture of the Company have been and will be validly issued and are and will be fully paid and nonassessable and, except as otherwise indicated in SCHEDULE 4.4 hereto, are and will be owned, beneficially and of record, by the Company or another Subsidiary of the Company free and clear of any Liens other than as permitted under this Agreement.

4.5 LITIGATION. Except as set forth in SCHEDULE 4.5 hereto, there is no action, suit or proceeding pending or, to the best of the Company's knowledge, threatened against or affecting the Company or any of its Subsidiaries or any Guarantor before or by any court, governmental authority or arbitrator, which if adversely decided could reasonably be expected to result, either individually or collectively, in any Material Adverse Effect and, to the best of the Company's knowledge, there is no basis for any such action, suit or proceeding.

4.6 FINANCIAL CONDITION. The consolidated balance sheet of the Company and its Subsidiaries and the consolidated statements of income, retained earnings and cash flows of the Company and its Subsidiaries for the fiscal year ended December 31, 2000 and reported on by Ernst & Young LLP, independent certified public accountants, copies of which have been furnished to the Lenders, and the consolidated balance sheet of the Company and its Subsidiaries and the consolidated statements of income, retained earnings and cash flows of the Company and its Subsidiaries for the fiscal quarter ended September 30, 2001 fairly present, and the financial statements of the Company and its Subsidiaries delivered pursuant to Section 5.1(d) will fairly present, the consolidated financial position of the Company and its Subsidiaries as at the respective dates thereof, and the consolidated results of operations of the Company and its Subsidiaries for the respective periods indicated, all in accordance with Generally Accepted Accounting Principles (subject, in the case of said interim statements, to year-end audit adjustments). The Pro Forma Financial Statements are based on appropriate assumptions and the best information available. There has been no Material Adverse Effect since the date of the most recent audited financial statements of the Company, copies of which have been delivered to the Agent pursuant to Section 5.1(d). There is no material Contingent Liability of the Company that is not reflected in such financial statements or in the notes thereto.

4.7 USE OF REVOLVING CREDIT ADVANCES. The Company will use the proceeds of the initial Revolving Credit Advances hereunder as described in SCHEDULE 4.7, and will use all other Loans for working capital and general corporate purposes. Neither the Company nor any of its Subsidiaries extends or maintains, in the ordinary course of business, credit for the purpose, whether immediate, incidental, or ultimate, of buying or carrying margin stock (within the meaning of Regulation T, U or X of the Board of Governors of the Federal Reserve System), and

no part of the proceeds of the Term Loan or any Revolving Credit Advance will be used for the purpose, whether immediate, incidental, or ultimate, of buying or carrying any such margin stock or maintaining or extending credit to others for such purpose.

4.8 CONSENTS, ETC. Except for such consents, approvals, authorizations, declarations, registrations or filings delivered by the Company pursuant to Section 2.5(h), if any, each of which is in full force and effect, no consent, approval or authorization of or declaration, registration or filing with any governmental authority or any non-governmental Person or entity, including without limitation any creditor, lessor or stockholder of the Company or any of its Subsidiaries, is required on the part of the Company or any Guarantor in connection with the execution, delivery and performance of any Loan Document or the transactions contemplated hereby or as a condition to the legality, validity or enforceability of any Loan Document, which, if not obtained, received or made, could reasonably be expected to result in a Material Adverse Effect.

4.9 TAXES. The Company and its Subsidiaries have filed all tax returns (federal, state and local) required to be filed and have paid all taxes shown thereon to be due and required to be paid including interest and penalties, or have established adequate financial reserves on their respective books and records for payment thereof except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any of its Subsidiaries knows of any actual or proposed tax assessment or any basis therefor, and no extension of time for the assessment of deficiencies in any federal or state tax has been granted by the Company or any Subsidiary.

4.10 TITLE TO PROPERTIES. Except as otherwise disclosed in the latest balance sheet delivered pursuant to Section 4.6 or 5.1(d) of this Agreement, the Company or one or more of its Subsidiaries have a valid and indefeasible ownership interest in all of the properties and assets reflected in said balance sheet and will have a valid and indefeasible ownership interest in all of the properties and assets subsequently acquired by the Company or any Subsidiary. All of such properties and assets are free and clear of any Lien except for Permitted Liens. The Security Documents grant a first priority, enforceable and perfected lien and security interest in all assets of the Company and each Guarantor subject thereto which is not void or voidable, subject only to Permitted Liens.

4.11 ERISA. The Company, its Subsidiaries, the ERISA Affiliates and the Plans are in compliance in all material respects with those provisions of ERISA and of the Code which are applicable with respect to any Plan. No Plan has been terminated within the past five years, and no steps have been taken to terminate any Plan. No Prohibited Transaction and no Reportable Event has occurred with respect to any Plan which could have a Material Adverse Effect. The Company, its Subsidiaries and the ERISA Affiliates have met the minimum funding requirements under ERISA and the Code with respect to each of their respective Plans, other than obligations in the ordinary course of business to make Plan contributions and pay PBGC premiums which have been paid when due. Assuming the funds provided by each Lender do not constitute the plan assets of any pension plan, the execution, delivery and performance of the Loan Documents does not constitute a Prohibited Transaction. There is no material Unfunded

Benefit Liability with respect to any Plan. All contributions (if any) have been made to any Multiemployer Plan that are required to be made by the Company, its Subsidiaries, or the ERISA Affiliates, except as could not reasonably be expected to have a Material Adverse Effect. Neither the Company, any Subsidiary or any ERISA Affiliate has withdrawn or partially withdrawn from any Multiemployer Plan, incurred any withdrawal liability with respect to any such plan or received notice of any claim or demand for withdrawal liability or partial withdrawal liability from any such plan, and no condition has occurred which, if continued, might result in a withdrawal or partial withdrawal from any Multiemployer Plan. Neither the Company, any Subsidiary nor any ERISA Affiliate has received any notice that any Multiemployer Plan is in reorganization, that increased contributions may be required in order to avoid a reduction in plan benefits or the imposition of any excise tax, that any such Multiemployer Plan is or has been funded at a rate less than that required by Section 412 of the Code or Section 302 of ERISA, that any such plan is or may be terminated or that any such plan is or may become insolvent.

4.12 DISCLOSURE. No report or other information furnished in writing by the Company or any Subsidiary or Guarantor to any Lender or the Agent in connection with the negotiation or administration of this Agreement contains, to the best of the Company's knowledge, any material misstatement of fact or omits to state any material fact or any fact necessary to make the statements contained therein not misleading. No Loan Document nor any other document, certificate, or report or statement or other information furnished to any Lender or the Agent by or on behalf of the Company or any Subsidiary or Guarantor in connection with the transactions contemplated hereby contains any untrue statement of a material fact or omits to state a material fact in order to make the statements contained herein and therein not misleading. There is no fact known to the Company which could reasonably be expected to have a Material Adverse Effect, which has not been set forth in this Agreement or in the other documents, certificates, statements, reports any other information furnished in writing to the Lenders by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated hereby taken as a whole, including without limitation,

the transactions contemplated in the Subordinated Debt Documents and the Preferred Stock Documents

4.13 Environmental and Safety Matters.

(a) Except as set forth on SCHEDULE 4.13, none of the Company, its Subsidiaries, its Joint Ventures nor (to the Company's best knowledge (without independent investigation or inquiry) as to any operator other than the Company and any of its Subsidiaries and Joint Ventures) any operator of the Real Estate or any operations thereon is or, during the last three (3) years, has been in violation, or alleged violation, of any Environmental Laws, which violation could reasonably be expected to have a Material Adverse Effect;

(b) Except as set forth on SCHEDULE 4.13, neither the Company nor any of its Subsidiaries or its Joint Ventures has received notice from any third party including, without limitation: any federal, state or local governmental authority, (i) that any one of them has been identified by the United States Environmental Protection Agency ("EPA") as a potentially responsible party under CERCLA with respect to a site listed on the National Priorities List, 40

C.F.R. Part 300 Appendix B (1986); (ii) that any hazardous waste, as defined by 42 U.S.C. Section 9601(5), any hazardous substances as defined by 42 U.S.C. Section 9601(14), any pollutant or contaminant as defined by 42 U.S.C. Section 9601(33) and any toxic substances, oil or hazardous materials or other chemicals or substances regulated by any Environmental Laws (collectively, "Hazardous Materials") which any one of them has generated, transported or disposed of has been found at any site at which a federal, state or local agency or other third party has conducted or has ordered that the Company or any of its Subsidiaries or its Joint Ventures conduct a remedial investigation, removal or other response action pursuant to any Environmental Law; or (iii) that it is or shall be a named party to any claim, action, cause of action, complaint, or legal or administrative proceeding (in each case, contingent or otherwise) arising out of any third party's incurrence of costs, expenses, losses or damages of any kind whatsoever in connection with the release of Hazardous Materials;

(c) Except as set forth on SCHEDULE 4.13 attached hereto, and to the best knowledge (without independent investigation or inquiry) of the Company as to any actions, events or circumstances occurring or created prior to the ownership, lease or management of any of the Real Estate by the Company or any of its Subsidiaries or Joint Ventures, and as to any operations conducted on any of the Real Estate by parties other than the Company or any of its Subsidiaries or Joint Ventures: (i) no portion of the Real Estate has been used, except in accordance with applicable Environmental Laws, for the handling, processing, storage (including without limitation the storage of petroleum products in vehicles parked on any of the Real Estate and storage of petroleum products in connection with the operation of vehicle rental agencies on any of the Real Estate) or disposal of Hazardous Materials; and no underground tank or other underground storage receptacle for Hazardous Materials is located on any portion of the Real Estate (including without limitation in connection with the operation of vehicle rental agencies) which are not covered by third-party indemnification obligations in favor of the Company, its Subsidiaries or its Joint Ventures, (ii) in the course of any activities conducted by the Company, its Subsidiaries or its Joint Ventures or operators of its properties, no Hazardous Materials have been generated or are being used on the Real Estate except in accordance with applicable Environmental Laws, (iii) there have been no releases (i.e. any past or present releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, disposing or dumping) or (to the Company's best knowledge) threatened releases of Hazardous Materials on, upon, into or from the properties of the Company, its Subsidiaries or its Joint Ventures, which releases would have a material adverse effect on the value of any of the Real Estate or adjacent properties or the environment, (iv) without independent investigation or inquiry, there have been no releases on, upon, from or into any real property in the vicinity of any of the Real Estate which, through soil or groundwater contamination, may have come to be located on, and which would have a material adverse effect on the value of, the Real Estate, and (v) in addition, any Hazardous Materials that have been generated on any of the Real Estate have been transported offsite only by carriers having an identification number issued by the EPA, treated or disposed of only by treatment or disposal facilities maintaining valid permits as required under applicable Environmental Laws, which transporters and facilities have been and are operating in compliance with such permits and applicable Environmental Laws; and

(d) None of the Company, its Subsidiaries, its Joint Ventures nor any of the other Real Estate is subject to any applicable environmental law requiring the performance of Hazardous Materials site assessments, or the removal or remediation of Hazardous Materials, or the giving of notice to any governmental agency or the recording or delivery to other Persons of an environmental disclosure document or statement by virtue of the transactions set forth herein and contemplated hereby, or as a condition to the recording of any

Security Document or to the effectiveness of any other transactions contemplated hereby.

4.14 NO DEFAULT. Neither the Company nor any Subsidiary, or Guarantor is in default or has received any written notice of default under or with respect to any of its Contractual Obligations in any respect which could reasonably be expected to result in a Material Adverse Effect. No Unmatured Event or Event of Default has occurred and is continuing.

4.15 INTELLECTUAL PROPERTY. Set forth on SCHEDULE 4.15 is a complete and accurate list of all registered patents, trademarks, trade names, service marks and copyrights, and all applications therefor and licenses thereof, of Parent, the Company and each of its Subsidiaries showing as of the Effective Date the jurisdiction in which registered, the registration number and the date of registration. Parent, the Company and each of its Subsidiaries owns, or is licensed to use, all trademarks, tradenames, service marks, copyrights, technology, know-how and processes necessary for the conduct of its business as currently conducted (the "Intellectual Property") except for those for which the failure to own or license could not reasonably be expected to have a Material Adverse Effect. No claim has been asserted and is pending by any Person challenging or questioning the use of any such Intellectual Property or the validity or effectiveness of any such Intellectual Property, nor does the Company or any of its Subsidiaries know of any valid basis for any, such claim, the use of such Intellectual Property by the Company and each of its Subsidiaries does not infringe on the rights of any Person, and, to the knowledge of the Company, no Intellectual Property has been infringed, misappropriated or diluted by any other Person except for such claims, infringements, misappropriation and dilutions that, in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

4.16 NO BURDENSOME RESTRICTIONS. No Requirement of Law or Contractual Obligation applicable to the Company or any Subsidiary or Guarantor could reasonably be expected to have a Material Adverse Effect in the absence of a default thereunder.

4.17 LABOR MATTERS. There are no strikes or other labor disputes against the Company or any Subsidiary pending or, to the knowledge of the Company, threatened that (individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect. Hours worked by and payment made to employees of the Company and its Subsidiaries have been in compliance with the Fair Labor Standards Act, if applicable, and any other applicable Requirements of Law dealing with such matters except where failure to so comply (individually or in the aggregate) could not reasonably be expected to have a Material Adverse Effect. All payments due from the Company and each of its Subsidiaries on account of employee health and welfare insurance that (individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect if not paid have been paid or accrued as a liability on the books of the Company and its Subsidiaries.

4.18 SOLVENCY.

(a) After giving effect to the transactions described herein and to the incurrence or assumption of all Indebtedness (including, without limitation, all Revolving Credit Advances and Subordinated Debt and all Indebtedness in respect of Preferred Stock, incurred or assumed on or about the Effective Date and all other obligations being incurred or assumed) (i) the fair value of the assets of the Company and its Subsidiaries on a consolidated basis, at a fair valuation, will exceed the debts and liabilities, subordinated, contingent or otherwise, of the Company and its Subsidiaries on a consolidated basis, (ii) the present fair saleable value of the property of the Company and its Subsidiaries on a consolidated basis will be greater than the amount that will be required to pay the probable liability of the Company and its Subsidiaries on a consolidated basis on their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured, (iii) the Company and its Subsidiaries on a consolidated basis will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured, and (iv) the Company and its Subsidiaries on a consolidated basis will not have unreasonably small capital with which to conduct the businesses in which they are engaged as such businesses are now conducted and are proposed to be conducted after the date hereof.

