INNOVATION IN OPERATION®

2013 Annual Report

INNOVATION IN OPERATION®

Operations specialists linking innovation with exceptional market-based expertise.

SERVICE LINES

Parking
Transportation
Facility Maintenance
Event Logistics
Security

MARKETS

Airport
Event & Venue
Healthcare
Hotel
Municipal
Office
Residential
Retail
University

March 14, 2014

To Our Shareholders:

We are pleased to present this report of SP Plus Corporation's activity for the year ending December 31, 2013.

One of the most exciting developments in 2013 is reflected on the cover of this Annual Report. On December 2nd, we changed our Company name and adopted a new logo as part of the Company's continuing evolution. The transition to our new **SP+** brand is well underway.

We are energized by a bold, lively logo that symbolizes our growth from a great parking management company into a diversified business capable of providing "one-stop shopping" for parking management, ground transportation, facility maintenance, event logistics and security services to commercial, municipal and institutional real estate clients throughout North America. Our new Commitment Statement – Innovation In Operation™ – signals our cultural promise to constantly challenge ourselves to find new and creative ways to improve our services, processes and products, and we're committed to applying this ethic to expand our product offerings for the benefit of our clients, consumers and stakeholders.

In 2013, we made significant progress in our ongoing integration of Central Parking locations as we converted 16 states and the District of Columbia to our combined platform. We expect to fully complete the conversion by the end of 2014 as planned. We couldn't be prouder of our entire team of dedicated professionals, both in the field and our support offices, who have successfully maintained the delivery of exceptional services to our clients while at the same time managing a very complex integration process.

Some notable facts about **SP+** today:

- More than 23,000 employees
- Parking operations in 46 U.S. states and four Canadian provinces, and at 75 airports
- Over 2.1 million parking spaces and more than $4 billion in annual gross customer collections
- **SP+ Transportation** shuttle fleet that transports approximately 37 million passengers each year
- **SP+ Facility Maintenance** services in 28 cities
- **SP+ Security** is licensed in six U.S. states and two Canadian provinces
- **SP+ Event Logistics** services by our **SP+ GAMEDAY** team at major events such as the Super Bowl and the Final Four, and at event venues such as Dodger Stadium and MetLife Stadium
- Use of our *Click and Park*® online reservation and prepayment engine for an array of sports stadiums, airports, universities and municipalities, and for garages in most major metropolitan areas
- Over 75,000 calls per month flow through our Remote Management Services center

As we move the Company towards a normalized operating model over the next 12 months, we intend to continue to focus on key building blocks to achieve fundamental and predictable growth on an organic basis. These building blocks include:

- "Same store" annual growth at our parking locations – which collectively represent the largest inventory of parking spaces ever assembled under common management in North America – through diligent, disciplined contract pricing and aggressive, interactive consumer marketing practices.

- The addition of new locations, driven by our business development team's relentless focus on the commercial, municipal and institutional markets and by the expansion of our product line offerings to new and existing locations. New business added throughout 2013 will generate $8 million in gross profit on an annualized basis, more than either Standard Parking or Central Parking ever produced previously on a combined basis. This was an extraordinary achievement given all of 2013's integration-related activities, and we are planning on an even bigger year in 2014 based on a robust pipeline of opportunities.

- Drive incremental revenue wherever possible, such as through the use of consumer-facing technology and by leveraging our scale. Examples include our proprietary *Click and Park*® and *Click and Ride*® online reservation and transaction systems, our use of technology to remotely manage automated parking facilities and thus reduce costs for our clients and ourselves, and the appeal of our size and scale to potential sources of advertising revenue.

- A continuing focus on cost reduction. Following the completion of the location integration planned for the end of 2014, we intend to begin another round of technology investments and process improvements to enable further cost reductions. While we're pleased to have reduced our adjusted general and administrative expenses to 50% of gross profit, we continue to work towards our next goal of reducing that ratio even further, to 45%.

These efforts will build upon what has been a solid overall performance in 2013. Because our reported 2013 results include costs associated with extensive merger and integration activities and other one-time events that complicate the evaluation and analysis process, our earnings press release and related analyst call of March 5 and March 6, 2014, respectively, addressed these anomalies in detail to provide additional insight and clarity to our year end financial reports. In addition to addressing our 2013 results, these materials – which can be found in the *Investor Relations* section of our website at www.spplus.com – contain our 2014 earnings per share and free cash flow outlook in a manner intended to facilitate comparison of year-over-year changes in the base business performance.

We remain confident about the Company's prospects for increasing value to our shareholders in the years ahead. We thank you for the opportunity to do so, and look forward to a year of continuing excitement, enthusiasm and success.

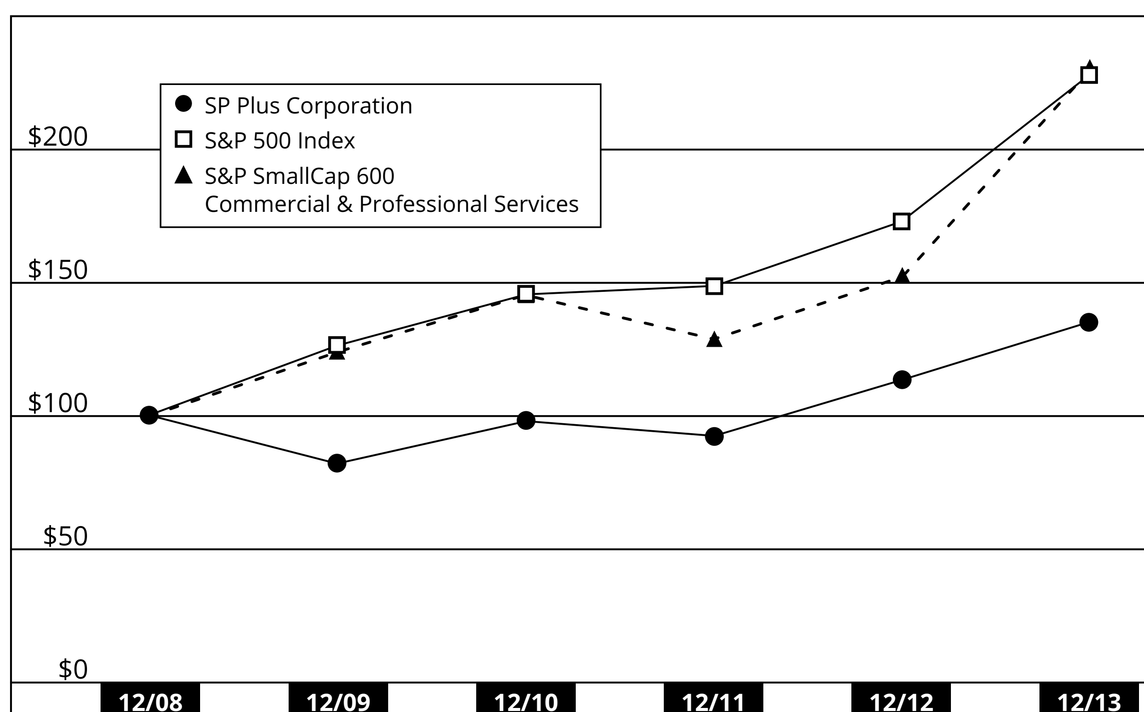
Robert S. Roath
Non Executive Chairman of the Board

James A. Wilhelm
Chief Executive Officer

Stock Performance Graph

The performance graph below shows the cumulative total stockholder return of our common stock for the period starting on December 31, 2008 to December 31, 2013. This performance is compared with the cumulative total returns over the same period of the Standard & Poor's 500 Index and the Standard & Poor's SmallCap 600 Commercial and Professional Services Index, which includes our direct competitor, ABM Industries Incorporated. The graph assumes that on December 31, 2008, $100 was invested in our common stock and $100 was invested in each of the other two indices, and assumes reinvestment of dividends. The stock performance shown in the graph represents past performance and should not be considered an indication of future performance.

Indexed Stock Performance



Indexed Returns
Years Ending

Company / Index	12/31/08	12/31/09	12/31/10	12/31/11	12/31/12	12/31/13
SP Plus Corporation	$100.00	$82.11	$98.14	$92.40	$113.70	$134.64
S&P 500 Index	$100.00	$126.46	$145.51	$148.59	$172.37	$228.19
S&P SmallCap 600 Commercial & Professional Services	$100.00	$123.97	$145.10	$129.32	$152.31	$229.76

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

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

For the fiscal year ended December 31, 2013

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

SP Plus Corporation

(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.)

200 E Randolph Street, Suite 7700
Chicago Illinois 60601-7702
(Address of Principal Executive Offices, Including Zip Code)

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

Standard Parking Corporation

900 N. Michigan Ave, Suite 1600
Chicago, Illinois 60611-1542
(Former Name, Former Address and Former Fiscal Year, If Changed Since Last Report)

Securities registered pursuant to Section 12(b) of the Act:

COMMON STOCK, PAR VALUE $0.001 PER SHARE
(Title of Each Class)

THE NASDAQ STOCK MARKET LLC
(Name of Each Exchange on which Registered)

Securities registered pursuant to Section 12(g) of the Act: **NONE**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ 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 III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☒	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of June 30, 2013, the aggregate market value of the voting and non-voting common equity held by nonaffiliates of the registrant was approximately $470.1 million, based on the closing price of the common stock as reported on the NASDAQ Global Select Market.

As of March 3, 2014, there were 21,977,311 shares of common stock of the registrant outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be delivered to stockholders in connection with the Annual Meeting of Stockholders to be held on April 22, 2014, are incorporated by reference into Part III of this Form 10-K.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Form 10-K of SP Plus Corporation (the "Company," "SP Plus," "we," or "us") for the year ended December 31, 2013 and the information incorporated by reference herein includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the "Securities Act," and Section 21E of the Securities Exchange Act of 1934, as amended, or the "Exchange Act." 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, including information we incorporate by reference, may include forward-looking statements that involve a number of risks and uncertainties.

We have used the words "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, and including information we incorporate by reference, to identify forward-looking statements, about our use of such terms and phrases is the exclusive means of identifying the 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. Actual results, performance and achievements could differ materially from those expressed in, or implied by, these forward-looking statements due to a variety of risks, uncertainties and other factors, including, but not limited to the risk factors set forth in Item 1A to this Form 10-K, which should be read in conjunction with the forward looking statements in this report.

All of our forward-looking statements speak only as of the date they were made, and we undertake no obligation to update our forward-looking statements or risk factors to reflect new information, future events or otherwise, except as may be required under applicable securities laws and regulations.

PART I

ITEM 1. *BUSINESS*

Our Company

Effective December 2, 2013, Standard Parking Corporation changed its name to SP Plus Corporation. The name change was effected through a short-form merger pursuant to Section 253 of the Delaware General Corporation Law (the "DGCL") by merging a newly formed wholly owned subsidiary of the Company into the Company, with the Company remaining as the surviving corporation in the merger. Under the DGCL, the merger did not require stockholder approval and had the sole effect of amending our certificate of incorporation to reflect our new legal name.

On October 2, 2012, we completed our acquisition (the "Central Merger") of Central Parking Corporation ("Central") for 6,161,332 shares of our common stock and the assumption of $217.7 million of Central's debt net of cash acquired. Additionally, Central's former stockholders will be entitled to receive $27.0 million to be paid three years after closing, to the extent the $27.0 million is not used to satisfy seller indemnity obligations pursuant to the Agreement and Plan of Merger dated February 12, 2012. Our consolidated results of operations for the twelve months ended December 31, 2013 include Central's results of operations for the entire year. Our consolidated results of operations for the year ended December 31, 2012 include Central's results of operations for the period of October 2, 2012 through December 31, 2012. Our consolidated results of operations for the year ended December 31, 2011 do not include amounts related to Central's results of operations.

We are one of the leading providers of parking management, ground transportation and other ancillary services to commercial, institutional and municipal clients in the United States, Puerto Rico

and Canada. Our services include a comprehensive set of on-site parking management and ground transportation services, which consist of training, scheduling and supervising all service personnel as well as providing customer service, marketing, maintenance, security and accounting and revenue control functions necessary to facilitate the operation of our clients' parking facilities. We also provide a range of ancillary services such as airport shuttle operations, valet services, taxi and livery dispatch services and municipal meter revenue collection and enforcement services. We strive to be the #1 or #2 provider in each of the core markets in which we operate. As a given geographic market achieves a threshold operational size, we typically will establish a local office in order to promote increased operating efficiency. We rely on both organic growth and acquisitions to increase our client base and leverage our fixed corporate and administrative costs within each major metropolitan area. Our clients choose to outsource with us in order to attract, service and retain customers, gain access to the breadth and depth of our service and process expertise, leverage our significant technology capabilities and enhance their parking facility revenue, profitability and cash flow.

We have provided parking services since 1929. Our history and resulting experience have allowed us to develop and standardize a rigorous system of processes and controls that enable us to deliver consistent, transparent, value-added and high-quality parking facility management services. We serve a variety of industries and have end-market specific specialization in airports, healthcare facilities, hotels, municipalities and government facilities, commercial real estate, residential communities, retail and colleges and universities. The professionals dedicated to each of our **SP+** operating divisions and service lines possess subject matter expertise that enables them to meet the specific demands of their clients. Additionally, we complement our core services and help to differentiate our clients' parking facilities by offering to their customers *Ambiance in Parking®*, an approach to parking facility management that includes a comprehensive package of amenity and customer service programs. These programs not only make the parking experience more enjoyable, but also convey a sense of the client's sensitivity to and appreciation for the needs of its parking customers. In doing so, we believe the programs serve to enhance the value of the parking properties themselves.

We have also dedicated significant resources to human capital management, providing comprehensive training for our employees, delivered primarily through the use of our web-based ***SP+ University™*** learning management system, which promotes customer service and client retention in addition to providing our employees with continued training and career development opportunities. Our focus on customer service and satisfaction is a key driver of our high location retention rate, which was approximately 87% for the year ended December 31, 2013, and was approximately 89% for the year ended December 31, 2012, excluding Central for the period of time in 2012 it was not under our ownership and dispositions required by the Department of Justice in connection with the Central Merger.

We operate our clients' facilities through two types of arrangements: management contract and lease.

- Under a management contract, we typically receive a base monthly fee for managing the facility, and we may also receive an incentive fee based on the achievement of facility performance objectives. We also receive fees for ancillary services. Typically, all of the underlying revenue and expenses under a standard management contract flow through to our client rather than to us.
- Under a lease, we generally pay to the property owner either a fixed annual rent, a percentage of gross customer collections, or a combination of both. Under a lease, we collect all revenue and are responsible for most operating expenses, but typically we are not responsible for major maintenance, capital expenditures or real estate taxes.

As of December 31, 2013, we operated approximately 80% of our locations under management contracts, and approximately 20% of our locations under leases.

Our focus on recurring, predominantly fixed-fee management contracts provides us with a measure of insulation from broader economic cycles and enhances our visibility and relative predictability because our management contract revenue does not fluctuate materially in relation to variations in parking volumes. Additionally, we are positioned to benefit from improving macroeconomic conditions and increased parking volumes through our use of lease contracts. We believe our revenue model and contract structure mix provides a competitive advantage when compared with competitors in our industry.

Our revenue is derived from a broad and diverse group of clients, industry end-markets and geographies. Our clients include some of North America's largest private and public owners, municipalities, managers and developers of major office buildings, residential properties, commercial properties, shopping centers and other retail properties, sports and special event complexes, hotels, and hospitals and medical centers. No single client accounted for more than 3% of our revenue or more than 2% of our gross profit for the year ended December 31, 2013. Additionally, we have built a diverse geographic footprint that as of December 31, 2013 included operations in 46 states, the District of Columbia and Puerto Rico, and municipalities, including New York, Los Angeles, Chicago, Boston, Washington D.C. and Houston, among others, and four Canadian provinces. Our strategy is focused on building scale and leadership positions in large, strategic markets in order to leverage the advantages of scale across a larger number of parking locations in a single market.