(b) The Company does not intend to, or to permit any of its Subsidiaries to, and does not believe that it or any of its Subsidiaries will, incur debts beyond its and their ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by it or any such Subsidiary and the timing of the amounts of cash to be payable on or in respect of its Indebtedness or the Indebtedness of any such Subsidiary.

4.19 Not an Investment Company or a Holding Company; Other Regulations. Neither the Company nor any of its Subsidiaries is an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or a "holding company", or a "subsidiary company" of a "holding company", or an

"affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended. Neither the Company nor any of its Subsidiaries is subject to any regulation under any federal or state statute or regulation which limits its ability to incur Indebtedness.

4.20 SUBORDINATED DEBT DOCUMENTS. All representations and warranties of the Company contained in any Subordinated Debt Documents are true and correct in all material respects as of the dates required by such documents. The Company will receive net proceeds in the approximate amount of $20,000,000 on the Effective Date from the exchange of the Existing Subordinated Notes for the Subordinated Notes. All Subordinated Note Documents are described on SCHEDULE 1.1-B hereto. All Existing Subordinated Note Documents are described on SCHEDULE 1.1-C hereto. All Lender Indebtedness is "Senior Debt" and "Designated Senior Debt" as defined in the Subordinated Note Documents and the Existing Subordinated Note Documents and entitled to the benefits of all subordination provisions contained in such Subordinated Debt Documents, and other than the Lender Indebtedness, there is no other "Designated Senior Debt" thereunder. There is no event of default or event or condition which

could become an event of default with notice or lapse of time or both, under the Subordinated Debt Documents and each of the Subordinated Debt Documents is in full force and effect. Other than pursuant to the Subordinated Notes, the Existing Subordinated Notes and the Preferred Stock Documents, there is no obligation pursuant to any Subordinated Debt Document or other document or agreement evidencing or relating to any Subordinated Debt or Preferred Stock outstanding or to be outstanding on the Effective Date which obligates the Company to pay any principal or interest or redeem any of its Capital Stock or incur any other monetary obligation.

4.21 PREFERRED STOCK DOCUMENTS. All Preferred Stock Documents, and all payments and other obligations of the Company with respect to the Preferred Stock, are described on SCHEDULES 1.1-A-1 AND 1.1A-2 hereto.

4.22 BANK ACCOUNTS. SCHEDULE 4.22 sets forth, as of the Effective Date, the account numbers and location of all accounts of the Company or any of its Subsidiaries.

4.23 FACILITY LEASES AND FACILITY MANAGEMENT AGREEMENTS. SCHEDULE 4.23 hereto sets forth a listing of each Facility Lease and each Facility Management Agreement to which the Company or any of its Subsidiaries is a party as lessee or manager and specifies the city and state where the parking facility subject to such lease or management agreement is located.

ARTICLE V

COVENANTS

5.1 AFFIRMATIVE COVENANTS. The Company covenants and agrees that, until the payment in full of the Lender Indebtedness and the performance of all other obligations of the Company under this Agreement, and the termination of the Revolving Commitments, unless the requisite Lenders pursuant to Section 8.1 shall otherwise consent in writing, it shall, and, shall cause each of its Subsidiaries to:

(a) PRESERVATION OF CORPORATE EXISTENCE, ETC. To the extent the failure to do so could reasonably be expected to have a Material Adverse Effect, (i) do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and its qualification as a foreign corporation, partnership or limited liability company, as the case may be (other than in connection with any merger permitted pursuant to Sections 5.2(g), (l) or (s) and other than any dissolution or liquidations of any Subsidiary if the assets of such Subsidiary are transferred to the Company or any Guarantor in connection with such dissolution or liquidation), in good standing in each jurisdiction in which such qualification is necessary under applicable law and the rights, licenses, permits (including those required under applicable Environmental Laws), franchises, patents, copyrights, trademarks and trade names material to the conduct of its businesses; provided, however, that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Subsidiaries, if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Agent or the Lenders; and

(ii) defend all of the foregoing against all claims, actions, demands, suits or proceedings at law or in equity or by or before any governmental instrumentality or other agency or regulatory authority.

(b) COMPLIANCE WITH LAWS, ETC. Comply in all material respects with all

applicable laws, rules, regulations and orders of any governmental or regulatory authority whether federal, state, local or foreign (including without limitation ERISA, the Code and Environmental Laws), in effect from time to time, except to the extent the failure to so comply could not reasonably be expected to have a Material Adverse Effect, and pay and discharge, before any interest or penalty for nonpayment thereof becomes payable, all taxes, assessments and governmental charges or levies imposed upon it or upon its income, revenues or property before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise, which, if unpaid, might give rise to Liens (other than Permitted Liens) upon its properties or any portion thereof, except to the extent that payment of any of the foregoing is then being contested in good faith by appropriate legal proceedings and with respect to which adequate financial reserves have been established on the books and records of the Company or the applicable Subsidiary.

(c) MAINTENANCE OF PROPERTIES; INSURANCE. Maintain, preserve and protect all property that is material to the conduct of the business of the Company or any of its Subsidiaries and keep such property in good repair, working order and condition (ordinary wear and tear and casualty covered by insurance in compliance with this Section 5.1(c) excepted) and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times in accordance with customary and prudent business practices for similar businesses; and maintain in full force and effect insurance with responsible and reputable insurance companies or associations in such amounts, on such terms and covering such risks, including fire and other risks insured against by extended coverage, as is usually carried by companies engaged in similar businesses and owning similar properties similarly situated and maintain in full force and effect public liability insurance, insurance against claims for personal injury or death or property damage occurring in connection with any of its activities or any properties owned, occupied, controlled or managed by it, in such amount as is usually carried by companies engaged in similar businesses and owning, occupying or operating similar properties similarly situated, and maintain such other insurance as may be required by law or as may be reasonably requested by the Required Lenders for purposes of assuring compliance with this Section 5.1(c). The Company shall provide the Agent satisfactory written evidence of the coverage amounts and effective dates of all such insurance policies, and shall list the Agent on all such policies as a lender loss payee, mortgagee or additional insured, as applicable, for the benefit of the Lenders, shall deliver a lender's loss payable endorsement for all property, casualty and business interruption policies with standard mortgagee provisions, and shall further provide evidence that all such policies may be cancelled only upon 30 days' notice to the Agent.

(d) REPORTING REQUIREMENTS. Furnish to the Lenders and the Agent the following:

(i) Promptly and in any event within five Business Days after becoming aware of the occurrence of (A) any Unmatured Event or Event of Default, (B) the commencement of any litigation against, by or affecting the Company or any of its Subsidiaries, which could be reasonably expected to have a Material Adverse Effect, and any material developments therein, or (C) entering into any material contract or undertaking that is not entered into in the ordinary course of business, or (D) any Reportable Event; or (E) any development in the business or affairs of the Company or any of its Subsidiaries which has resulted in or which could be likely in the reasonable judgment of the Company, to result in a Material Adverse Effect, a statement of the chief financial officer of the Company setting forth details of such occurrence and the action which the Company or such Subsidiary, as the case may be, has taken and proposes to take with respect thereto;

(ii) Promptly upon request therefor from the Agent at any time after the occurrence and during the continuance of an Event of Default, and in any event within twenty (20) Business Days after the end of each month, a calculation of the Borrowing Base in the form attached hereto as Exhibit K, certified by the chief financial officer of the Company;

(iii) As soon as available and in any event within 45 days after the end of each fiscal quarter of the Company, the consolidated balance sheet of the Company and its Subsidiaries as of the end of such quarter, and the related consolidated statements of income and cash flows for such quarter and for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, setting forth in each case in comparative form the corresponding figures for the corresponding date or period of the preceding fiscal year and duly certified (subject to year-end audit adjustments) by the chief financial officer of the Company as having been prepared in accordance with Generally Accepted Accounting Principles, together with a certificate of the chief financial officer of the Company stating (A) that no Unmatured Event or Event of Default, has occurred and is continuing or, if an Unmatured Event or Event of Default has occurred and is continuing, a statement setting forth the details thereof and the action which the Company has taken and/or proposes to take with respect thereto, and (B) beginning with the certificate delivered for

the quarter ending March 31, 2002 that a computation (which computation shall accompany such certificate and shall be in detail satisfactory to the Agent) showing compliance with Section 5.2(a), (b), (c) and (d) hereof is in conformity with the terms of this Agreement;

(iv) As soon as available and in any event within 90 days after the end of each fiscal year of the Company, a copy of the consolidated balance sheet of the Company and its Subsidiaries as of the end of such fiscal year and the related consolidated statements of income and cash flows for such fiscal year, with a customary audit report of Ernst & Young LLP, or any of the five largest independent certified public accounting firms in the United States, without qualifications unacceptable to the Agent, together with, a certificate of the chief financial officer of the Company stating (A) that no Unmatured Event or Event of Default has occurred and is continuing, or, if an Unmatured Event or Event of Default has occurred and is continuing, a statement setting forth the details thereof and the action which the Company has taken and/or proposes to take with respect thereto, and (B) beginning with the certificate delivered for the year ending December 31, 2002 that a computation (which computation shall accompany such

certificate and shall be in reasonable detail) showing compliance with Section 5.2(a), (b), (c) and (d) hereof is in conformity with the terms of this Agreement;

(v) Promptly after the sending or filing thereof, copies of all reports, proxy statements and financial statements which the Company or any of its Subsidiaries sends to or files with any of their respective security holders or any securities exchange or the SEC;

(vi) On an annual basis, and concurrently with the delivery of any reports or statements referenced in (iv) above, the Company shall deliver to the Agent a complete set of schedules to this Agreement, revised to reflect all information described in such schedules that is new or changed from the prior year, and each schedule hereto shall, for purposes of Section 2.6(a), speak only as of the date last revised, there being no implied obligation to update the schedules as of the time of each disbursement in order to make the representations and warranties contained in Article IV true and correct as of the time of such disbursement, except for SCHEDULES 1.1-E, 2.5(m), 4.4, 4.5, 4.13 AND 4.15, which shall be revised and delivered to the Agent within 10 Business Days of any change in the information contained in any such schedule, further subject to any requirement, contained in this Agreement or in the Security Documents, to give prior notice to the Agent or the Lenders with respect to the information contained in any such schedule; PROVIDED, HOWEVER, that notwithstanding that any such supplement to a schedule may disclose the existence or occurrence of events, facts or circumstances which are either prohibited by the terms of this Agreement or any other Loan Documents or which result in the breach of any representation or warranty, such supplement to such schedule or representation shall not be deemed either an amendment thereof or a waiver of such breach unless expressly consented to in writing by Agent and the Required Lenders, and no such amendments, except as the same may be consented to in a writing which expressly includes a waiver, shall be or be deemed a waiver by the Agent or any Lender of any Event of Default disclosed therein, and PROVIDED, FURTHER, any items disclosed in any such supplemental disclosures shall be included in the calculation of any limits, baskets or similar restrictions contained in this Agreement or any of the other Loan Documents;

(vii) Promptly and in any event within 10 Business Days after receipt, a copy of any management letter or comparable analysis prepared by the auditors for the Company or any of its Subsidiaries;

(viii) Not later than January 31 of each year of the Company, (a) a budget prepared by the Company for the following fiscal year, and (b) a forecast prepared by the Company for the two consecutive fiscal years thereafter, and

(ix) Promptly, such other information respecting the business, properties, operations, collateral or condition, financial or otherwise, of Parent, the Company or any of their respective Subsidiaries as any Lender or the Agent may from time to time reasonably request.

(e) ACCOUNTING, ACCESS TO RECORDS, BOOKS, ETC. Maintain a system of accounting established and administered in accordance with sound business practices to permit

preparation of financial statements in accordance with Generally Accepted Accounting Principles and to comply with the requirements of this Agreement and, upon reasonable prior notice, at any reasonable time and from time to time, (i) permit any Lender or the Agent, or any agents or representatives thereof (including, without limitation, any auditor or consultant engaged by counsel for any Lender or the Agent), to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Company and

its Subsidiaries, and to discuss the affairs, finances and accounts of the Company and its Subsidiaries with their respective directors, officers and independent auditors, and by this provision the Company does hereby authorize such Persons to discuss such affairs, finances and accounts with any Lender or the Agent, (ii) permit the Agent or any of its agents or representatives (including, without limitation, any auditor or consultant engaged by counsel for any Lender or the Agent) to conduct a comprehensive field audit of its books, records, properties and assets, including without limitation all collateral subject to the Security Documents, PROVIDED, HOWEVER, the Company shall only be obligated to pay for two such audits per fiscal year (unless an Event of Default has occurred and is continuing, in which case the Company's obligation to pay for any such audits shall be unlimited).

(f) ADDITIONAL SECURITY AND COLLATERAL. Promptly (i) execute and deliver and cause each Guarantor to execute and deliver, additional Security Documents, within 30 days after request therefor by the Agent, sufficient to grant to the Agent for the benefit of the Lenders and the Agent liens and security interests in any after acquired property, to the extent required under Section 2.10, (ii) cause each Person becoming a Domestic Subsidiary and which meets the definition of a Guarantor from time to time to execute and deliver to the Lenders and the Agent, within 30 days after such Person becomes a Domestic Subsidiary, a Guaranty, a Security Agreement and a Pledge Agreement, and cause the parent of such Domestic Subsidiary to execute and deliver to the Lenders and the Agent within such period a pledge agreement (if one has not already been executed and delivered), sufficient to grant to the Agent for the benefit of the Lenders and the Agent liens and security interests in all collateral of the type described in Section 2.10; and (iii) cause the parent of each Person becoming a Foreign Subsidiary or Joint Venture from time to time to execute and deliver to the Lenders and the Agent, within 30 days after such Person becomes a Subsidiary or Joint Venture, a Pledge Agreement sufficient to grant to the Agent for the benefit of the Lenders and the Agent liens and security interests in all collateral of the type described in Section 2.10(c). The Company shall notify the Lenders and the Agent, within 10 days after the occurrence thereof, of the acquisition of any property by the Company or any Guarantor that is not subject to the existing Security Documents, any Person becoming a Subsidiary and any other event or condition, other than the passage of time, that may require additional action of any nature in order to create or preserve the effectiveness and perfected status of the liens and security interests of the Lenders and the Agent with respect to such property pursuant to the Security Documents, including without limitation delivering the originals of all promissory notes and other instruments payable to the Company or any Guarantor to the Agent and delivering the originals of all stock certificates or other certificates evidencing any Capital Stock owned by the Company or any Guarantor at any time.