As of December 31, 2013, we managed approximately 4,200 parking facility locations containing approximately 2.1 million parking spaces in approximately 420 cities, operated 30 parking-related service centers serving 75 airports, operated a fleet of approximately 730 shuttle buses carrying approximately 37 million passengers per year, operated 136 valet locations and employed a professional staff of approximately 24,000 people.

We are a leader in the field of introducing automation and technology as part of our parking facility and transportation operations, having been a leader in the use of mobile payment technology, mobile parking apps that show parking options and shuttle bus locations for customers, implementation of remote parking management operations and the use of License Plate Recognition (LPR) system for parking enforcement operations. Our proprietary *Click and Park®* technology is an internet-based, fully-hosted system that allows customers to reserve and pre-pay their parking fees and receive customized driving directions to their destinations. As opposed to services that simply provide identical driving directions to all users, the patented *Click and Park®* routing system automatically changes the routing assigned to customers as the engineered capacities of major roadways are reached. Similarly, our proprietary *Click and Ride®* technology lets people reserve and pay for bus seating online, while our deployment of remote management technology enables us to monitor revenue at parking operations and provide 24-hour-a-day customer assistance (including remedying equipment malfunctions).

Our ability to innovate operations by integrating and incorporating appropriate technologies into our service lines allows us to further strengthen our relationships with clients, improve cost efficiency, enhance customer service and introduce new customer facing services. This continuous commitment to using automation and technology to innovate within operations is demonstrated through the use of *Click and Park®* and *Click and Ride®* technology and our development of new online parking programs and electronic shuttle pass systems that support large entertainment and sporting venues, various sized urban garages, office buildings and public transportation hubs. We also innovate through application of our in-house interactive marketing expertise to increase parking demand, development of electronic payment tools to increase customer convenience and streamline revenue processes, use of advanced video and intercom services to enhance customer service to parking patrons 24-hours-a-day, the creation of our remote management services technology and operating center that enables us to remotely monitor facilities and parking operations, and the use of our LPR system and video analytics for car counting, on-street enforcement and enhanced security.

Industry Overview

Overview

The parking industry is large and fragmented and includes companies that provide temporary parking spaces for vehicles on an hourly, daily, weekly, or monthly basis along with providing various ancillary services. A substantial number of companies in the industry offer parking services as a non-core operation in connection with property management or ownership, and the vast majority of companies in the industry are small, private and operate a single parking facility. Accordingly, the industry remains highly fragmented and dynamic. From time to time, smaller operators find they lack the financial resources, economies of scale and/or management techniques required to compete for the business of increasingly sophisticated clients or family owners face difficult generational transfers. We expect this trend to continue and will provide larger parking management companies with opportunities to expand their businesses and acquire smaller operators. We also expect that small new operators will continue to enter the business as they have for decades.

Industry Operating Arrangements

Parking facilities operate under three general types of arrangements:

- management contract;
- lease; and
- ownership.

The general terms and benefits of these three types of arrangements are as follows:

Management Contract. Under a management contract, the facility operator generally receives a base monthly fee for managing the facility and may receive an incentive fee based on the achievement of facility performance objectives. Facility operators also generally charge fees for various ancillary services such as accounting, equipment leasing and consulting. Primary responsibilities under a management contract include hiring, training and staffing parking personnel, and providing revenue collection, accounting, record-keeping, insurance and facility marketing services. The facility owner usually is responsible for operating expenses associated with the facility's operation, such as taxes, license and permit fees, insurance costs, payroll and accounts receivable processing and wages of personnel assigned to the facility, although some management contracts, typically referred to as "reverse" management contracts, require the facility operator to pay certain of these cost categories but provide for payment to the operator of a larger management fee. Under a management contract, the facility owner usually is responsible for non-routine maintenance and repairs and capital improvements, such as structural and significant mechanical repairs. Management contracts are typically for a term of one to three years (although the contracts may often be terminated, without cause, on 30-days' notice or less) and may contain renewal clauses.

Lease. Under a lease, the parking facility operator generally pays to the property owner either a fixed base rent, percentage rent that is tied to the facility's financial performance, or a combination of both. The parking facility operator collects all revenue and is responsible for most operating expenses, but typically is not responsible for major maintenance, capital expenditures or real estate taxes. In contrast to management contracts, leases typically are for terms of three to ten years, often contain a renewal term, and provide for a fixed payment to the facility owner regardless of the facility's operating earnings. However, many of these leases may be cancelled by the client for various reasons, including development of the real estate for other uses and other leases may be cancelled by the client on as little as 30 days' notice without cause. Leased facilities

generally require larger capital investment by the parking facility operator than do managed facilities and therefore tend to have longer contract periods.

Ownership. Ownership of parking facilities, either independently or through joint ventures, entails greater potential risks and rewards than either managed or leased facilities. All owned facility revenue flows directly to the owner, and the owner has the potential to realize benefits of appreciation in the value of the underlying real estate. Ownership of parking facilities usually requires large capital investments, and the owner is responsible for all obligations related to the property, including all structural, mechanical and electrical maintenance and repairs and property taxes.

As of December 31, 2013, we operated approximately 80% of our locations under management contract and approximately 20% of our locations under lease contracts. We held a partial ownership interest in four parking facilities (two leased and two managed) as of December 31, 2013 and six parking facilities as of December 31, 2012.

Industry Growth Dynamics

A number of industry trends should facilitate growth for larger outsourced commercial parking facility management providers, including the following:

Opportunities From Large Property Managers, Owners and Developers. As a result of past industry consolidation, there is a significant number of national property managers, owners and developers that own or manage multiple locations. Sophisticated property owners consider parking a profit center that experienced parking facility management companies can maximize. This dynamic favors larger parking facility operators that can provide specialized, value-added professional services with nationwide coverage.

Outsourcing of Parking Management and Related Services. Growth in the parking management industry has resulted from a trend by parking facility owners to outsource the management of their parking and related operations to independent operators. We believe that entities such as large property managers, owners and developers, as well as cities, municipal authorities, hospitals and universities, in an effort to focus on their core competencies, reduce operating budgets and increase efficiency and profitability, will continue and perhaps increase the practice of retaining parking management companies to operate facilities and provide related services, including shuttle bus operations, municipal meter collection and valet parking.

Vendor Consolidation. Based on interactions with our clients, we believe that many parking facility owners and managers are evaluating the benefits of reducing the number of parking facility management relationships they maintain. We believe this is a function of the desire to reduce costs associated with interacting with a large number of third-party suppliers coupled with the desire to foster closer inter-company relationships. By limiting the number of outsourcing vendors, companies will benefit from suppliers who will invest the time and effort to understand every facet of the client's business and industry and who can effectively manage and handle all aspects of their daily requirements. We believe a trend towards vendor consolidation can benefit a company like ours, given our national footprint and scale, extensive experience, broad process capabilities and a demonstrated ability to create value for our clients.

Industry Consolidation. The parking management industry is highly fragmented, with hundreds of small regional or local operators. We believe national parking facility operators have a competitive advantage over local and regional operators by reason of their:

- broad product and service offerings;
- deeper and more experienced management;

- relationships with large, national property managers, developers and owners;
- efficient cost structure due to economies of scale; and
- financial resources to invest in infrastructure and information systems.

Our Competitive Strengths

We believe we have the following key competitive strengths:

A Leading Market Position with a Unique Value Proposition. We are one of the leading providers of parking management, ground transportation and other ancillary services, to commercial, institutional, and municipal clients in the United States, Puerto Rico and Canada. We strive to be the #1 or #2 provider in each of the core markets in which we operate. We market and offer many of our services under our **SP+** brand, which reflects our ability to provide customized solutions and meet the varied demands of our diverse client base and their wide array of property types, and supplement them with *Ambiance in Parking*®, a comprehensive package of amenity and customer service programs. We can augment our parking services by providing our clients with related services through our **SP+** Facility Maintenance, **SP+ Transportation**, **SP+ Event Logistics** and, in certain sections of the country, **SP+ Security** service lines, thus enabling our clients to efficiently address various needs through a single vendor relationship. We believe our ability to offer a comprehensive range of services on a national basis is a significant competitive advantage and allows our clients to attract, service and retain customers, gain access to the breadth and depth of our service and process expertise, leverage our significant technology capabilities and enhance their parking facility revenue, profitability and cash flow.