(g) BANK ACCOUNTS. No later than March 31, 2002,the Company shall have moved all of its and its Subsidiaries' disbursement accounts to LaSalle, and otherwise

established LaSalle as its primary depository bank and provider of cash management services, notwithstanding that the Company and its Subsidiaries may maintain (i) account number 574332292 with Firstar Bank, NA for collection of credit card receipts, PROVIDED, that such account is swept daily to a concentration account in the name of the Company maintained at LaSalle, (ii) local depository and disbursement accounts with other financial institutions in Canada, as necessary to the conduct of the Company's or its Subsidiaries' business there, and (iii) local depository and disbursement accounts in the United States of America as necessary to pay payroll expenses or otherwise necessary to the conduct of business, in the locations where the Company or its Subsidiaries are doing business, PROVIDED, that with respect to any local depository accounts not maintained at LaSalle, such accounts are swept (net of amounts necessary to pay payroll expenses) daily, where daily electronic wire transfers are available and cost effective, to a concentration account maintained at LaSalle, or are swept (net of amounts necessary to pay payroll expenses) to such concentration account no less often than three times a week where daily wire transfers are not available or are not cost effective. LaSalle shall use commercially reasonable efforts to cooperate with the Company in complying with this subsection 5.1(g). At all times on and after the Effective Date, the Company and its Subsidiaries shall sweep funds from all its and their respective accounts, wheresoever located, to the concentration account maintained by LaSalle, and all amounts received in such concentration account shall be (i) further swept into the Company's disbursement accounts maintained by LaSalle, provided no Event of Default has occurred or is continuing, or (ii) applied to the Lender Indebtedness on such terms required by the Agent at any time after the occurrence and during the continuance of an Event of Default.

(h) FURTHER ASSURANCES. Execute and deliver within 30 days after request therefor by the Agent, all further instruments and documents and take all further action that the Agent may reasonably request, in order to give effect to the intent of, and to aid in the exercise and enforcement of the rights and remedies of the Agent and the Lenders under, the Loan Documents. At all times on and after the occurrence, and during the continuation, of an Event of Default, the Company and the Guarantors shall direct all clients and other Account Debtors to make all payments in connection with any obligations to the

Company or any Guarantor (other than obligations with respect to credit card payments, which shall be collected in accordance with Section 2.6(c) hereof) directly to a lockbox in the name, and under the control, of the Agent, and all amounts received in such lockbox shall be applied to the Lender Indebtedness on such terms required by the Agent, and the Company and the Guarantors shall promptly execute such documents and agreements required by the Agent in connection therewith, each in form and substance satisfactory to the Agent.

5.2 NEGATIVE COVENANTS. Until payment in full of the Lender Indebtedness and the performance of all other obligations of the Company under this Agreement and irrevocable termination of the Revolving Commitments, the Company agrees that, unless the Required Lenders (and with respect to sections 5.2 (g), (j), (k), (l), (p), (q) or (s), until all Lender Indebtedness of Bank One has been indefeasibly paid in full in cash, Bank One) shall otherwise consent in writing, it shall not, and shall not permit any of its Subsidiaries, to:

(a) ADJUSTED TOTAL DEBT TO ADJUSTED EBITDA RATIO. Permit or suffer the Adjusted Total Debt to Adjusted EBITDA Ratio to be greater than the levels set forth in the following table as of the dates shown:

DATE OF MEASUREMENT	REQUIRED RATIO
March 31, 2002	5.89 to 1.00
June 30, 2002	6.50 to 1.00
September 30, 2002	6.55 to 1.00
December 31, 2002	7.04 to 1.00
March 31, 2003	6.55 to 1.00
June 30, 2003	6.37 to 1.00
September 30, 2003	6.11 to 1.00
December 31, 2003	6.17 to 1.00

As of December 31, 2001, the Company shall have a minimum Adjusted EBITDA of $26,200,000.

(b) INTEREST COVERAGE RATIO. Permit or suffer the Interest Coverage Ratio to be less than the levels set forth in the following table as of the dates shown:

DATE OF MEASUREMENT	REQUIRED RATIO
March 31, 2002	1.52 to 1.00
June 30, 2002	1.47 to 1.00
September 30, 2002	1.45 to 1.00
December 31, 2002	

1.39 to 1.00 March 31, 2003 1.47 to 1.00 June 30, 2003 1.56 to 1.00 September 30, 2003 1.60 to 1.00 December 31, 2003 1.64 to 1.00

(c) FIXED CHARGE COVERAGE RATIO. Permit or suffer the Fixed Charge Coverage Ratio to be less than the levels set forth in the following table as of the dates shown:

DATE OF MEASUREMENT	REQUIRED RATIO
March 31, 2002	1.12 to 1.00
June 30, 2002	1.07 to 1.00
September 30, 2002	1.04 to 1.00
December 31, 2002	1.00 to 1.00
March 31, 2003	1.04 to 1.00
June 30, 2003	1.09 to 1.00
September 30, 2003	1.10 to 1.00
December 31, 2003	1.11 to 1.00

(d) SENIOR DEBT TO ADJUSTED EBITDA RATIO. Permit or suffer the Senior Debt to Adjusted EBITDA Ratio to be greater than the levels set forth in the following table as of the dates shown:

DATE OF MEASUREMENT	REQUIRED RATIO
March 31, 2002	1.24 to 1.00
June 30, 2002	1.44 to 1.00
September 30, 2002	1.33 to 1.00
December 31, 2002	1.51 to

March 31, 2003	1.00
June 30, 2003	1.19 to 1.00
September 30, 2003	1.28 to 1.00
December 31, 2003	1.09 to 1.00
	1.23 to 1.00

(e) INDEBTEDNESS. Create, incur, assume or in any manner become liable in respect of, or suffer to exist, or permit or suffer any Subsidiary to create, incur, assume or in any manner become liable in respect of, or suffer to exist, any Indebtedness other than:

(i) The Lender Indebtedness;

(ii) The Indebtedness described in SCHEDULE 5.2(e) hereto and renewals, extensions and refinancings thereof, but no increase in the amount thereof (as such amount is reduced from time to time) and no modifications of the terms thereof which is less favorable to the Company or more restrictive on the Company in any material manner shall be permitted;

(iii) Indebtedness of any Guarantor owing to the Company or to any other Guarantor (other than the Parent);

(iv) Subordinated Debt, including the related subordinated guarantees, pursuant to the Subordinated Debt Documents, provided that (A) immediately before and after (on a pro forma basis acceptable to the Agent and supported by such certificates required by the Agent) the incurrence of any such Subordinated Debt, no Unmatured Event or Event of Default shall exist or shall have occurred and be continuing and the Company shall be in pro forma compliance with all financial and other covenants contained herein as of the date of incurrence of such Subordinated Debt and for the following year and (B) all agreements, documents and instruments relating to such Subordinated Debt shall have been delivered to and approved by the Agent prior to the incurrence of such Subordinated Debt;

(v) Trade accounts payable and accrued expenses arising in the ordinary course which are past due in an amount which is not material in the aggregate for the Company and its Subsidiaries on a consolidated basis or which are being contested in good faith by appropriate proceedings and for which adequate reserves are maintained on the books of the Company;

(vi) Earnouts with respect to Permitted Acquisitions made by the Company;

(vii) Indebtedness which is nonrecourse to the Company or its Subsidiaries, provided that the aggregate amount of such nonrecourse Indebtedness does not exceed $10,000,000 and such nonrecourse terms and the other terms of such financing are acceptable to the Agent;

(viii) Indebtedness incurred to finance insurance premiums in the ordinary course of business consistent with past practices of the Company;

(ix) Indebtedness of Subsidiaries and Joint Ventures which are not Guarantors owing to the Company or a Guarantor (other than the Parent) not exceeding an aggregate amount equal to the book value of three percent (3%) of Total Assets; PROVIDED, that any such Indebtedness shall reduce, dollar for dollar, the available transactions permitted by Section 5.2(l)(13);

(x) Indebtedness represented by the subtraction of Adjusted Off-Balance Sheet Liabilities from Off-Balance Sheet Liabilities;

(xi) Indebtedness (other than Indebtedness to (i) Parent, or (ii) the Principals, the Related Parties and their respective Affiliates) other than as described in clauses (i) through (x) above not exceeding an aggregate amount equal to the book value of three percent (3%) of Total Assets, provided that not more than 50% of the Indebtedness incurred or otherwise outstanding pursuant to this clause (xi) may be secured by Permitted Liens; and

(xii) any Indebtedness which may otherwise be permitted pursuant to Sections 5.2(l) and (s).

(f) LIENS. Create, incur or suffer to exist any Lien on any of the assets, rights, revenues or property, real, personal or mixed, tangible or

intangible, whether now owned or hereafter acquired, of the Company or any of its Subsidiaries, other than:

(i) Liens in favor of the Agent for the benefit of the Lenders and the Agent;

(ii) Liens imposed by law (other than liens imposed by ERISA or Section 412 of the Code), carriers', warehousemen's or mechanic's Liens, operators' or drillers' Liens and Liens to secure claims for labor, material or supplies arising in the ordinary course of business, but only to the extent that payment thereof shall not at time be due or shall be contested in good faith by appropriate proceedings diligently conducted, with respect to which appropriate reserves have been set aside and as to which there has been no seizure of or foreclosure upon assets subject to such Liens;

(iii) deposits or pledges to secure payment of workmen's compensation, unemployment insurance, old age pensions or other social security, or to secure

the performance of bids, tenders, contracts (other than those relating to borrowed money) or leases or to secure statutory obligations or surety or appeal bonds, or to secure indemnity, performance or other similar bonds in the ordinary course of business, or in connection with contests, to the extent that payment thereof shall not at the time be due or shall be contested in good faith by appropriate proceedings diligently conducted and there have been set aside on its books appropriate reserves with respect thereto;

(iv) Liens securing taxes, assessments, levies or other governmental charges which are not overdue or which, in an amount not exceeding $1,000,000 in the aggregate, are being contested in good faith by appropriate proceedings diligently conducted, with respect to which reasonable reserves have been set aside and as to which there has been no seizure of or foreclosure upon assets subject to the Liens;

(v) Liens consisting of encumbrances, easements or reservations of, or rights of others for, rights-of-way, sewers, electric lines, telecommunications lines and other similar purposes, zoning restrictions, restrictions on the use of real property and minor defects and irregularities in the title thereto, and other similar encumbrances, none of which in the opinion of the Agent interferes with the use of the property subject thereto by the Company or such Subsidiary in the ordinary conduct of its business;

(vi) Liens existing on the date hereof and listed on SCHEDULE 5.2(f) hereto (including without limitation subordinated Liens created pursuant to the Subordinated Debt Documents), provided that neither the Indebtedness secured by any such existing Liens nor the property subject thereto shall increase;

(vii) Liens on the daily revenues in favor of Persons other than the Company or its Affiliates who are parties to the Facility Leases and Facility Management Agreements for the amounts due to them pursuant thereto;

(viii) purported Liens in the ordinary course of business on fixtures to the extent applicable law permits a mortgagee to claim an interest therein, provided that such purported Liens do not secure any Indebtedness of the Company or any of its Affiliates;

(ix) any Lien created to secure payment of a portion of the purchase price of, or existing at the time of acquisition of, any tangible fixed asset acquired by the Company or any of its Subsidiaries may be created or suffer to exist upon such tangible fixed asset if the outstanding principal amount of the Indebtedness secured by such Lien does not exceed the purchase price paid by the Company or such Subsidiary for such tangible fixed asset provided that (A) such Lien does not encumber any other asset at any time owned by the Company or such Subsidiary, (B) not more than one such Lien shall encumber such tangible fixed asset at any one time and (C) the aggregate amount of Indebtedness secured by all such Liens shall not exceed shall not exceed the amounts permitted by Sections 5.2(e)(ii) and (xi);

(x) Liens on unearned insurance premiums to secure Indebtedness referred to in Section 5.2(e)(viii);

(xi) Liens arising by applicable law in respect of employees' wages, salaries or commissions not overdue; and

(xii) Liens arising out of judgments or awards not exceeding $1,000,000 in the aggregate against the Company or its Subsidiaries with respect to which the Company or such Subsidiary shall be in good faith prosecuting an appeal or a proceeding or review and the enforcement of such Lien is stayed pending such appeal or review.

(g) MERGER; ACQUISITIONS; ETC. Make any Acquisition; nor merge or consolidate or amalgamate with any other Person or take any other action having a similar effect, nor enter into any joint venture or similar arrangement with any other Person, except (i) that the Agent, the Required Lenders, and Bank One (while Bank One is a Lender hereunder), may permit Acquisitions on terms acceptable to the Agent, the Required Lenders and Bank One (collectively, "Permitted Acquisitions"), and (ii) as may be otherwise permitted pursuant to Sections 5.2(l) and (s).

(h) DISPOSITION OF ASSETS, ETC. Sell, lease, license, transfer, assign or otherwise dispose of all or any portion of its business, assets, rights, revenues or property, real, personal or mixed, tangible or intangible, whether in one or a series of transactions, other than inventory sold in the ordinary course of business upon customary credit terms and sales of scrap or obsolete material or equipment which are not material in the aggregate, and shall not permit or suffer any Subsidiary to do any of the foregoing; provided, however, that this Section 5.2(h) shall not prohibit any such sale, lease, license, transfer, assignment or other disposition otherwise permitted pursuant to Sections 5.2(l) and (s), or if (i) the aggregate book value (disregarding any write-downs of such book value other than ordinary depreciation and amortization) of all of the business, assets, rights, revenues and property disposed of after the Effective Date of this Agreement (other than in reliance on clauses (ii) and (iii) below) shall be less than 1% of the Total Assets at such time and if, immediately before and after such transaction, no Unmatured Event or Event of Default shall exist or shall have occurred and be continuing, (ii) sales of equipment as to which proceeds are used within 180 days to purchase equipment of at least equivalent value to those sold and if, immediately before and after such transaction, no Unmatured Event or Event of Default shall exist or shall have occurred and be continuing, (iii) sales as to which proceeds are used to make optional prepayments on the Term Loan (if permitted) and Revolving Credit Advances, provided that such prepayments on the Revolving Credit Advances shall also permanently reduce the Revolving Commitments by the amount of such payments, (iv) investments which consist of transfers of assets instead of cash and which are permitted by Section 5.2(k) or (v) transfers of assets pursuant to a loan or advance permitted pursuant to Section 5.2(k); provided, however, in the case of any of the foregoing permitted sales, leases, licenses, transfers, assignments or other dispositions (each an "Asset Sale") described in clauses (i), (iii), (iv) the Company shall not, and shall not permit any of its Subsidiaries to, consummate an Asset Sale unless (A) the Company (or the Subsidiary, as the case may be) receives consideration at the time of such Asset Sale at least equal to the fair market value (as determined by the Board of Directors and evidenced by a resolution of the Board of Directors set forth in an officer's certificate delivered to the Agent) of the assets and (B) at least 80% of the consideration therefor received by the Company or such Subsidiary is in

the form of cash; provided that the amount of (x) any liabilities (as shown on the Company's or such Subsidiary's most recent balance sheet), of the Company or any Subsidiary that are assumed by the transferee of any such assets such that the Company or such Subsidiary have no further liability and (y) any securities, notes or other obligations received by the Company or any such Subsidiary from such transferee that are converted by the Company or such Subsidiary into cash (to the extent of the cash received), shall be deemed to be cash for purposes of this provision and the definition of Net Cash Proceeds, and (C) the Agent promptly shall obtain a first priority security interest in any non-cash consideration for any Asset Sale.

(i) NATURE OF BUSINESS. Make or suffer any substantial change in the nature of its business from that engaged in on the Effective Date or engage in any other businesses other than those in which it is engaged on the Effective Date.

(j) DIVIDENDS AND OTHER RESTRICTED PAYMENTS. Make, pay, declare or authorize any dividend, payment or other distribution in respect of any class of its Capital Stock (including Preferred Stock) or any dividend, payment or distribution in connection with the redemption, purchase, retirement or other acquisition, directly or indirectly, of any shares of its Capital Stock, other than such dividends, payments or other distributions made (i) to the extent payable solely in shares of Capital Stock (other than Disqualified Stock) of the Company, (ii) in connection with Permitted Acquisitions; (iii) in connection with "Permitted Junior Securities" issued in favor of Bank One pursuant to and as defined in the Bank Subordination Agreement; and (iv) as permitted pursuant to Sections 5.2(l) and (s). The Company will not issue Disqualified Stock, except as permitted by Section 5.2(e).

(k) INVESTMENTS, LOANS AND ADVANCES. Purchase or otherwise acquire any Capital Stock of or other ownership interest in, or debt securities of or other evidences of Indebtedness of, any other Person; nor make any loan or advance of any of its funds or property or make any other extension of credit to, or make any other investment or contribution or acquire any interest whatsoever in, any other Person; nor incur any Contingent Liability except to the extent permitted under Section 5.2(e); nor permit any Subsidiary to do any of the foregoing;

other than (i) extensions of trade credit made in the ordinary course of business on customary credit terms and commission, relocation, travel and similar advances made to officers, employees and to Shoreline Enterprises, LLC, a Delaware limited liability company (the majority ownership of which is held by Myron C. Warshauer) ("Shoreline"), for consulting services and reimbursable expenses, all in the ordinary course of business, provided that advances to officers, employees and Shoreline for purposes other than commission, relocation and travel shall not exceed $250,000 in aggregate amount, (ii) investments in Cash Equivalents, (iii) those investments, loans, advances and other transactions described in SCHEDULE 5.2(k) hereto, having the same terms as existing on the date of this Agreement, but no extension or renewal thereof shall be permitted, (iv) acquire and own stock, obligations or securities received in settlement of debts owing to the Company or its Subsidiaries or as consideration for Asset Sales otherwise permitted under Section 5.2(h), (v) other loans, advances or investments (except to (1) Affiliates of the Company, or (2) the Parent, the Principals, the Related Parties and their respective Affiliates) in an aggregate amount not to exceed three percent (3%) of Total Assets, and (vi) as otherwise permitted pursuant to Sections 5.2(l) and (s).

(l) TRANSACTIONS WITH AFFILIATES. Take any actions, nor enter into any transactions, of the types described in Sections 5.2(e), (f), (g), (h), (j), (k), (p) or (q), directly or indirectly, with, or for the benefit of, any Affiliates of the Company, the Principals and/or the Related Parties (each of the foregoing, an "Affiliate Transaction") except as may otherwise be specifically permitted by those sections, and except as follows:

(1) transactions between or among the Company and/or the Guarantors (except for the Parent) shall be permitted;

(2) the Company or any Subsidiary may pay or issue to Parent or Affiliates such amounts or dividends which in the aggregate do not exceed in any fiscal quarter an amount equal to the lesser of $750,000 or an amount equal to 50% of the amount of Excess Cash Flow times one-fourth (collectively, the "Affiliate Amount"), provided that (i) such payments do not violate any other terms or provisions of this Agreement, (ii) no Unmatured Event or Event of Default exists or would be caused by such payment, and (iii) the calculation of Excess Cash Flow and the Affiliate Amount shall be delivered to the Agent concurrently with the financial statements required pursuant to Section 5.1(d)(iii) of this Agreement, and the Agent shall have five (5) Business Days in which to review and approve or disapprove such calculation, and the Affiliate Amount shall be paid upon approval of such calculation, and (iv) the payment of the Affiliate Amount shall begin for the fiscal quarter ending March 31, 2002 and shall continue for each fiscal quarter thereafter;

(3) payment on the Closing Date to the Parent of a transaction advisory fee of not more than $3,000,000;

(4) the Company has used a maximum of $1,500,000 of the proceeds from the Subordinated Notes to redeem not less than 1.5 shares of Series C Preferred Stock owned by the Parent, of which such proceeds the Parent MUST use, or return to the Company, 100% within 180 days of the Effective Date to repurchase and retire a portion of the Parent's Senior Discount Notes;

(5) the Company may use a maximum of $1,500,000 out of the payment received by the Company pursuant to the cancellation of certain Facility Management Agreements to redeem shares of Series C Preferred Stock owned by the Parent; PROVIDED, HOWEVER, that the Parent MUST use, or return to the Company, 100% of such redemption payment within 30 days of the payment thereof, to repurchase and retire a portion of the Parent's Senior Discount Notes;

(6) any Subsidiary may merge with or into another Subsidiary or into the Company, provided that (i) there is no Unmatured Event or Event of Default either existing before, or which would arise from, such merger, (ii) if any such merger involves a Guarantor, the Guarantor shall be the surviving corporation, (iii) if any such merger involves the Company, the Company shall be the surviving corporation and (iv) if any such merger involves the Company or any Guarantor, the net worth of the Company or such

Guarantor involved in such merger immediately after the merger would be equal to or greater than its net worth immediately preceding such merger;

(7) upon notice to and consent of the Agent, any Subsidiary may merge with or into a newly-created Subsidiary which is incorporated, formed or otherwise organized pursuant to the laws of the State of Delaware, solely for the purpose of re-organizing the previously existing Subsidiary under the laws of the State of Delaware, provided that (i) there is no Unmatured Event or Event of Default either existing before, or which would arise from, such merger, (ii) if any such merger involves a Guarantor, the

surviving Subsidiary shall become a Guarantor, and the net worth of such surviving Subsidiary immediately after the merger shall be equal to or greater than the Guarantor's net worth immediately preceding such merger, and (iii) all other terms and conditions of such merger shall be acceptable to the Agent in its reasonable discretion;

(8) transfers of assets, including without limitation Capital Stock, between Guarantors (other than the Parent) or between the Company and Guarantors (other than the Parent) shall be permitted, provided that the Agent maintains its first priority perfected Lien on any and all collateral security;

(9) the exchange of the Existing Subordinated Notes for the Subordinated Notes and the Series D Preferred Stock, as contemplated by the Subordinated Note Documents, is permitted;

(10) Affiliate Transactions, Facility Management Agreements and Facility Leases entered into in the ordinary course of business shall be permitted that are on terms that are no less favorable to the Company or the relevant Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Subsidiary with an unrelated Person;

(11) the Company may pay on behalf of, or make reimbursements to, the Parent not to exceed $300,000 in the aggregate in any fiscal year of the Company, for expenses incurred in the ordinary course of business by the Parent for its own account or on behalf of the Company and/or the Company's Subsidiaries;

(12) the Indebtedness of the Parent, the Principals and/or the Related Parties to the Company outstanding on the Effective Date and described in SCHEDULE 5.2(l)(12) hereto, but no increase in the amount thereof (as such amount is reduced from time to time, and all amounts repaid shall not be reborrowed) and no modifications of the terms thereof which are less favorable to the Company or more restrictive on the Company in any material manner shall be permitted; and

(13) the Company or any Guarantor (other than the Parent) may purchase or otherwise acquire any Capital Stock of or other ownership interest in, or debt securities of or other evidences of Indebtedness of, any Subsidiary or Joint Venture that is not a Guarantor; or make any loan or advance of any of its funds or property or make any other extension of

credit to, or make any other investment or contribution or acquire any interest whatsoever in, any Subsidiary or Joint Venture that is not a Guarantor, not exceeding an aggregate amount equal to the book value of 3% of Total Assets; PROVIDED, that any of the foregoing transactions shall reduce, dollar for dollar, the available Indebtedness permitted by Section 5.2(e)(ix).

(m) INCONSISTENT AGREEMENTS. Enter into any agreement or permit or suffer any Subsidiary to enter into any agreement containing any provision which would be violated or breached by this Agreement or any of the transactions contemplated hereby or by performance by the Company or any of its Subsidiaries of its obligations in connection therewith.

(n) NEGATIVE PLEDGE LIMITATION. Enter into any agreements (other than the Subordinated Debt Documents, the Security Documents and any other agreement entered into in connection with any Joint Venture in the ordinary course of the Company's business prohibiting liens or security interests on the Capital Stock of such Joint Venture and the assets of such Joint Venture consistent with the terms of the Security Documents), including without limitation any amendments to existing agreements, with any Person other than the Lenders pursuant hereto which prohibits or limits the ability of the Company or any Subsidiary to create, incur, assume or suffer to exist any Lien upon any of its assets, rights, revenues or property, real, personal or mixed, tangible or intangible, whether now owned or hereafter acquired.

(o) SUBSIDIARY DIVIDENDS. Permit any of its Wholly-Owned Subsidiaries directly or indirectly to create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction which by its terms materially restricts the ability of any such Subsidiary to (i) pay dividends or make any other distributions on such Subsidiary's capital stock, (ii) pay any Indebtedness owed to the Company or any Guarantors, (iii) make any loans or advances to the Company or any Guarantors or (iv) transfer any material portion of its assets to the Company or any Guarantors.

(p) PAYMENTS AND MODIFICATION OF DEBT. Make, or permit any Subsidiary to make, any optional payment, defeasance (whether a covenant defeasance, legal defeasance or other defeasance), prepayment or redemption of any of its or any of its Subsidiaries' Subordinated Debt or other Indebtedness or Preferred Stock (except for payments made in Capital Stock which could not create an Event of Default, and except for Ordinary Course Lease Termination Payments); or amend or modify, or consent or agree to any amendment or modification of, any instrument

or agreement under which any of its Subordinated Debt is issued or created or otherwise related thereto; or amend or modify the Preferred Stock in any respect which could be materially adverse to the Lenders, or which could cause the Preferred Stock to become Disqualified Stock, or consent or agree to any such amendment or modification of, any instrument or agreement under which the Preferred Stock is issued or created or otherwise related thereto; or enter into any agreement or arrangement providing for any defeasance of any kind of any of its Subordinated Debt, or designate any Indebtedness (other than the Lender Indebtedness) as "Designated Senior Debt" as defined in and pursuant to the Subordinated Debt Documents; except as may otherwise be permitted pursuant to Sections 5.2(l) and (s).

(q) MANAGEMENT FEES. Pay, or permit any Subsidiary to pay, directly or indirectly, any management, consulting, investment banking, advisory or other fees or payments or any other payments (including, without limitation, any amounts paid or payable by the Company or any of its Subsidiaries to the Parent in respect of overhead expense allocations among members of the affiliate corporate group) to the Parent or any Affiliates thereof, or any Affiliates of the Company or the Principals or Related Parties, except as may otherwise be permitted pursuant to Sections 5.2(l) and (s). In addition to the foregoing, the Company also will not pay, or permit any Subsidiary or, to the extent the Company is able to do so, any other Affiliate of the Company, to pay, directly or indirectly, any management, consulting, investment banking, advisory or other fees or payments under any leases, any expense reimbursement or similar payments or any other payments of any kind (including, without limitation, any amounts paid or payable by the Company or any of its Subsidiaries to Steamboat in respect of overhead expense allocations among members of the affiliate corporate group) to Steamboat, Holberg or any Affiliates thereof other than the Company or any Guarantor (other than Parent), except as may otherwise be permitted by Sections 5.2(l) and (s).

(r) NET CAPITAL EXPENDITURES. Make, or permit any Subsidiary to make, Net Capital Expenditures that exceed in any fiscal year in the aggregate for the Company and its Subsidiaries 25% of the Adjusted EBITDA for such fiscal year, plus in each case, (i) the amount by which the allowed Net Capital Expenditures for the most recently ended fiscal year exceeded the actual Net Capital Expenditures for such fiscal year and (ii) an amount, not to exceed $2,000,000, of the allowed Net Capital Expenditures for the following fiscal year (subject to the permitted Net Capital Expenditures for such following year being reduced by the amount used and allowed under this clause (ii)).

(s) ADDITIONAL LIMITATIONS ON TRANSACTIONS WITH AFFILIATES. Notwithstanding anything to the contrary in this Agreement (including, without limitation, any of the transactions permitted by Section 5.2), from and after the occurrence of an Event of Default or Unmatured Event, the Company shall not and shall not permit any of its Subsidiaries to, directly or indirectly, make any payment to or sell, lease, transfer or otherwise dispose of its properties or assets to, or enter into or make or amend any such transaction (in such forms as may include, without limitation, any contract, agreement, understanding, investment, loan, advance or guarantee) with, or for the benefit of, any direct or indirect holder or holders of any of the Capital Stock of the Company, or with, or for the benefit of, any other Affiliate of the Company which is not its Subsidiary or Joint Venture (including, without limitation, the Principals, the Related Parties, Steamboat and Parent), except for Facility Management Agreements and Facility Leases entered into in the ordinary course of business that are on terms that are no less favorable to the Company or the relevant Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Subsidiary with an unrelated Person.