Our Scale and Diversification. As of December 31, 2013, we managed approximately 4,200 parking facility locations containing approximately 2.1 million parking spaces in approximately 420 cities, operated 30 parking-related service centers serving 75 airports, operated a fleet of approximately 730 shuttle buses, operated 136 valet locations and employed a professional staff of approximately 24,000 people. We benefit from diversification across our entire client base, industry end-markets and geographic locations.

- *Client Base*. Our clients include some of the nation's largest private and public owners, municipalities, managers and developers of major office buildings, residential properties, commercial properties, shopping centers and other retail properties, sports and special event complexes, hotels, and hospitals and medical centers. No single client accounted for more than 3% of our revenue or more than 2% of our gross profit for the year ended December 31, 2013.
- *Industry End-Markets*. We believe that our industry end-market diversification, such as colleges and universities, hospitals and medical centers, municipalities and event services, allows us to minimize our exposure to industry-specific seasonality and volatility. We believe that the breadth of end-markets we serve and the depth of services we offer to those end-markets provide us with a broader base of customers that we can target.
- *Geographic Locations*. We have a diverse geographic footprint that includes operations in 46 states, the District of Columbia, Puerto Rico and four Canadian provinces as of December 31, 2013. We strive to be the #1 or #2 provider in each of the core markets in which we operate, and our strategy is focused on building size and leadership positions in large, strategic markets in order to leverage the advantages of scale across a larger number of parking locations in a single market.

Additionally, our scale has enabled us to significantly enhance our operating efficiency over the past several years by standardizing processes and managing overhead costs.

Stable Client Relationships. We have a track record of providing our clients and parking customers with a consistent, value-added and high quality parking facility management experience, as reflected by our high location retention rate, which was approximately 87% for the year ended December 31, 2013, and was approximately 89% for the year ended December 31, 2012, excluding Central for the period of time in 2012 it was not under our ownership and dispositions required by the Department of Justice in connection with the Central Merger. As our clients continue to outsource the management of their parking operations and look to consolidate the number of their outsourcing providers, we believe this trend has meaningful benefits to companies like ours, which has a national footprint and scale, extensive industry experience, broad process capabilities, and a demonstrated ability to create value for our clients.

Established Platform for Future Growth. We have invested resources and developed a national infrastructure and technology platform which is complemented by significant management expertise, which enables us to scale our business for future growth effectively and efficiently. We have the ability to transition into a new location very quickly, from the simplest to the most complex operation, and have experience working with incumbent facility managers to effect smooth and efficient takeovers and integrate new locations seamlessly into our operations.

Visible and Predictable Business Model. We believe that our business model provides us with a measure of insulation from broader economic cycles, because a significant portion of our combined locations operates on fixed-fee and reverse management fee management contracts that for the most part are not dependent upon the level of utilization of those parking facilities. Additionally, because we do only have a partial ownership interest in four parking facilities, we have limited the risks of real estate ownership. We benefit further from visibility provided by a recurring revenue model reinforced by location retention rates, have approximated 89% over the past five years, excluding Central for the period of time in 2012 it was not under our ownership and dispositions required by the department of justice in connection with Cental Merger.

Highly Capital Efficient Business with Attractive Cash Flow Characteristics. Our business generates attractive cash flow due to negative working capital dynamics and our low capital expenditure requirements. For the fiscal year ended December 31, 2012, we generated approximately $11.4 million of cash flow from operating activities, and during the same period our capital expenditures for the purpose of leasehold improvements and equipment were $5.0 million. For the fiscal year ended December 31, 2013, we generated approximately $34.9 million of cash flow from operating activities, and during the same period our capital expenditures for the purpose of leasehold improvements and equipment were $15.7 million.

Focus on Operational Excellence and Human Capital Management. Our culture and training programs place a continuing focus on excellence in the execution of all aspects of day-to-day parking facility operation. This focus is reflected in our ability to deliver to our clients a professional, high-quality product through well-trained, service-oriented personnel, which we believe differentiates us from our competitors. To support our focus on operational excellence, we manage our human capital through a comprehensive, structured program that evaluates the competencies and performance of all of our key operations and administrative support personnel on an annual basis. Based on those evaluations, we create detailed developmental plans designed to provide our personnel with the skills and tools needed to perform their current duties effectively and to prepare themselves for future growth and advancement. We have also dedicated significant resources to human capital management, providing comprehensive training for our employees, delivered primarily through the use of our web-based ***SP+ University***™ learning management system, which promotes customer service and client retention in addition to providing our employees with continued training and career development opportunities.

Experienced Management Team. Our current senior management team has a proven track record of growing our existing business organically and consistently integrating acquisitions. The named executive officers have been working together for more than 13 years, and our executive management team has an average of 27 years of experience in the parking industry.

Our Growth Strategy

Building on these competitive strengths, we believe we are well positioned to execute on the following growth strategies:

Leverage Benefits from Central Merger. Our acquisition of Central in October 2012 resulted in a combined company offering a broader range of services, with greater quality and cost effectiveness, which we believe will enable us to become a vendor of choice for outsourced parking facility management, maintenance, ground transportation and security services. More specifically and as a result of our acquisition of Central, we have effectively doubled our location footprint by adding more than 2,200 locations and approximately one million parking spaces to our portfolio, and we intend to promote revenue growth selling our current products and services to these new locations. In addition, we intend to strengthen our ability to serve our customers by integrating Central's customer-facing products and services, such as its centralized customer service centers, direct-to-consumer marketing programs, various web-based applications (including iPhone and Android apps) and enhanced technology applications such as those used by its remote management services division, as well as its USA Parking System, Inc. ("USA Parking") valet expertise. In addition, we intend to take advantage of scale efficiencies by consolidating back-office processes and eliminating duplicate infrastructure, and to leverage increased purchasing volume, all of which are collectively expected to generate significant cost synergies and enable us to expand our client base and grow the business from a lower cost platform. We expect that our combined company will generate sufficient free cash flow to enable us to make additional investments in parking-related technology to accelerate development of new products and services that further improve our clients' satisfaction and our customers' parking experience. We also believe that sharing of complementary capabilities will allow the combined company to leverage customer information and technology to deliver services to our customers more effectively and to better understand customer preferences while also providing client-focused services, such as automated and web-based transportation, security, maintenance, parking enforcement and meter collection products and services; customer relationship management systems and the capability to capture parking data on a large scale; and enhanced property management technology, including electronic marketing services, billing systems and automated reporting. We believe these complementary capabilities also will bolster our ability to build upon existing relationships with, and attract, employees, clients and customers.

Grow the Hospitality Business. USA Parking, one of the subsidiaries we acquired in the Central Merger, is a leader in the valet industry, and management believes there is significant opportunity to use USA Parking's capability to develop a national valet business. As of December 31, 2013, we operated 136 valet locations. Our objective is to focus on the most important aspects of the valet business promptly upon obtaining a new location, from the first contact with a potential customer to the execution of our services. Given the importance of neat, clean and polite service, the success of our valet business is dependent upon ensuring that its valet associates deliver excellent service every day. To accomplish this objective, our USA University subsidiary provides training to its valet associates. USA University, which began operating in 1995, trained approximately 1,500 employees during our past fiscal year to become an integrated extension of our clients' staff and blend seamlessly into the overall hospitality experience. In addition, we are expanding USA University to train a growing number of employees in valet

operations serving other parking locations, including Class A office buildings and residences, municipalities, airports and stadiums and entertainment complexes, to provide high-quality service.

Grow Our Portfolio of Contracts in Existing Geographic Markets. Our strategy is to capitalize on economies of scale and operating efficiencies by expanding our contract portfolio in our existing geographic markets, especially in our core markets. We market our services in each of our existing core markets with the goal of becoming the #1 or #2 provider in that market. As a given geographic market achieves a threshold operational size, we typically will establish a local office in order to promote increased operating efficiency by enabling local managers to use a common staff for recruiting, training and human resources support. This concentration of operating locations allows for increased operating efficiency and superior levels of customer service and retention through the accessibility of local managers and support resources. We rely on both organic growth and acquisitions such as the Central Merger to increase our client base and leverage our fixed corporate and administrative costs within each major metropolitan area.