(t) ERISA MATTERS. For itself, any Subsidiary or any ERISA Affiliate, suffer or permit any of the following that could result in or constitute a Material Adverse Effect: (i) termination of any Plan; (ii) permit to exist any Reportable Event or any other event or condition with respect to any Plan (iii) make a complete or partial withdrawal from any Multiemployer Plan; (iv) enter into any new Plan or modify any existing Plan so as to increase liability of the

Company, a Subsidiary or an ERISA Affiliate; or (iv) permit the present value of all nonforfeitable accrued benefits under any Plan (using the actuarial assumptions utilized by the PBGC upon termination of a pension plan) to exceed the fair market value of the Plan's assets allocable to such benefits, all as determined as of the most recent valuation date for each such Plan.

5.3 ADDITIONAL COVENANTS. If at any time the Company shall enter into or be a party to any instrument or agreement with respect to any Indebtedness (covered under clause (a) in the definition of "Indebtedness") and with respect to Adjusted Off-Balance Sheet Liabilities, which in the aggregate, together with any related Indebtedness (covered under clause (a) in the definition of "Indebtedness") and any Adjusted Off-Balance Sheet Liabilities, exceeds $5,000,000, including all such instruments or agreements in existence as of the date hereof and all such instruments or agreements entered into after the date

hereof to the extent permitted by Section 5.1(d), relating to or amending any terms or conditions applicable to any of such Indebtedness which includes covenants, terms, conditions or defaults not substantially provided for in this Agreement or more favorable to the lender or lenders thereunder than those provided for in this Agreement, then the Company shall promptly so advise the Agent and the Lenders. Thereupon, if the Agent shall request, upon notice to the Company, the Agent and the Lenders shall enter into an amendment to this Agreement or an additional agreement (as the Agent may request), providing for substantially the same covenants, terms, conditions and defaults as those provided for in such instrument or agreement to the extent required and as may be selected by the Agent. In addition to the foregoing, any covenants, terms, conditions or defaults in Subordinated Debt Documents or Preferred Stock Documents not substantially provided for in this Agreement or more favorable to the holders of Subordinated Debt or Preferred Stock issued in connection therewith are hereby incorporated by reference into this Agreement to the same extent as if set forth fully herein, and no subsequent amendment, waiver, termination or modification thereof shall effect any such covenants, terms, conditions or defaults as incorporated herein other than as permitted pursuant to Section 5.2(p).

ARTICLE VI

DEFAULT

6.1 EVENTS OF DEFAULT. The occurrence of any one of the following events or conditions shall be deemed an "Event of Default" hereunder unless waived by the requisite Lenders pursuant to Section 8.1:

(a) NONPAYMENT. The Company shall fail to pay when due any principal or interest of the Notes, or any reimbursement obligation under Section 3.3 (whether by deemed disbursement of a Revolving Credit Loan or otherwise), or any fees or any other amount payable hereunder;

(b) MISREPRESENTATION. Any representation or warranty made by the Company or any Guarantor in any Loan Document or any other certificate, report, financial statement or

other document furnished by or on behalf of the Company or any Guarantor in connection with this Agreement, shall prove to have been incorrect when made or deemed made;

(c) CERTAIN COVENANTS. The Company or any Guarantor shall fail to perform or observe any term, covenant or agreement contained in Sections 5.1(e) through (g), 5.2 or 5.3 hereof;

(d) OTHER DEFAULTS. The Company or any Guarantor shall fail to perform or observe any other term, covenant or agreement contained in any Loan Document to which it is a party (other than those described in Sections 6.1(a) or 6.1(c), and any such failure shall remain unremedied for 20 calendar days after the occurrence of such failure (or such longer or shorter period of time as may be specified in such Loan Document);

(e) OTHER INDEBTEDNESS. The Company or any of its Subsidiaries or any Guarantor (other than the Parent) shall fail to pay any part of the principal of, the premium, if any, or the interest on, or any other payment of money due under any of its Indebtedness (other than (i) Indebtedness hereunder, (ii) Indebtedness of APCOA-Atrium Parking Venture L.P., an Ohio limited partnership ("Atrium"), with respect to its obligations to the holders of its Ten-Year Debentures bearing interest at a rate of 12% per annum, issued in original principal amount of $1,775,000 pursuant to the terms of a Confidential Private Placement memorandum dated May 24, 1995, and (iii) other non-recourse Indebtedness of the Company or any of its Subsidiaries or any Guarantor as the Agent shall consent, such consent not to be unreasonably withheld), beyond any period of grace provided with respect thereto, which individually or together with other such Indebtedness as to which any such failure exists has an aggregate outstanding principal amount in excess of $1,000,000; or the Company or any of its Subsidiaries or any Guarantor (other than the Parent) shall fail to perform or observe any other term, covenant or agreement contained in any agreement, document or instrument evidencing or securing any such Indebtedness having such aggregate outstanding principal amount, or under which any such Indebtedness was issued or created, beyond any period of grace, if any, provided with respect thereto if the effect of such failure is either (i) to cause or permit the holders of such Indebtedness (or a trustee on behalf of such holders) to cause, any payment in respect of such Indebtedness to become due prior to its due date or (ii) to permit the holders of such Indebtedness (or a trustee on behalf of such holders) to elect a majority of the board of directors of the Company or the Parent; PROVIDED, HOWEVER, that with respect to the Parent, the Parent shall fail to pay any part of the principal of, the premium, if any, or the interest on, or any other payment of money due under any of such Indebtedness, beyond any period of grace provided with respect thereto, if the effect of such failure is to cause the holders of such Indebtedness (or a trustee on behalf of such holders) to cause any payment in respect of such Indebtedness to become due prior to its due date;

(f) JUDGMENTS. One or more judgments or orders for the payment of money (not fully paid or covered without dispute by insurance) in an aggregate amount of $1,000,000 in any fiscal year shall be rendered against the Company or any of its Subsidiaries or any Guarantor, or any other judgment or order (whether or not for the payment of money) shall be rendered against or shall affect the Company or any of its Subsidiaries or any Guarantor which causes or could reasonably be expected to cause a Material Adverse Effect, and either (i) such

judgment or order shall have remained unsatisfied and the Company or such Subsidiary or Guarantor shall not have taken action necessary to stay enforcement thereof by reason of pending appeal or otherwise, prior to the expiration of the applicable period of limitations for taking such action or, if such action shall have been taken, a final order denying such stay shall have been rendered, or (ii) enforcement proceedings shall have been commenced by any creditor upon any such judgment or order;

(g) ERISA. Any of the following (i) the occurrence of a Reportable Event that results in liability of the Company, any Subsidiary or Guarantor or any ERISA Affiliate to the PBGC or to any Plan and such Reportable Event is not corrected within thirty (30) days after the occurrence thereof; (ii) the occurrence of any Reportable Event which could constitute grounds for termination of any Plan by the PBGC or for the appointment by the appropriate United States District Court of a trustee to administer any Plan and such Reportable Event is not corrected within thirty (30) days after the occurrence thereof; (iii) the filing by the Company, any Subsidiary or Guarantor or any ERISA Affiliate of a notice of intent to terminate a Plan or the institution of other proceedings to terminate a Plan; (iv) the Company, any Subsidiary or Guarantor or any ERISA Affiliate shall fail to pay when due any liability to the PBGC or to a Plan; (v) the PBGC shall have instituted proceedings to terminate, or to cause a trustee to be appointed to administer, any Plan; (vi) any Person engages in a Prohibited Transaction with respect to any Plan which results in liability of the Company, any Subsidiary or Guarantor, or any ERISA Affiliate; (vii) there shall occur a complete or partial withdrawal from, or a default within the meaning of Section 4219(c)(5) of ERISA with respect to one or more Multiemployer Plans which could cause the Company, any Subsidiary or Guarantor or any ERISA Affiliate to incur a current payment obligation; (viii) the Company, any Subsidiary or Guarantor or any ERISA Affiliate shall fail to make a required installment or other payment to any Plan within the meaning of Section 302(f) of ERISA or Section 412(n) of the Code that results in or could result in liability of the Company, any Subsidiary of the Company or any ERISA Affiliate to the PBGC or any Plan; (ix) the withdrawal of the Company, any of its Subsidiaries or any ERISA Affiliate from a Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA; or (x) the Company, any of its Subsidiaries or any ERISA Affiliate becomes an employer with respect to any Multiemployer Plan without the prior written consent of the Required Lenders; provided, however, that the aggregate liability caused by any of the foregoing exceeds $1,000,000;

(h) INSOLVENCY, ETC. The Company, any Subsidiary or any Guarantor shall be dissolved or liquidated or any judgment, order or decree therefor shall be entered (other than dissolutions or liquidations of Subsidiaries permitted by Sections 5.1(a) and 5.2(g), (l) and (s)), [or shall generally not pay its debts as they become due,] or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors, or shall institute, or there shall be instituted against the Company, any Subsidiary or any Guarantor, any proceeding or case seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or seeking the entry of an order for relief, or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets, rights, revenues or

property, and, if such proceeding is instituted against the Company or such Subsidiary or such Guarantor, such proceeding shall remain undismissed or unstayed for a period of 60 days; or the Company or any Subsidiary or any Guarantor shall take any action (corporate or other) to authorize or further any of the actions described above in this subsection;

(i) OTHER DOCUMENTS. Any material provision of any Loan Document or any subordination provision of any Subordinated Debt Document shall at any time for any reason cease to be valid and binding and enforceable against any obligor thereunder, or the validity, binding effect or enforceability thereof shall be contested by any Person or any obligor, shall deny that it has any or further liability or obligation thereunder, or any Loan Document or any subordination provision of any Subordinated Debt Document shall be terminated, invalidated or set aside, or be declared ineffective or inoperative or in any way cease to give or provide to the Lenders and the Agent the benefits purported to be created thereby in any material manner;

(j) ORDERS, PERMITS, ETC. The Company or any of its Subsidiaries shall be enjoined, restrained or in any way prevented by the order of any court or any administrative or regulatory agency from conducting any material part of its business and such order shall continue in effect for more than thirty (30) days, or there shall occur the loss, suspension or revocation of, or failure to renew, any license or permit now held or hereafter acquired by the Company or any of its Subsidiaries if such loss, suspension, revocation or failure to renew has or could reasonably be expected to have a Material Adverse Effect;

(k) CONTROL. Any Change of Control shall occur;

(l) PARENT INDEBTEDNESS. The certification to be provided by the Parent in accordance with Section 2.5(m) (whether on the Closing Date or at any time thereafter with respect to new Indebtedness) shall fail to be correct in all material respects, or the Parent shall fail to certify to the Agent as required by Section 2.5(m) at any time after the Closing Date with respect to any new Indebtedness; or

(m) MATERIAL ADVERSE CHANGES. The Company shall lose the benefit of any contract or agreement with any customer, vendor or other Person, including without limitation, any Facility Lease or Facility Management Agreement, which shall result in a Material Adverse Effect in the Agent's reasonable discretion, or there shall be a change in the senior management of the Company which shall result in a Material Adverse Effect in the Agent's reasonable discretion, or there shall be any other occurrence or non-occurrence which, in the Agent's reasonable discretion, shall result in a Material Adverse Effect.

6.2 REMEDIES.

(a) Upon the occurrence and during the continuance of any Event of Default, by notice to the Company (i) the Agent may, and upon being directed to do so by the Required Revolving Lenders shall, terminate the Revolving Commitments or (ii) the Agent may, and upon being directed to do so by the Required Lenders, shall declare the outstanding principal of, and accrued interest on, the Notes, all unpaid reimbursement obligations in respect of drawings under

Letters of Credit and all other amounts owing under this Agreement to be immediately due and payable, or (iii) the Agent may, and upon being directed to do so by the Required Revolving Lenders, shall demand immediate delivery of cash collateral, and the Company agrees to deliver such cash collateral upon demand, in an amount equal to the maximum amount that may be available to be drawn at any time prior to the stated expiry of all outstanding Letters of Credit, or any one or more of the foregoing, whereupon the Revolving Commitments shall terminate forthwith and all such amounts, including all Loans and such cash collateral, shall become immediately due and payable, as the case may be (provided that in the case of any event or condition described in Section 6.1(h), the Revolving Commitments shall automatically terminate forthwith and all such amounts, including such cash collateral, shall automatically become immediately due and payable without notice), in all cases without demand, presentment, protest, diligence, notice of dishonor or other formality, all of which are hereby expressly waived. Such cash collateral delivered in respect of outstanding Letters of Credit shall be deposited in a special cash collateral account to be held by the Agent as collateral security for the payment and performance of the Company's obligations under this Agreement to the Lenders and the Agent.

(b) The Agent may and, upon being directed to do so by the Required Lenders, shall, in addition to the remedies provided in Section 6.2(a), exercise and enforce any and all other rights and remedies available to it or the Lenders, whether arising under this Agreement or any Loan Document or under applicable law, in any manner deemed appropriate by the Agent, including suit in equity, action at law, or other appropriate proceedings, whether for the specific performance (to the extent permitted by law) of any covenant or agreement contained in any other Loan Document or in aid of the exercise of any power granted in any Loan Document.

(c) Upon the occurrence and during the continuance of any Event of Default, the Agent and each Lender may, subject to Section 7.10, at any time and from time to time, without notice to the Company (any requirement for such notice being expressly waived by the Company) set off and apply against any and all of the obligations of the Company now or hereafter existing under this Agreement, whether owing to such Lender or any other Lender or the Agent, any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Agent or such Lender or any Affiliate of the Agent or such Lender to or for the credit or the account of the Company and any property of the Company from time to time in possession of the Agent or such Lender, irrespective of whether or not the Agent or such Lender shall have made any demand hereunder and although such obligations may be contingent and unmatured. The Company hereby grants to the Lenders and the Agent a lien on and security interest in all such deposits, indebtedness and property as collateral security for the payment and performance

of the obligations of the Company under this Agreement. The rights of each Lender and the Agent under this Section 6.2(c) are in addition to other rights and remedies (including, without limitation, other rights of setoff) which the Agent or each such Lender may have.