Increase Penetration in Our Current Vertical End-Markets. We believe that a significant opportunity exists for us to expand our presence into certain industry end-markets, such as colleges and universities, hospitals and medical centers as well as municipalities. In order to effectively target these new markets, we have implemented a go-to-market strategy of aligning our business by vertical end-markets and branding our domain expertise through our **SP+** operating division designations to highlight the specialized expertise and services that we provide to meet the needs of each particular industry and customer. This, in turn, allows us to deliver high quality and consistent services for our clients, enhances customer loyalty and allows us to further leverage our service capabilities, technology platform and regional and market-based management structure.

Expand and Cross-Sell Additional Services to Drive Incremental Revenue. We believe we have significant opportunities to strengthen our relationships with existing clients, and to attract new clients, by continuing to cross-sell value-added services that complement our core parking operations. These services include shuttle bus operations, taxi and livery dispatch services, valet services, concierge-type ground transportation, on-street parking meter collection and enforcement, facility maintenance services, remote management, parking consulting and billing services. We also are evaluating expanding service opportunities, such as security services, that would leverage our core competency of managing large networks of geographically dispersed employees. To better reflect these broader competencies, we developed the **SP+** brand, which emphasizes our specialized market expertise and distinguishes our ancillary service lines from the traditional parking services we provide. Our **SP+** is identified in an array of operating divisions that includes **SP+ Airport Services**, **SP+ GAMEDAY**, **SP+ Healthcare Services**, **SP+ Hotel Services**, **SP+ Municipal Services**, **SP+ Office Services**, **SP+ Residential Services**, **SP+ Retail Services** and **SP+ University Services**, which highlight the market-specific subject matter expertise that enables our professionals to meet the varied parking and transportation-related demands of those specific property types. Because our capabilities range beyond parking facility management, our **SP+ Transportation**, **SP+ Facility Maintenance**, **SP+ Event Logistics and SP+ Security** brands more clearly distinguish those service lines from the traditional parking services that we provide under our Standard Parking, Central Parking and USA brands. By offering this wide assortment of ancillary services, we are able to broaden the scope of our client relationships and thus increase our clients' reliance and dependency on our services, which in turn results in enhanced client retention rates and higher revenue and gross profit per location.

Expand Our Geographic Platform. We believe that opportunities exist to further develop new and expanded geographic markets either through new contract wins, acquisitions, alliances or partnerships. Clients who outsource the management of their parking operations often have a presence in a variety of urban markets and seek to outsource the management of their parking

facilities to a national provider. We intend to leverage relationships with existing clients that have locations in multiple markets as one potential entry point into developing new core markets. Additionally, we may continue to pursue acquisitions as a means of gaining critical mass in a new market.

Continue to Focus on Management Contracts and Operational Efficiencies to Further Improve Profitability. We continue to focus on the growth of lower-risk management contracts, which are inherently more predictable. We have invested substantial resources in information technology and continually seek to consolidate various corporate functions where possible in order to improve our processes and service offerings. In addition, we will continue to evaluate and improve our human capital management to ensure a consistent and high-level of service for our clients. The initiatives undertaken to date in these areas have improved our cost structure and enhanced our financial strength, which we believe will continue to yield future benefits.

Pursue Opportunistic, Accretive Acquisitions. The outsourced parking management industry remains highly fragmented and presents a significant opportunity for us. Given the scale in our existing operating platform, we have a demonstrated ability to successfully identify, acquire and integrate accretive tuck-in acquisitions. For example, in 2009, we acquired the assets of Gameday Management Group, U.S., an Orlando-based company that plans the operation of transportation and parking systems for major stadium and sporting events. Now offering our SP+ Event Logistics services throughout our SP+ GAMEDAY Operations Division, this acquisition has enabled us to provide our stadium and special event clients with transportation and parking planning expertise that can meet their most complex needs. Our SP+ GAMEDAY operating division has provided its transportation and traffic management services for numerous high-profile events, including Super Bowls XXX-XLIVII, the Daytona 500, the London 2012 Summer Olympics, the 2010 World Equestrian Games, 2012 NCAA Men's Basketball Championship, 2012 Tim Hortons NHL All-Star Game and the 2012 Republican National Convention. We expect to continue leveraging SP+ GAMEDAY expertise into new parking and transportation opportunities in the future. Among the assets acquired is proprietary SP+ GAMEDAY Click and Park® online parking and traffic management system, which enables parking customers to reserve and pay for parking online in advance of an event and its related Click and Ride® online seating reservation system, which enables riders to reserve and pay for shuttle bus seats. The addition of this capability to our product line in 2009 is an example of how we are integrating technology into a changing parking industry. We will continue to selectively pursue acquisition opportunities that help us acquire scale or enhance our service capabilities.

Services

As a professional parking management company, we provide a comprehensive, turn-key package of parking services to our clients. Under a typical management contract structure, we are responsible for providing and supervising all personnel necessary to facilitate daily parking operations including cashiers, porters, valet attendants, managers, bookkeepers, and a variety of maintenance, marketing, customer service, and accounting and revenue control functions. By way of example, our typical day-to-day operating duties, whether performed using our own personnel or subcontracted vendors, include:

- Collection and deposit of daily and monthly parking revenues from all parking customers.
- Daily housekeeping to maintain the facility in a clean and orderly manner.
- Restriping of the parking stalls as necessary.
- Routine maintenance of parking equipment (*e.g.*, ticket dispensing machines, parking gate arms, fee computers).
- Marketing efforts designed to maximize gross parking revenues.

- Delivery of courteous and professional customer relations.
- Painting of walkways, curbs, ceilings, walls or other facility surfaces.
- Snow removal from sidewalks and driveways.

The scope of our management services typically also includes a number of functions that support the basic daily facility operations, such as:

- Preparation of an annual operating budget reflecting our estimates of the annual gross parking revenues that the facility will generate from its parking customers, as well as the costs and expenses to be incurred in connection with the facility's operation.
- Evaluation and analysis of, and consultation with our clients with respect to, price structures that will optimize our client's revenue objectives.
- Consultation with our clients regarding which of our customer amenities are appropriate and/or desirable for implementation at the client's parking facility.
- Implementation of a wide range of operational and revenue control processes and procedures, including internal audit procedures, designed to maximize and protect the facility's parking revenues. Compliance with our mandated processes and procedures is supervised by dedicated internal audit and contract compliance groups.
- Consultation with our clients regarding any recommended modifications in facility design or traffic flow, or the installation of new or updated parking equipment, designed both to enhance the ease and convenience of the parking experience for the parking customers and to maximize facility profitability.
- Monthly reporting to our clients regarding the facility's operating results. For those clients who wish to directly access their financial reporting information on-line, we offer the use of our proprietary *Client View®* client reporting system, which provides on-line access to site-level financial and operating information.

Ancillary Services

Beyond the conventional parking facility management services described above, we also offer an expanded range of ancillary services. For example:

- At various airports throughout the United States, we provide shuttle bus vehicles and the drivers to operate them in support of on-airport car rental operations as well as private off-airport parking locations.
- At certain airports, we provide ancillary ground transportation services, such as taxi and livery dispatch services, as well as concierge-type ground transportation information and support services for arriving passengers.
- For municipalities, we provide basic shuttle bus services, on-street parking meter collection and other forms of parking enforcement services.
- Within the medical center and hospital market, we provide valet and shuttle bus services.
- Within the luxury hotel and resort market, we provide valet services.
- We provide remote parking management services using technology that enables us to monitor a parking operation from a remote, off-site location and provide 24-hour-a-day customer assistance (including remedying equipment malfunctions).

Amenities and Customer Service Programs

We offer a comprehensive package of amenity and customer service programs, branded as *Ambiance in Parking*®, many at nominal or no cost to the client. These programs not only make the parking experience more enjoyable, but also convey a sense of the client's sensitivity to and appreciation of the needs of its parking customers. In doing so, we believe the programs serve to enhance the value of the parking properties themselves.