6.3 DISTRIBUTION OF PROCEEDS OF COLLATERAL. All proceeds of any realization on the collateral pursuant to the Security Documents and any payments received by the Agent or any

Lender pursuant to the Guaranties after the Loans become due and payable (whether by acceleration or otherwise), shall be allocated and distributed by the Agent as follows:

(a) First, to the payment of all reasonable costs and expenses, including without limitation all reasonable attorneys' fees, of the Agent in connection with the enforcement of the Security Documents and otherwise administering this Agreement;

(b) Second, to the payment of all fees required to be paid under any Loan Document including commitment fees, owing to the Agent and the Revolving Lenders on a pro rata basis in accordance with the Lender Indebtedness consisting of fees owing to the Agent and the Revolving Lenders, for application to payment of such liabilities;

(c) Third, to the payment of Lender Indebtedness consisting of interest owing to the Revolving Lenders, and obligations and liabilities relating to Swaps owing to the Revolving Lenders for application to payment of such liabilities;

(d) Fourth, to the Revolving Lenders and the Agent on a pro rata basis in accordance with the Lender Indebtedness consisting of principal of Revolving Credit Advances (including without limitation any cash collateral for any outstanding letters of credit), for application to payment of such liabilities;

(e) Fifth, to the payment of any and all other amounts owing to the Revolving Lenders and the Agent on a pro rata basis in accordance with the total amount of such Indebtedness owing to each of the Revolving Lenders and the Agent, for application to payment of such liabilities; and

(f) Sixth, to the payment of all fees required to be paid under any Loan Document, owing to the Lenders holding a portion of the Term Loan on a pro rata basis in accordance with the Lender Indebtedness consisting of fees owing to the Lenders holding a portion of the Term Loan, for application to payment of such liabilities;

(g) Seventh, to the Agent for the benefit of the Lenders holding a portion of the Term Loan on a pro rata basis in accordance with the Lender Indebtedness consisting of interest owing to each of such Lenders holding a portion of the Term Loan, and obligations and liabilities relating to Swaps owing to the Lenders holding a portion of the Term Loan for application to payment of such liabilities;

(h) Eighth, to the Lenders holding a portion of the Term Loan on a pro rata basis in accordance with the Lender Indebtedness consisting of principal (including without limitation, any cash collateral for any outstanding Existing Letters of Credit) of the Term Loan, for application to payment of such liabilities;

(i) Ninth, to the payment of any and all other amounts owing to the Lenders holding a portion of the Term Loan on a pro rata basis in accordance with the total amount of such Indebtedness owing to each of such Lenders, for application to payment of such liabilities; and

(j) Tenth, to the Company, its Subsidiaries or such other Person as may be legally entitled thereto.

Notwithstanding the foregoing, no payments of principal, interest or fees delivered to the Agent for the account of any Defaulting Lender shall be delivered by the Agent to such Defaulting Lender. Instead, such payments shall, for so long as such Defaulting Lender shall be a Defaulting Lender, be held by the Agent, and the Agent is hereby authorized and directed by all parties hereto to hold such funds in escrow and apply such funds as follows:

(i) First, if applicable to any payments due from such Defaulting Lender to the Agent, and

(ii) Second, to purchase participations in Loans required to be made by such Defaulting Lender to the extent such Defaulting Lender failed to make such Loans.

Notwithstanding the foregoing, upon the termination of all Commitments and the payment and performance of all the Loans and other obligations owing to the Agent and the Lenders hereunder (other than those owing to a Defaulting Lender), any funds then held in escrow by the Agent pursuant to the preceding paragraph shall be distributed to each Defaulting Lender, pro rata in proportion to amounts that would be due to each Defaulting Lender but for the fact that it is a Defaulting Lender.

6.4 LETTER OF CREDIT LIABILITIES. For the purposes of payments and distributions under Section 6.3, the full amount of Lender Indebtedness on account of any Letter of Credit or Existing Letter of Credit then outstanding but not drawn upon shall be deemed to be then due and owing. Amounts distributable to the Lenders, Agent or Bank One on account of such Lender Indebtedness under such Letters of Credit or Existing Letters of Credit shall be deposited in a separate collateral account in the name of and under the control of the Agent and held by the Agent first as security for such Letter of Credit Lender Indebtedness and then as security for all other Lender Indebtedness and the amount so deposited shall be applied to the Letter of Credit Lender Indebtedness at such times and to the extent that such Letter of Credit Lender Indebtedness become absolute liabilities and if and to the extent that the Letter of Credit Lender Indebtedness fails to become absolute Lender Indebtedness because of the expiration or termination of the underlying Letters of Credit or Existing Letters of Credit without being drawn upon then such amounts shall be applied to the remaining Lender Indebtedness in the order provided in Section 6.3. The Company hereby grants to the Agent, for the benefit of the Lenders, Bank One and Agent, a lien and security interest in all such funds, as security for all the Lender Indebtedness as set forth above.

ARTICLE VII

THE AGENT AND THE LENDERS

7.1 APPOINTMENT: NATURE OF RELATIONSHIP. Effective upon the Effective Date, LaSalle is appointed by the Lenders as the Agent hereunder and under each other Loan Document, and

Bank One shall cease to be the Agent, and each of the Lenders irrevocably authorizes LaSalle as the Agent to act as the contractual representative of each such Lender thereafter with the rights and duties expressly set forth herein and in the other Loan Documents. As of the Effective Date, Bank One shall be discharged from its duties and obligations as Agent under the Existing Credit Agreement, the Security Documents and any other Loan Documents, but shall retain all rights under Article VII of the Existing Credit Agreement with respect to all events prior to the Effective Date. LaSalle, as the Agent, agrees to act as such contractual representative upon the express conditions contained in this Article VII. Notwithstanding the use of the defined term "Agent," it is expressly understood and agreed that the Agent shall not have any fiduciary responsibilities to any Lender by reason of this Agreement or any other Loan Document and that the Agent is merely acting as the representative of the Lenders with only those duties as are expressly set forth in this Agreement and the other Loan Documents. In its capacity as the Lenders' contractual representative, the Agent (i) does not hereby assume any fiduciary duties to any of the Lenders, (ii) is a "representative" of the Lenders within the meaning of Section 9-102 of the Uniform Commercial Code and (iii) is acting as an independent contractor, the rights and duties of which are limited to those expressly set forth in this Agreement and the other Loan Documents. Each of the Lenders hereby agrees to assert no claim against the Agent on any agency theory or any other theory of liability for breach of fiduciary duty, all of which claims each Lender hereby waives.

7.2 POWERS. The Agent shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Agent shall have no implied duties to the Lenders, or any obligation to the Lenders to take any action thereunder except any action specifically provided by the Loan Documents to be taken by the Agent.

7.3 GENERAL IMMUNITY. Neither the Agent nor any of its directors, officers, agents or employees shall be liable to the Company or any of its Subsidiaries, the Lenders or any Lender for any action taken or omitted to be taken by it or them hereunder or under any other Loan Document or in connection herewith or therewith except for its or their own gross negligence or willful misconduct.

7.4 NO RESPONSIBILITY FOR LOANS, RECITALS, ETC. Neither the Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into, or verify (i) any statement, warranty or representation made in connection with any Loan Document or any Borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of any obligor under any Loan Document, including, without limitation, any agreement by an obligor to furnish information directly to each Lender; (iii) the satisfaction of any condition specified in Article II, except receipt of items required to be delivered to the Agent; (iv) the validity, enforceability, effectiveness, sufficiency or genuineness of any Loan Document

or any other instrument or writing furnished in connection therewith; or (v) the value, sufficiency, creation, perfection or priority of any interest in any collateral security. The Agent shall have no duty to disclose to the Lenders information that is not required to be furnished by the Company or any Subsidiary to the Agent at such time, but is voluntarily furnished by the

Company or any Subsidiary to the Agent (either in its capacity as Agent or in its individual capacity).

7.5 ACTION ON INSTRUCTIONS OF LENDERS. The Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Loan Document in accordance with written instructions signed by the Lenders, the Required Lenders or the Required Revolving Lenders, as the case may be, and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders and on all holders of Notes. The Lenders hereby acknowledge that the Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement or any other Loan Document unless it shall be requested in writing to do so by the Lenders, the Required Lenders, or the Required Revolving Lenders as the case may be.

7.6 EMPLOYMENT OF AGENTS AND COUNSEL. The Agent may execute any of its duties as Agent hereunder and under any other Loan Document by or through employees, agents, and attorneys-in-fact and shall not be answerable to the Lenders, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Agent shall be entitled to rely on advice of counsel concerning all matters pertaining to the agency hereby created and its duties hereunder and under any other Loan Document.

7.7 RELIANCE ON DOCUMENTS; COUNSEL. The Agent shall be entitled to rely upon any Note, notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, in respect to legal matters, upon the opinion of counsel selected by the Agent, which counsel may be employees of the Agent.

7.8 AGENT'S REIMBURSEMENT AND INDEMNIFICATION. The Lenders agree to reimburse and indemnify the Agent ratably in proportion to their respective Commitments (or, if the Commitments have been terminated, in proportion to their Commitments immediately prior to such termination) (i) for any amounts not reimbursed by the Company for which the Agent is entitled to reimbursement by the Company under the Loan Documents, (ii) for any other expenses incurred by the Agent on behalf of the Lenders, in connection with the preparation, execution, delivery, administration and enforcement of the Loan Documents and (iii) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Agent in any way relating to or arising out of the Loan Documents or any other document delivered in connection therewith or the transactions contemplated thereby, or the enforcement of any of the terms thereof or of any such other documents, provided that no Lender shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the Agent. The obligations of the Lenders under this Section 7.8 shall survive payment of the Lender Indebtedness and termination of this Agreement.

7.9 NOTICE OF DEFAULT. The Agent shall not be deemed to have knowledge or notice of the occurrence of any Unmatured Event or Event of Default hereunder unless the Agent has

received written notice from a Lender or the Company referring to this Agreement describing such Event of Default or Unmatured Event and stating that such notice is a "notice of default". In the event that the Agent receives such a notice, the Agent shall give prompt notice thereof to the Lenders.

7.10 RIGHTS AS A LENDER. In the event the Agent is a Lender, the Agent shall have the same rights and powers hereunder and under any other Loan Document as any Lender and may exercise the same as though it were not the Agent, and the term "Lender" or "Lenders" shall, at any time when the Agent is a Lender, unless the context otherwise indicates, include the Agent in its individual capacity. The Agent may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other transaction, in addition to those contemplated by this Agreement or any other Loan Document, with the Company or any of its Subsidiaries in which the Company or such Subsidiary is not restricted hereby from engaging with any other Person. The Agent, in its individual capacity, is not, subject to Section 8.6, obligated to remain a Lender.

7.11 LENDER CREDIT DECISION. Each Lender acknowledges that it has, independently and without reliance upon the Agent or any other Lender and based

on the financial statements prepared by the Company and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents.

7.12 SUCCESSOR AGENT. The Agent may resign at any time by giving written notice thereof to the Lenders and the Company, such resignation to be effective upon the appointment of a successor Agent or, if no successor Agent has been appointed, forty-five (45) days after the retiring Agent gives notice of its intention to resign. Upon any such resignation, the Required Lenders shall have the right to appoint, on behalf of the Company and the Lenders, a successor Agent. If no successor Agent shall have been so appointed by the Required Lenders within thirty (30) days after the resigning Agent's giving notice of its intention to resign, then the resigning Agent may appoint, on behalf of the Company and the Lenders, a successor Agent. If the Agent has resigned and no successor Agent has been appointed, the Lenders may perform all the duties of the Agent hereunder and the Company shall make all payments in respect of the Lender Indebtedness to the applicable Lender and for all other purposes shall deal directly with the Lenders. No successor Agent shall be deemed to be appointed hereunder until such successor Agent has accepted the appointment. Any such successor Agent shall be a commercial bank having capital and retained earnings of at least $500,000,000. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the resigning Agent. Upon the effectiveness of the resignation of the Agent, the resigning Agent shall be discharged from its duties and obligations hereunder and under the Loan Documents. After the effectiveness of the resignation of an Agent, the provisions of this Article VII shall continue in

effect for the benefit of such Agent in respect of any actions taken or omitted to be taken by it while it was acting as the Agent hereunder and under the other Loan Documents.

7.13 COLLATERAL MANAGEMENT. The Agent is hereby authorized on behalf of all of the Lenders, without the necessity of any further consent from any Lender, from time to time prior to an Event of Default, to take any action with respect to the collateral or the Security Documents which may be necessary (i) to perfect and maintain perfected the security interest in and liens upon the collateral granted pursuant to the Security Documents, and (ii) to release portions of the collateral from the security interests and liens imposed by the Security Documents in connection with any dispositions of such portions of the collateral permitted hereby. In the event that the Company or the Guarantors desire to sell or otherwise dispose of any assets and such sale or disposition is permitted hereby, the Agent shall, upon timely notice from the Company, release such portions of the collateral from the security interests and liens imposed by the Security Documents as may be specified by the Company or the Guarantors in order for the Borrower or the Guarantors to consummate such proposed sale or disposition, provided that at or prior to the time of such proposed sale or disposition no Unmatured Event or Event of Default shall have occurred and be continuing, including, without limitation, any Unmatured Event or Event of Default that would arise upon consummation of such sale or disposition. For purposes of the preceding sentence, the Company shall give timely notice if, not less than five (5) Business Days prior to the date of such proposed sale or disposition, it shall furnish to the Agent an officers' certificate setting forth in reasonable detail the circumstances of such proposed sale or disposition.

7.14 RIGHT TO INDEMNITY. The Agent shall be fully justified in failing or refusing to take any action hereunder unless it shall first be indemnified to its satisfaction by the Lenders pro rata against any and all liability, cost and expense which may be incurred by it by reason of taking or continuing to take any such action.