Musical Theme Floor Reminder System. Our 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 signage and graphics that correspond with the floor's theme. For example, in one parking facility with U.S. colleges as a theme, a different college logo is displayed, and that college's specific fight song is heard, on each parking level. Other parking facilities have themes such as famous recording artists, musical instruments, and professional sports teams.

Books-To-Go® CD Library. Monthly customers can borrow—free of charge—audio CDs to which they can listen as they drive to and from work. A wide selection of fiction, non-fiction and business titles is maintained in the facility office.

Films-To-Go® DVD Library. This amenity builds on the success of our popular *Books-To-Go®* program. DVDs of many popular movie titles are stocked in the parking facility office and made available free of charge to monthly customers. The movie selections are updated on a regular basis.

SPokes. Monthly parkers at participating facilities can check out a cruiser bike, free of charge, for their personal use. Parking customers make their reservations through the facility manager, and all riders are provided with helmets. Returned bikes and helmets are inspected and cleaned by a facility employee before reuse.

Complimentary Driver Assistance Services. Parking facility attendants provide a wide range of complimentary services to customers with car problems. Assistance can include charging weak batteries, inflating/changing tires, cleaning windshields and refilling windshield washer fluid. Attendants also can help customers locate their vehicles and escort them to their cars.

SP Equipment & Technology Upgrade Program® Services (SETUP®). We provide clients with a complete turnkey solution to managing all phases of new equipment projects, from initial design to installation to ongoing maintenance. Our design team will suggest a complete solution intended to return to our clients the greatest value for their investment based upon consideration of a wide array of choices as to both equipment (such as Pay-On-Foot, Automated Vehicle Identification and Automated Credit/Debit Card machine technology) and services (procurement, project management, installation and maintenance).

SPare™ Emergency Care Services. Under our SPare™ Emergency Care Services program, customers experiencing vehicle problems beyond weak batteries and low tire pressure call our toll-free number to receive, on a pay-per-use basis, a basic package of emergency services, including towing, jump starting, flat tire changing, fuel delivery, extracting a vehicle from the side of the road and lock-out service. The emergency services are provided at the parking facility or anywhere on the road.

CarCare Maintenance Services. A car service vendor will pick-up a customer's car from the parking facility, contact the customer with an estimate, service the car during normal working hours and return it to the facility before the end of the business day.

Automated Teller Machines. On-site ATM machines provide customers access to cash from bankcards and credit cards. We arrange for the installation of the machine, operated and maintained by

an outside vendor. The parking facility realizes supplemental income from a fixed monthly rent and a share of usage transaction fees.

Complimentary Courtesy Umbrellas and Flashlights. Courtesy umbrellas are loaned to customers on rainy days. A similar lending program can be implemented to provide flashlights in emergency situations or power outages.

Complimentary Services/Customer Appreciation Days. Our clients select from a variety of complimentary services that we provide as a special way of saying “thank you” to our parking customers. Depending on client preferences, coffee, donuts and/or newspapers occasionally are provided to customers during the morning rush hour. On certain holidays, candy, with wrappers that can be customized with the facility logo, can be distributed to customers as they exit. We also can distribute personalized promotional items, such as ice scrapers and key-chains.

Web-Based Applications. As a result of the Central Merger, we acquired and utilize a portfolio of PC-based applications that are also supported with iPhone and Android apps. These advanced technology and feature rich applications are designed to support client and customer acquisition and retention, deliver business programs that benefit employees and other organizational members, and include direct-to-consumer programs intended to enhance daily, monthly and event parking revenue at our locations. These platforms are easily integrated with ecommerce capabilities such as the Company’s proprietary *Click and Park®* online reservation and payment engine.

Centralized Contact Center. We deliver a high level of customer service by bringing our national customer service expertise to local markets through a centralized system designed to enhance consistency and performance. A centralized team of trained Contact Center professionals offer increased availability and improved responsiveness to meet customer needs. Whether via email, phone or other communication channels, our customer support team is readily accessible by our customers, and centralized databases provide the team with necessary customer-related information on a city-by-city basis.

Business Development

Our efforts to attract new clients are primarily concentrated in and coordinated by a dedicated business development group, whose background and expertise is in the field of sales and marketing, and whose financial compensation is determined to a significant extent by their business development success. This business development group is responsible for forecasting sales, maintaining a pipeline of prospective and existing clients, initiating contacts with such clients, and then following through to coordinate meetings involving those clients and the appropriate members of our operations hierarchy. By concentrating our sales efforts through this dedicated group, we enable our operations personnel to focus on achieving excellence in our parking facility operations and maximizing our clients’ parking profits and our own profitability.

We also place a specific focus on marketing and client relationship efforts that pertain to those clients having a large regional or national presence. Accordingly, we assign a dedicated executive to those clients to address any existing portfolio issues, as well as to reinforce existing and develop new account relationships and to take any other action that may further our business development interests.

Operations

We maintain regional and city offices throughout the United States, Puerto Rico and Canada in order to support approximately 24,000 employees and approximately 4,200 locations. These offices serve as the central bases through which we provide the employees to staff our parking facilities as well as the on-site and support management staff to oversee those operations. Our administrative staff accountants are based in those same offices and facilitate the efficient, accurate and timely production

and delivery to our clients of our monthly reports. Having these all-inclusive operations and accounting teams located in regional and city offices throughout the United States, Puerto Rico and Canada allows us to add new locations quickly and in a cost-efficient manner. To facilitate the training of our facility personnel throughout the country, we have created ***SP+ University™***, the foundation of all our formal training programs that span a wide range of topics including soft skills, technology, software, leadership skills and operating procedures. Courses are deployed using a multitude of methods including classroom sessions, web-based sessions, and self-managed, computer-based training. ***SP+ University™*** is available to our employees on a 24/7 basis so they may access training and information when they need it. In addition, we are expanding USA University to train a growing number of employees in valet operations serving other parking locations, including Class A office buildings and residences, municipalities, airports and stadiums and entertainment complexes, to provide high-quality service.

Our overall basic corporate functions in the areas of finance, human resources, risk management, legal, purchasing and procurement, general administration, strategy and information and technology are based in our Chicago corporate office and Nashville support office. The Chicago corporate office also supports and promotes consistency throughout our field operations by developing and administering our operational, financial and administrative policies, practices and procedures.

Clients and Properties

Our client base includes a diverse cross-section of public and private owners of commercial, institutional and municipal real estate. No single client represented more than 3% of revenues or more than 2% of our gross profit for the year ended December 31, 2013. For the years ended December 31, 2013 and December 31, 2012, we retained an average of 88%, excluding Central for the period of time in 2012 it was not under our ownership and dispositions required by the Department of Justice in connection with the Central Merger.

Information Technology

We believe that automation and technology can enhance customer convenience, lower labor costs, improve cash management and increase overall profitability. We have been a leader in the field of introducing automation and technology to the parking business and we were among the first to adopt electronic fund transfer (EFT) payment options, pay-on-foot (ATM) technology and bar code decal technology. Our proprietary *Click and Park®* technology enables people to reserve and purchase parking online, in advance, both for sporting and special events as well as in a wide array of other commercial parking environments. At many locations, *Click and Park®* users also can get customized directions showing what route to take to get to their parking destination most efficiently. Similarly, our proprietary *Click and Ride®* system lets people reserve and pay for bus seating online, in advance. Our proprietary *MPM Plus®* monthly parker management and billing system provides comprehensive and reliable billing of the parking-related provisions of multi-year commercial tenant leases.

In connection with the Central Merger, we acquired a remote parking management service located in Austin, Texas. We relocated existing other remote management operations from Chicago and Seattle to Austin, Texas and rebranded as our SP+ Remote Management Services operating division. From the Austin office, SP+ Remote Management Services personnel are able to monitor revenue and other aspects of a parking operation and provide 24-hour-a-day customer assistance (including remedying equipment malfunctions). After consolidating remote operations, we have begun expanding the locations where our remote management technology is installed. As of December 31, 2013 we provided SP+ Remote Management Services to approximately 150 locations. We expect this business to grow as clients focus on improving the profitability of their parking operations by decreasing labor costs at their locations through remote management.