7.15 SHARING OF PAYMENTS. The Lenders agree among themselves that, in the event that any Lender shall obtain payment in respect of any Revolving Credit Advance, the Term Loan or any other obligation owing to any of the Lenders under this Agreement through the exercise of a right of set-off, banker's lien, counterclaim or otherwise in excess of its ratable share of payments received by all of the Lenders on account of the Revolving Credit Advances, the Term Loan and other obligations, such Lender shall promptly purchase from the other Lenders participations in such Revolving Credit Advances, the Term Loan and other obligations in such amounts, and make such other adjustments from time to time, as shall be equitable to the end that all of the Lenders share such payment in accordance with such ratable shares, except as otherwise required by Section 6.3. The Lenders further agree among themselves that if payment to a Lender obtained by such Lender through the exercise of a right of set-off, banker's lien, counterclaim or otherwise as aforesaid shall be rescinded or must otherwise be restored, each Lender, which shall have shared the benefit of such payment shall, by repurchase of participations theretofore sold, return its share of that benefit to each Lender whose payment shall have been rescinded or

otherwise restored. The Company agrees that any Lender so purchasing such a participation may, to the fullest extent permitted by law, exercise all rights of payment, including set-off, banker's lien or counterclaim, with respect to such participation as

fully as if such Lender were a holder of such Revolving Credit Advance, the Term Loan or other obligation in the amount of such participation. The Lenders further agree among themselves that, in the event that amounts received by the Lenders and the Agent hereunder are insufficient to pay all such obligations or insufficient to pay all such obligations when due, the fees and other amounts owing to the Agent in such capacity shall be paid therefrom before payment of obligations owing to the Lenders under this Agreement, except as otherwise expressly provided in this Agreement, if any Lender or Agent shall fail to remit to the Agent or any other Lender an amount payable by such Lender or Agent to the Agent or such other Lender pursuant to this Agreement on the date when such amount is due, such payments shall be made together with interest thereon for each date from the date such amount is due until the date such amount is paid to the Agent or such other Lender at a rate per annum equal to the rate at which borrowings are available to the payee in its overnight federal funds market. It is further understood and agreed among the Lenders and the Agent that if the Agent shall engage in any other transactions with the Company and shall have the benefit of any collateral or security therefor which does not expressly secure the obligations arising under this Agreement except by virtue of a so-called dragnet clause or comparable provision, the Agent shall be entitled to apply any proceeds of such collateral or security first in respect of the obligations arising in connection with such other transaction before application to the obligations arising under this Agreement.

7.16 WITHHOLDING TAX EXEMPTION. Each Lender that is not organized and incorporated under the laws of the United States or any State thereof agrees to file with the Agent and the Company, in duplicate, (a) on or before the later of (i) the Effective Date and (ii) the date such Lender becomes a Lender under this Agreement and (b) thereafter, for each taxable year of such Lender (in the case of a Form W-8ECI) or for each third taxable year of such Lender (in the case of any other form) during which interest or fees arising under this Agreement and the Notes are received, unless not legally able to do so as a result of a change in United States income tax enacted, or treaty promulgated, after the date specified in the preceding clause (a), on or prior to the immediately following due date of any payment by the Company hereunder, a properly completed and executed copy of either Internal Revenue Service Form W-8ECI or Internal Revenue Service Form W-8BEN and Internal Revenue Service Form W-8 or Internal Revenue Service Form W-9 and any additional form necessary for claiming complete exemption from United States withholding taxes (or such other form as is required to claim complete exemption from United States withholding taxes), if and as provided by the Code or other pronouncements of the United States Internal Revenue Service, and such Lender warrants to the Company that the form so filed will be true and complete; provided that such Lender's failure to complete and execute such Form W-8ECI or Form W-8BEN, or Form W-8 or Form W-9, as the case may be, and any such additional form (or any successor form or forms) shall not relieve the Company of any of its obligations under this Agreement, except as otherwise provided in this Section 7.16.

ARTICLE VIII

MISCELLANEOUS

8.1 AMENDMENTS, ETC.

(a) No amendment, modification, termination or waiver of any provision of this Agreement nor any consent to any departure therefrom shall be effective unless the same shall be in writing and signed by the Required Lenders or the Required Revolving Lenders, as applicable, to the extent any rights, obligations or duties of the Agent may be affected thereby, the Agent, and, to the extent any rights, obligations, or duties of Bank One in its capacity as the issuing bank of any Existing Letters of Credit, may be affected thereby, Bank One, provided, however, that no such amendment, modification, termination, waiver or consent shall, without the consent of the Agent and all of the Lenders, (i) authorize or permit the extension of time for, or any reduction of the amount of, any payment of the principal of, or interest on, the Notes, the Loans, any Letter of Credit or Existing Letter of Credit reimbursement obligation, or any fees or other amount payable hereunder, (ii) amend or terminate the respective Commitments of any Lender set forth on the signature pages hereof or modify the provisions of this Section regarding the taking of any action under this Section or the provisions of Sections 6.3 or 7.10 or the definitions of Required Lenders and Required Revolving Lenders, (iii) amend or otherwise consent to changes to Sections 5.2(g), (j), (k), (l), (p), (q) or (s), or (iv) release all or substantially all of the collateral or release any material Guarantor (except as permitted as a result of an asset disposition pursuant to Section 5.2(g), (h), (l) or (s)).

(b) Any such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(c) Notwithstanding anything herein to the contrary, no Defaulting Lender shall be entitled to vote (whether to consent or to withhold its consent) with respect to any amendment, modification, termination or waiver of any provision of this Agreement or any departure therefrom or any direction from the Lenders to the Agent, and, for purposes of determining the Required Lenders or Required Revolving Lenders at any time, the pro rata portion of the Term Loan, the Revolving Commitments and the Revolving Credit Advances (as applicable) of each Defaulting Lender shall be disregarded.

8.2 NOTICES.

(a) Except as otherwise provided in Section 8.2(c) hereof, all notices and other communications hereunder shall be in writing and shall be delivered or sent to the Company, the Agent and the Lenders at the respective addresses and numbers for notices set forth on the signature pages hereof, or to such other address as may be designated by the Company, the Agent or any Lender by notice to the other parties hereto. All notices and other communications shall be deemed to have been given at the time of actual delivery thereof to such address, or if sent by certified or registered mail, postage prepaid, to such address, on the third day after the date of mailing, or in the case of telex notice, upon receipt of the appropriate answerback, or, in the case of facsimile notice, upon receipt of a confirmation mechanically produced by the facsimile machine, provided, however, that notices to the Agent shall not be effective until received.

(b) Notices by the Company to the Agent with respect to terminations or reductions of the Commitments pursuant to Section 2.2, requests for Revolving Credit Advances

pursuant to Section 2.4, requests for continuations or conversions of Revolving Credit Loans pursuant to Section 2.7 and notices of prepayment pursuant to Section 3.1 shall be irrevocable and binding on the Company.

(c) Any notice to be given by the Company to the Agent pursuant to Sections 2.4, 2.7 or 3.1 if consented to by the Agent, and any notice to be given by the Agent or any Lender hereunder, may be given by telephone, and all such notices given by the Company must be immediately confirmed in writing in the manner provided in Section 8.2(a). Any such notice given by telephone shall be deemed effective upon receipt thereof by the party to whom such telephonic notice is to be given.

8.3 NO WAIVER BY CONDUCT; REMEDIES CUMULATIVE. No course of dealing on the part of the Agent or any Lender, nor any delay or failure on the part of the Agent or any Lender in exercising any right, power or privilege hereunder, shall operate as a waiver of such right, power or privilege or otherwise prejudice the Agent's or such Lender's rights and remedies hereunder; nor shall any single or partial exercise thereof preclude any further exercise thereof or the exercise of any other right, power or privilege. No right or remedy conferred upon or reserved to the Agent or any Lender under any Loan Document is intended to be exclusive of any other right or remedy, and every right and remedy shall be cumulative and in addition to every other right or remedy granted thereunder or now or hereafter existing under any applicable law. Every right and remedy granted by any Loan Document or by applicable law to the Agent or any Lender may be exercised from time to time and as often as may be deemed expedient by the Agent or any Lender.

8.4 RELIANCE ON AND SURVIVAL OF VARIOUS PROVISIONS. All terms, covenants, agreements, representations and warranties of the Company and any Guarantor made herein or in any other Loan Document or in any certificate, report, financial statement or other document furnished by or on behalf of the Company and any Guarantor in connection with the negotiation and modification of this Agreement shall be deemed to have been relied upon by the Lenders, notwithstanding any investigation heretofore or hereafter made by any Lender or on such Lender's behalf and those covenants and agreements of the Company set forth in Section 3.7, 3.9 and 8.5 hereof shall survive the repayment in full of the Revolving Credit Advances and the Term Loan and the termination of the Commitments.

8.5 Expenses; Indemnification.

(a) The Company agrees to pay, or reimburse the Agent for the payment of, on demand, (i) the reasonable fees and expenses of counsel to the Agent in connection with the preparation, execution, delivery and administration of the Loan Documents, the review of the Subordinated Debt Documents and the Preferred Stock Documents and the consummation of the transactions contemplated hereby and thereby, and in connection with advising the Agent as to its rights and responsibilities with respect thereto, and in connection with any amendments, waivers or consents in connection therewith, and (ii) all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing or recording of the Loan Documents and the consummation of the transactions contemplated hereby, and any and all

liabilities with respect to or resulting from any delay in paying or omitting to pay such taxes or fees, and (iii) all costs and expenses of the Agent (including reasonable fees and expenses of counsel and whether incurred through negotiations, legal proceedings or otherwise) in connection with any Unmatured Event or Event of Default or the enforcement or collection, or the exercise or preservation, of any rights under any Loan Document or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement (which costs and expenses shall be deemed to include, without limitation, those incurred by any auditor or consultant engaged by counsel for the Agent pursuant to Section 5.1(e) hereof), and (iv) all costs and expenses of the Agent (including reasonable fees and expenses of counsel) in connection with any action or proceeding relating to a court order, injunction or other process or decree restraining or seeking to restrain the Agent from paying any amount under, or otherwise relating in any way to, any Letter of Credit or Existing Letter of Credit and any and all costs and expenses which any of them may incur relative to any payment under any Letter of Credit or Existing Letter of Credit. Without in any way limiting the foregoing, each reference to the Agent and its counsel in this Section 8.5(a) shall apply equally to Bank One, in its capacity as a Lender of all or any portion of the Term Loan hereunder, or in its capacity as the issuer of any Existing Letter of Credit, and its counsel.

(b) The Company agrees to indemnify each Lender, the Agent, Bank One (in its capacity as the issuer of any Existing Letter of Credit) and each of their respective officers, directors, employees and agents (collectively, the "Indemnified Parties") and hold each Indemnified Party harmless from and against any and all liabilities, losses, damages, costs and expenses of any kind, including, without limitation, the reasonable fees and disbursements of counsel, which may be incurred by any Indemnified Party in connection with any investigative, administrative or judicial proceeding (whether or not such Indemnified Party shall be designated a party thereto) (collectively, the "Indemnified Liabilities") at any time relating to (whether before or after the execution of this Agreement) any of the following:

(i) any actual or proposed use of any Loan, Letter of Credit or Existing Letter of Credit hereunder by the Company or any of its Subsidiaries or any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of any Loan;

(ii) the entering into and performance of this Agreement and any other Loan Document by any of the Indemnified Parties (including any action brought by or on behalf of the Company as the result of any determination by any Lender not to make any Loan);

(iii) any investigation, litigation or proceeding related to any Permitted Acquisition or proposed Permitted Acquisition by the Company or any of its Subsidiaries of all or any portion of the stock or assets of any Person or to the issuance of, or any other matter relating to, any Subordinated Debt or Preferred Stock, whether or not any Indemnified Party is a party thereto;

(iv) any investigation, litigation or proceeding related to any environmental cleanup, audit, compliance or other matter relating to any release by the Company or any of its Subsidiaries of any Hazardous Material or any violations of Environmental Laws; or

(v) the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, or release from, any real property owned or operated by the Company or any Subsidiary thereof of any Hazardous Material (including any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Law), regardless of whether caused by, or within the control of, the Company or such Subsidiary, except for any such Indemnified Liabilities arising for the account of a particular Indemnified Party by reason of the activities of the Indemnified Party on the property of the Company or any Subsidiary conducted subsequent to a foreclosure on such property by any Indemnified Party or by reason of the relevant Indemnified Party's gross negligence or wilful misconduct or breach of this Agreement,

(vi) and if and to the extent that the foregoing undertaking may be unenforceable for any reason, the Company hereby agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law.

The Company shall be obligated to indemnify the Indemnified Parties for all Indemnified Liabilities subject to and pursuant to the foregoing provisions, regardless of whether the Company or any of its Subsidiaries had knowledge of the facts and circumstances giving rise to such Indemnified Liability; provided, however, that no Indemnified Party shall have the right to be indemnified hereunder for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction.

8.6 Successors and Assigns.

(a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided that the Company may not, without the prior consent of all the Lenders, assign its rights or obligations under any Loan Document and the Lenders shall not be obligated to make any Loan hereunder to any entity other than the Company.

(b) Any Lender may sell a participation interest to any financial institution or institutions, and such financial institution or institutions may further sell a participation interest (undivided or divided) in, the Loans and such Lender's rights and benefits under the Loan Documents, and to the extent of that participation, such participant or participants shall have the same rights and benefits against the Company under Section 6.2(c) as it or they would have had if participation of such participant or participants were the Lender making the Loans to the Company hereunder, provided, however, that (i) such Lender's obligations under this Agreement shall remain unmodified and fully effective and enforceable against such Lender, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of its Notes for all purposes of this

Agreement, (iv) the Company, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, (v) such Lender shall not grant to its participant any rights to consent or withhold consent to any action taken by such Lender or the Agent under this Agreement other than action requiring the consent of all of the Lenders hereunder (or in the case of a participation in the Revolving Credit Loans and Revolving Commitments, the consent of all Revolving Lenders hereunder), and (iv) such participation shall in no event be less than $5,000,000. The Agent from time to time in its sole discretion may appoint agents for the purpose of servicing and administering this Agreement and the transactions contemplated hereby and enforcing or exercising any rights or remedies of the Agent provided under the Loan Documents or otherwise. In furtherance of such agency, the Agent may from time to time direct that the Company provide notices, reports and other documents contemplated by this Agreement (or duplicates thereof) to such agent. The Company hereby consents to the appointment of such agent and agrees to provide all such notices, reports and other documents and to otherwise deal with such agent acting on behalf of the Agent in the same manner as would be required if dealing with the Agent itself.

(c) Each Lender may, with the prior written consent of the Company solely as to the Revolving Credit Advances and Revolving Commitments, which consent from the Company shall not be unreasonably withheld and may not be withheld if any Event of Default has occurred and is continuing or if such assignment is to an Affiliate of a Lender or to another Lender, and the prior written consent of the Agent (not to be unreasonably withheld or delayed), assign to one or more banks or other entities all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Revolving Credit Advances and pro rata portion of the Term Loan owing to it and the Note or Notes held by it); provided, however, that (i) each such assignment shall be of a uniform, and not a varying, percentage of all rights and obligations, (ii) except in the case of an assignment of all of a Lender's rights and obligations under this Agreement, unless such assignment is to another Lender, the amount of the Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than $5,000,000, and in integral multiples of $1,000,000 thereafter, or such lesser amount as the Company and the Agent may consent to, and (iii) the parties to each such assignment shall execute and deliver to the Agent, for its acceptance and recording in the Register, an Assignment and Acceptance in the form of Exhibit J hereto (an "Assignment and Acceptance"), together with any Note or Notes subject to such assignment and a processing and recordation fee of $3,500, payable to the Agent for its sole benefit. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in such Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(d) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation

or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Company or the performance or observance by the Company of any of its obligations under this Agreement or any other instrument or document famished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.6 and 5.1(d) for periods prior to the date of such assignment, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Agent, such assigning Lender or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Agent by the terms hereof together with such powers and discretion as are reasonably incidental thereto; and (vi) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement and such Assignment and Acceptance are required to be performed by it as a Lender.

(e) The Agent shall maintain at its address designated on the signature pages hereof a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitment of, and principal amount of the Revolving Credit Advances and/or Term Loan owing to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding, for all purposes, absent manifest error, and the Company, the Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Company or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(f) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee, together with any Note or Notes subject to such assignment, the Agent shall, if such Assignment and Acceptance has been completed, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Company. Within five (5) Business Days after its receipt of such notice, the Company, at its own expense, shall execute and deliver to the Agent in exchange for the surrendered Note or Notes a new Note or Notes to the order of such assignee in an amount equal to, and for the same type(s) of, the Commitment or Loan assumed by it pursuant to such Assignment and Acceptance and, if the assigning Lender has retained a Commitment or Loan hereunder, a new Note to the order of the assigning Lender in an amount equal to, and for the same type(s) of, the Commitment or Loan retained by it hereunder. Such new Note or Notes

shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered Note or Notes, shall be dated the effective date of such Assignment and Acceptance and shall otherwise be in substantially the form of the applicable exhibit(s) hereto.

(g) The Lenders may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 8.6, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Company, provided that assignee or participant agrees to keep all non-public information confidential to the same extent required by this Agreement.

(h) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time create a security interest in, or assign, all or any portion of its rights under this Agreement (including, without limitation, the Loans owing to it and the Note or Notes held by it) in favor of any Federal Reserve Lender in accordance with Regulation A of the Board of Governors of the Federal Reserve System; provided that such creation of a security interest or assignment shall not release such Lender from its obligations under this Agreement.

8.7 COUNTERPARTS. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

8.8 GOVERNING LAW. This Agreement is a contract made under, and shall be governed by and construed in accordance with, the law of the State of Illinois in the same manner applicable to contracts made and to be performed entirely within such State and without giving effect to choice of law principles of such State.

8.9 TABLE OF CONTENTS AND HEADINGS. The table of contents and the headings of the various subdivisions hereof are for the convenience of reference only and shall in no way modify any of the terms or provisions hereof.

8.10 CONSTRUCTION OF CERTAIN PROVISIONS. If any provision of this Agreement refers to any action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person, whether or not expressly specified in such provision.

8.11 INTEGRATION AND SEVERABILITY. This Agreement amends and restates the Existing Credit Agreement and embodies the entire agreement and understanding between the Company and the Agent and the Lenders, and supersedes all prior agreements and understandings, relating to the subject matter hereof. In case any one or more of the obligations of the Company under any Loan Document shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining obligations of the Company shall not in any way be affected or impaired thereby, and such invalidity, illegality or unenforceability in one jurisdiction shall not affect the validity, legality or enforceability of the obligations of the Company under any Loan Document in any other jurisdiction.

8.12 INDEPENDENCE OF COVENANTS. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any such covenant, the fact that it would be permitted by an exception to, or would be otherwise within the limitations of another covenant shall not avoid the occurrence of an Unmatured Event or an Event of Default or any event or condition which with notice or lapse of time, or both, could become such an Unmatured Event or an Event of Default if such action is taken or such condition exists.

8.13 INTEREST RATE LIMITATION. Notwithstanding any provision of any Loan Document, in no event shall the amount of interest paid or agreed to be paid by the Company exceed an amount computed at the highest rate of interest permissible under applicable law. If, from any circumstances whatsoever, fulfillment of any provision of any Loan Document at the time performance of such provision shall be due, shall involve exceeding the interest rate limitation validly prescribed by law which a court of competent jurisdiction may deem applicable hereto, then, ipso facto, the obligations to be fulfilled shall be reduced to an amount computed at the highest rate of interest permissible under applicable law, and if for any reason whatsoever the Lender shall ever receive as interest an amount which would be deemed unlawful under such applicable law such interest shall be automatically applied to the payment of principal of the Loans outstanding hereunder to such Lender (whether or not then due and payable) and not to the payment of interest, or shall be refunded to the Company if such principal and all other obligations of the Company to the Lenders have been paid in full.

8.14 Judgment and Payment.

(a) If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing hereunder by the Company in one currency into another currency, the Company agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures in the relevant jurisdiction the relevant Lender could purchase the first currency with such other currency on the Business Day immediately preceding the day on which the final judgment is given.

(b) The obligations of the Company in respect of any sum due in Dollars to any party hereto or any holder of the obligations owing hereunder (the "Applicable Creditor") shall, notwithstanding any payment obligation or judgment in a currency (the "Payment Currency") other than Dollars, be discharged only to the extent that, on the Business Day following receipt by the Applicable Creditor of any sum adjudged to be so due in the Payment Currency, the Applicable Creditor may in accordance with normal banking procedures in the relevant jurisdiction purchase Dollars with the Payment Currency; if the amount of Dollars so purchased is less than the sum originally due to the Applicable Creditor in Dollars, the Company agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Applicable Creditor against such loss. The obligations of the Company contained in this Section 8.14 shall survive the termination of this Agreement and the payment of all other amounts owing hereunder.

8.15 SUBMISSION TO JURISDICTION; WAIVERS. The Company hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it

is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of any United States federal or Illinois state court sitting in Chicago, Illinois and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives an objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Company at the address specified pursuant to Section 8.2, or at such other address of which the Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this subsection any special, exemplary, punitive or consequential damages.

8.16 ACKNOWLEDGMENTS. The Company hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) none of the Agent or any Lender has any fiduciary relationship with or duty to the Company arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Agent and the Lenders, on the one hand, and the Company, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Company and the Lenders.

8.17 CONFIDENTIALITY. Each Lender agrees to hold any non-public confidential information which it may receive from the Company pursuant to this Agreement in confidence except for disclosure: (i) to its Affiliates and to other Lenders and their respective Affiliates, (ii) to legal counsel, accountants, and other professional advisors to that Lender or to a potential participant or assignee, (iii) to regulatory officials, (iv) to any Person as requested pursuant to or as required by law, regulation, or legal process, (v) to any Person in connection with any legal proceeding to which that Lender is a party, and (vi) otherwise permitted by this Agreement.

8.18 WAIVER OF JURY TRIAL. THE LENDERS AND THE AGENT AND THE COMPANY, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT ANY OF THEM MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION BASED UPON OR ARISING OUT OF ANY LOAN DOCUMENT OR ANY RELATED INSTRUMENT OR AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY COURSE OF CONDUCT, DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF ANY OF THEM. NEITHER ANY LENDER, THE AGENT NOR THE COMPANY SHALL SEEK TO CONSOLIDATE, BY COUNTERCLAIM OR OTHERWISE, ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THESE PROVISIONS SHALL NOT BE DEEMED TO HAVE BEEN MODIFIED IN ANY RESPECT OR RELINQUISHED BY ANY PARTY HERETO EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY SUCH PARTY.

8.19 Upon the satisfaction or waiver (in the discretion of the Agent and the Lenders) of all the conditions set forth in Section 2.5, the Existing Credit Agreement automatically shall be deemed amended and restated in its entirety by this Credit Agreement (it being understood that until such satisfaction or waiver, the terms of the Existing Credit Agreement shall continue in full force and effect). It is the intent of the parties hereto that this Agreement shall re-evidence, in part, the Lender Indebtedness under the Existing Credit Agreement and is in no way intended to constitute a novation of any of the Lender Indebtedness which was evidenced by the Existing Credit Agreement or any of the other Loan Documents executed in connection therewith. Without limiting the foregoing, all Existing Letters of Credit shall continue hereunder (and shall be governed by the terms of) this Agreement in accordance with the terms hereof.

[Balance of page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above-written.

Address for Notices: APCOA/STANDARD PARKING, INC.

By:

Name:

Title:

Address for Notices:

LASALLE BANK NATIONAL ASSOCIATION,
as Agent and a Lender

135 South LaSalle Street

Chicago, Illinois 60603
Attn: Ms. Mary Lou Bartlett
Telephone: (312)904-0433
Facsimile: (312)904-0432

By:

Name:

Title:

Revolving Commitment: $25,000,000

Term Loan Commitment: $0

Address for Notices:

BANK ONE, NA, as a Lender

By:

Name:

Title:

Revolving Commitment: $0

Term Loan Commitment: $15,000,000

Exhibit 10.38

APCOA/STANDARD PARKING
900 North Michigan Avenue. Suite 1600 Chicago, Illinois 60611

(312) 274-2000 o Fax (312) 640-6187

February 27, 2002

Ms. Mary Lou Bartlett
First Vice President
LaSalle National Bank
135 South LaSalle St., #240
Chicago, IL 60603

RE: Technical Correction of Section 5.2(1)(4) of the Amended and Restated Credit Agreement

Dear Mary Lou:

Reference is made to the Amended and Restated Credit Agreement dated as of January 11, 2002 by and among APCOA/Standard Parking, Inc. (the "Company"), LaSalle Bank National Association, as Agent and as a lender (the "Agent"), Bank One, N.A., as a lender, and the other financial institutions from time to time party thereto (the "Credit Agreement"). All capitalized terms not otherwise defined herein shall have the same meanings ascribed to such terms in the Credit Agreement.

On the Effective Date, the Company had 40.6826 shares of Series C Preferred Stock outstanding with an Aggregate Liquidation Preference (as such term is defined in the Series C Preferred Stock) of $61,330,540 and a Liquidation Preference (as such term is defined in the Series C Preferred Stock) PER SHARE of $1,507,537. Pursuant to Section 5.2(1)(4) of the Credit Agreement, subject to certain limitations, the Company is permitted to use a maximum of $1,500,000 of the proceeds from the Subordinated Notes to redeem not less than 1.5 shares of its Series C Preferred Stock owned by the Parent. The number of shares listed in Section 5.2(1)(4) is incorrect and should permit 0.9950 shares to be redeemed. By your acknowledgement below, you hereby agree, effective as of January 11, 2002, to delete Section 5.2(1)(4) in its entirety and substitute the following therefore:

> (4) THE COMPANY HAS USED A MAXIMUM OF $1,500,000 OF THE PROCEEDS FROM THE SUBORDINATED NOTES TO REDEEM NOT LESS THAN 0.9950 SHARES OF SERIES C PREFERRED STOCK OWNED BY THE PARENT, OF WHICH SUCH PROCEEDS THE PARENT MUST USE, OR RETURN TO THE COMPANY, 100% WITHIN 180 DAYS OF THE EFFECTIVE DATE TO REPURCHASE AND RETIRE A PORTION OF THE PARENT'S SENIOR DISCOUNT NOTES;

Please indicate your agreement and the agreement of Bank One by signing the copy of this letter enclosed for that purpose in spaces below and returning the copy to my attention.

Marc Baumann Executive Vice President and
Chief Financial Officer
Consented to:

LASALLE BANK NATIONAL ASSOCIATION As Agent and as a Lender	BANK ONE, N.A. Lender
By: ----------	By: ----------
Its: ----------	Its: ----------

EXHIBIT 21.1

SUBSIDIARIES OF APCOA/STANDARD PARKING, INC.
SUBSIDIARY GUARANTORS

NAME OF ENTITY	ORGANIZED UNDER LAWS OF	PERCENTAGE OF OWNERSHIP
Tower Parking, Inc.	Ohio	100
APCOA LaSalle Parking Company, L.L.C.	Louisiana	100
Hawaii Parking Maintenance, Inc.	Hawaii	100
APCOA Capital Corporation	Delaware	100
APCOA Bradley Parking Company	Connecticut	100
A-1 Auto Park, Inc.	Georgia	100
Metropolitan Parking System, Inc.	Massachusetts	100
Events Parking Company, Inc.	Massachusetts	100
Standard Parking Corporation	Illinois	100
Standard Parking Corporation	IL Illinois	100
Standard Auto Park, Inc.	Illinois	100
S & S Parking, Inc.	California	100
Century Parking, Inc.	California	100
Executive Parking Industries, Inc.	California	100
Sentry Parking Corporation	California	100
Virginia Parking Service, Inc.	Virginia	100

NON-GUARANTOR SUBSIDIARIES

NAME OF ENTITY	ORGANIZED UNDER LAWS OF	PERCENTAGE OF OWNERSHIP
APCOA Australia Pty Limited	Australia	100
APCOA-Hawaii, Inc.	Hawaii	100
APCOA Holdings Canada, Inc.	Canada	100
APCOA Pacific Holdings Pty Limited	Australia	100
APCOA Parking Development of Management Ltd	Canada	100
Atrium Parking, Inc.	Delaware	100
SBR GP, Inc.	Delaware	100
Steamboat Management, Inc.	Delaware	100
Steamboat Properties, Inc.	Delaware	100
A-M Elmira Parking Company	Ohio	65
A-M Frontier Field Parking Company	Ohio	50
A-M Monroe Parking	Ohio	50
A-M New York Parking Company	Ohio	50
APCOA-Common Street I Parking Company	Ohio	60
APCOA-Etna Parking #1	Ohio	90
APCOA-Etna Parking #2	Ohio	80
APCOA-Etna Parking #3	Ohio	80
APCOA-Miami Parking	Ohio	49
APCOA/Mitchell/Etna	Texas	60
APCOA-Progressive Parking #1	Ohio	75
APCOA-Progressive Parking #2	Ohio	75
APCOA-R&G Parking	Ohio	80
APCOA-RSN Shuttle Operation	Ohio	70
APCOA-SRP Parking V	Ohio	51
APCOA-SRP Parking XIII	Ohio	51
APCOA/Standard Parking-VIP	Florida	65
APCOA-Wilford Parking	Ohio	80
APCOA-Parking Venture I	Ohio	99
APCOA-Atrium Parking Venture	Ohio	98
APCOA Parking Venture III	Ohio	99
APCOA-S.R.P. Parking XVII	Ohio	51
APCOA-Progressive Parking II	Ohio	70
APCOA-M&M Parking II	Ohio	80
Bradley Airport Parking		

Ltd Partnership
Connecticut 60