To promote internal efficiency, we have created advanced information systems that connect local offices across the country to our corporate headquarters. These systems support accounting, financial management and reporting practices, general operating procedures, training, employment policies, cash controls and marketing procedures. Our commitment to the application of technology in the parking management business has resulted in the creation of a proprietary product, *Client View*®, an Internet-based system that gives our clients the flexibility and convenience to access and download their monthly financials and detailed back-up reports. In addition, use of our electronic, web-based procurement and payment system controls costs by automatically enforcing procurement policies and efficiently processing the associated payables. We believe that our standardized processes and controls enhance our ability to successfully add new locations and expand our operations into new markets.

Employees

As of December 31, 2013, we employed 23,937 individuals, including 14,255 full-time and 9,682 part-time employees. As of December 31, 2012, we employed 25,011 individuals, including 14,940 full-time and 10,071 part-time employees. Approximately 34% of our employees are covered by collective bargaining agreements and represented by labor unions. Various union locals represent parking attendants and cashiers in the following cities: Atlanta, Akron (OH), Baltimore, Boston, Chicago, Cleveland, Dallas, Denver, Detroit, Jersey City, Kansas City, Long Beach (CA), Los Angeles, Manchester (NH), Miami, New York City, Newark, Philadelphia, Pittsburgh, Portland, Rochester, San Francisco, San Jose, San Juan (Puerto Rico), Santa Monica, Seattle, Syracuse and Washington, DC.

We are frequently engaged in collective bargaining negotiations with various union locals. No single collective bargaining agreement covers a material number of our employees. We believe that our employee relations are generally good.

Insurance

We purchase comprehensive liability insurance covering certain claims that occur in the operations that we lease or manage. The primary amount of such coverage is $2.0 million per occurrence and $2.0 million in the aggregate per facility for our garage liability and garage keepers legal liability coverage. In addition, we purchase workers' compensation insurance for all eligible employees and umbrella/excess liability coverage. Under our various liability and workers' compensation insurance policies, we are obligated to pay directly or reimburse the insurance carrier for the first $250,000 of any loss (or, as of January 1, 2014, the first $500,000 of any loss in the case of our general liability or automobile liability policies only). As a result, we are effectively self-insured for all claims up to those levels. We utilize a third-party administrator to process and pay claims. We also purchase property insurance that provides coverage for loss or damage to our property and in some cases our clients' property, as well as business interruption coverage for lost operating income and certain associated expenses. The deductible applicable to any given loss under our property insurance policy varies based upon the insured values and the peril that causes the loss. We believe that our insurance coverage is adequate and consistent with industry practice. Because of the size of the operations covered and our claims experience, we purchase insurance policies at prices that we believe represent a discount to the prices that would typically be charged to parking facility owners on a stand-alone basis. The clients for whom we operate parking facilities pursuant to management contracts have the option of purchasing their own liability insurance policies (provided that we are named as an additional insured pursuant to an additional insured endorsement), but historically most of our clients have chosen to obtain insurance coverage by being named as additional insureds under our master liability insurance policies.

We purchase group health insurance with respect to eligible full-time employees (whether they work at leased facilities, managed facilities or in our support offices) and their family members. For the year ended December 31, 2013, we insured our eligible full-time employees and their family members through either a fully insured program or a self-insured program with a $175,000 stop-loss limit.

Effective January 1, 2014, we modified our group health insurance program and will self-insure all eligible full-time employees and their family members up to a $175,000 stop loss limit.

Pursuant to our management contracts, we charge those clients an allocated portion of our insurance-related costs.

Competition

The parking industry is fragmented and highly competitive, with limited barriers to entry. We face direct competition for additional facilities to manage or lease, while our facilities themselves compete with nearby facilities for our parking customers and in the labor market generally for qualified employees. Moreover, the construction of new parking facilities near our existing facilities can adversely affect our business. There are only a few national parking management companies that compete with us. However, we also face competition from numerous smaller, locally owned independent parking operators, as well as from developers, hotels, national financial services companies and other institutions that manage their own parking facilities as well as facilities owned by others. Many municipalities and other governmental entities also operate their own parking facilities, potentially eliminating those facilities as management or lease opportunities for us. Some of our present and potential competitors have or may obtain greater financial and marketing resources than we have, which may negatively impact our ability to retain existing contracts and gain new contracts. We also face significant competition in our efforts to provide ancillary services such as shuttle bus services and on-street parking enforcement because a number of large companies specialize in these services. In addition, entry barriers into these ancillary service businesses are low.

We believe that we compete for management clients based on a variety of factors, including fees charged for services, ability to generate revenues and control expenses for clients, accurate and timely reporting of operational results, quality of customer service, and ability to anticipate and respond to industry changes. Factors that affect our ability to compete for leased locations include the ability to make financial commitments, long-term financial stability, and the ability to generate revenues and control expenses. Factors affecting our ability to compete for employees include wages, benefits and working conditions.

Regulation

Our business is subject to numerous federal, state and local laws and regulations, and in some cases, municipal and state authorities directly regulate parking facilities. Our facilities in New York City are, for example, subject to extensive governmental restrictions concerning automobile capacity, pricing, structural integrity and certain prohibited practices. Many cities impose a tax or surcharge on parking services, which generally range from 10% to 50% of revenues collected. We collect and remit sales/parking taxes and file tax returns for and on behalf of our clients and ourselves. We are affected by laws and regulations that may impose a direct assessment on us for failure to remit sales/parking taxes or to file tax returns for ourselves and on behalf of our 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, we may be potentially liable for any such costs. We held a partial ownership interest in four parking facilities as of December 31, 2013 and six parking facilities as of December 31, 2012. We may now be liable for such costs as a result of such previous ownership by Central and our current ownership. In addition, from time to time we are involved in environmental issues at certain of our locations or in connection with our operations. While it is difficult to predict the ultimate outcome of any of these matters, based on

information currently available, management believes that none of these matters, individually or in the aggregate, are reasonably likely to have a material adverse effect on our financial position, results of operations, or cash flows. The cost of defending against claims of liability, or of remediating a contaminated property, could have a material adverse effect on our financial condition or results of operations.

Several state and local laws have been passed in recent years that encourage car-pooling and the use of mass transit or impose certain restrictions on automobile usage. These types of laws have adversely affected our revenues and could continue to do so in the future. For example, the City of New York imposed restrictions in the wake of the September 11 terrorist attacks, which included street closures, traffic flow restrictions and a requirement for passenger cars entering certain bridges and tunnels to have more than one occupant during the morning rush hour. It is possible that cities could enact additional measures such as higher tolls, increased taxes and vehicle occupancy requirements in certain circumstances, which could adversely impact us. We are also affected by zoning and use restrictions and other laws and regulations that are common to any business that deals with real estate.

In addition, we are subject to laws generally applicable to businesses, including but not limited to federal, state and local regulations relating to wage and hour matters, employee classification, mandatory healthcare benefits, unlawful workplace discrimination, human rights laws and whistle blowing. Several cities in which we have operations either have adopted or are considering the adoption of so-called "living wage" ordinances, which could adversely impact our profitability by requiring companies that contract with local governmental authorities and other employers to increase wages to levels substantially above the federal minimum wage. In addition, we are subject to provisions of the Occupational Safety and Health Act of 1970, as amended ("OSHA"), and related regulations. Any actual or alleged failure to comply with any regulation applicable to our business or any whistle-blowing claim, even if without merit, could result in costly litigation, regulatory action or otherwise harm our business, financial condition and results of operations.

In connection with certain transportation services provided to our clients, including shuttle bus operations, we provide the vehicles and the drivers to operate these transportation services. The U.S. Department of Transportation and various state agencies exercise broad powers over these transportation services, including, licensing and authorizations, safety and insurance requirements. Our employee drivers must also comply with the safety and fitness regulations promulgated by the Department of Transportation, including those related to drug and alcohol testing and service hours. We may become subject to new and more restrictive federal and state regulations. Compliance with such regulations could hamper our ability to provide qualified drivers and increase our operating costs.

We are also subject to consumer credit laws and credit card industry rules and regulations relating to the processing of credit card transactions, including the Fair and Accurate Credit Transactions Act and the Payment Card Data Security Standard. These laws and these industry standards impose substantial financial penalties for non-compliance.

Various other governmental regulations affect our operation of parking facilities, both directly and indirectly, including the Americans with Disabilities Act (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, we generally require that the property owner contractually assume responsibility for any ADA liability in connection with the property. There can be no assurance, however, that the property owner has assumed such liability for any given property and there can be no assurance that we would not be held liable despite assumption of responsibility for such liability by the property owner.

Management believes that the parking facilities we operate are in substantial compliance with ADA requirements.

Regulations by the Federal Aviation Administration may affect our business. The FAA generally prohibits parking within 300 feet of airport terminals during times of heightened alert. The 300 foot rule and new regulations may prevent us from using a number of existing spaces during heightened security alerts at airports. Reductions in the number of parking spaces may reduce our gross profit and cash flow for both our leased facilities and those facilities we operate under management contracts.

Intellectual Property

SP Plus® and the **SP+® and the SP+ logo, SP+ GAMEDAY®, Innovation In Operation®,**Click and Park® and the Click and Park® logo, Standard Parking® and the Standard Parking logo, CPC®, Central Parking System®, Central Parking Corporation®, USA Parking®, Focus Point Parking® and Allright Parking® are service marks registered with the United States Patent and Trademark Office. In addition, we have registered the names and, as applicable, the logos of all of our material subsidiaries and divisions as service marks with the United States Patent and Trademark Office or the equivalent state registry. We invented the Multi-Level Vehicle Parking Facility musical Theme Floor Reminder System. We have also registered the copyright rights in our proprietary software, such as *Client View©*, *Hand Held Program©*, *License Plate Inventory Programs©* and *ParkStat©* with the United States Copyright Office. We also own the URL parking.com.

Corporate Information

Our headquarters are located at 200 E. Randolph Street, Suite 7700, Chicago, Illinois 60601-7702. Our telephone number is (312) 274-2000. Our website address is *www.spplus.com*. Our periodic reports and other information filed with or furnished to the SEC are available free of charge through the Investor Relations section of our web site as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information contained on our web site or any other web site is not incorporated by reference into this or any other report we file with or furnish to the SEC, and you should not consider information contained on our web sites or any other web site to be a part of this or any other report we file with or furnish to the SEC.

ITEM 1A. *RISK FACTORS*

You should carefully consider the specific risk factors described below together with all other information contained in or incorporated by reference into this Report, as these risks, among others, are important factors that could cause our actual results to differ from our historical result, and the occurrence of the adverse developments described in these risk factors could materially and adversely harm our business , financial condition, results of operations or preopects. It is not possible to predict or identify all such factors. Consequently, you should not consider any such list to be a complete statement of all potential risks or uncertainties applicable to our business.

We may be unable to integrate Central's business with our own successfully.

On October 2, 2012, we completed our acquisition of Central Parking Corporation, and Central is now our wholly owned subsidiary. We are devoting significant management attention and resources to integrating Central's business practices and operations with our own. Potential difficulties we may encounter as part of the integration process include the following:

- the potential inability to successfully combine Central's business with our own in a manner that permits us to achieve the cost synergies expected to be achieved within two years of the completion of the merger and other benefits anticipated to result from the merger;

- the potential inability to integrate Central's customer-facing products and services, such as its centralized customer service centers, direct-to-consumer marketing programs, various web-based applications and enhanced technology applications such as those used by its remote management division;
- challenges leveraging the customer information and technology of the two companies;
- challenges effectuating the diversification strategy, including challenges achieving revenue growth from sales of each company's products and services to the clients and customers of the other company;
- complexities associated with managing the combined businesses, including difficulty addressing possible differences in corporate cultures and management philosophies and the challenge of integrating complex systems, technology, networks and other assets of each of the companies in a seamless manner that minimizes any adverse impact on customers, clients, employees, lenders and other constituencies; and
- potential unknown liabilities and unforeseen increased expenses associated with the merger.

It is possible that the integration process could result in diversion of the attention of our management, which could adversely affect our ability to maintain relationships with customers, clients, employees and other constituencies or our ability to achieve the anticipated benefits of the merger, or could reduce our earnings or otherwise adversely affect our business and financial results.

We incurred substantial additional indebtedness in connection with the Central Merger.

In connection with the Central Merger, we entered into a credit agreement dated October 2, 2012 providing for $450.0 million in secured Senior Credit Facility (“Senior Credit Facility) consisting of (1) a $200.0 million five-year revolving credit facility and (2) a $250.0 million term loan facility with Bank of America, N.A., Wells Fargo Bank, N.A., JPMorgan Chase Bank, N.A. and certain other financial institutions. In conjunction with Central Merger, we assumed approximately $217.7 million of Central's debt, net of cash acquired, which was repaid at closing using the proceeds of the Senior Credit Facility. In addition, the proceeds from these borrowings have been used by us to finance in part the Central Merger, the costs and expenses related to the Central Merger, our ongoing working capital needs and other general corporate purposes. As a result, we have indebtedness that is substantially greater than our indebtedness prior to the Central Merger. This higher level of indebtedness may:

- require us to dedicate a greater percentage of our cash flow from operations to payments on our debt, thereby reducing the availability of cash flow to fund capital expenditures, pursue other acquisitions or investments in new technologies, make stock repurchases, pay dividends and for general corporate purposes;
- increase our vulnerability to general adverse economic conditions, including increases in interest rates if the borrowings bear interest at variable rates or if such indebtedness is refinanced at a time when interest rates are higher; and
- limit our flexibility in planning for, or reacting to, changes in or challenges relating to our business and industry, creating competitive disadvantages compared to other competitors with lower debt levels and borrowing costs.

We cannot assure you that cash flow from operations, combined with additional borrowings under the Senior Credit Facility and any future credit facility, will be available in an amount sufficient to enable us to repay our indebtedness, or to fund other liquidity needs. If the consolidated leverage ratio exceeds certain thresholds, the interest rate on indebtedness outstanding under our credit facility will be higher. In addition, if the consolidated leverage ratio exceeds certain other thresholds, we will be required to make mandatory prepayments of our outstanding indebtedness using excess free cash flow.

We may incur substantial additional indebtedness in the future, which could cause the related risks to intensify. We may need to refinance all or a portion of our indebtedness on or before their respective maturities. We cannot assure you that we will be able to refinance any of our indebtedness, including our Senior Credit Facility, on commercially reasonable terms or at all. If we are unable to refinance our debt, we may default under the terms of our indebtedness, which could lead to an acceleration of the debt. We do not expect that we could repay all of our outstanding indebtedness if the repayment of such indebtedness was accelerated.

The Central Merger may result in a loss of customers, clients and strategic alliances.

As a result of the Central Merger, some of our customers, clients, potential customers or clients or strategic partners may terminate their business relationship with us. Potential clients or strategic partners may delay entering into, or decide not to enter into, a business relationship with us because of the Central Merger. If customer or client relationships or strategic alliances are adversely affected by the Central Merger, our business and financial performance could suffer.

Our management contracts and leases expose us to certain risks, including structural repair obligations under certain lease contracts

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. A material reduction in the operating income associated with the integrated services we provide under management contracts and leases could have a material adverse effect on our business, financial condition and results of operations. Our management contracts are typically for a term of one to three years, although the contracts may often be terminated, without cause, on 30 days' notice or less, giving clients regular opportunities to attempt to negotiate a reduction in fees or other allocated costs. Any loss of a significant number of clients could in the aggregate materially adversely affect our operating results.

We are particularly exposed to increases in costs for locations that we operate under leases because we are generally responsible for all the operating expenses of our leased locations. Additionally, some of our leases acquired in the Central Merger include provisions allocating to us responsibility for all structural repairs required on the property, including repairs arising as a result of ordinary wear and tear. We may incur costs for structural repair obligations in 2014 and future years, although we are not yet able to estimate the amount of our liability for these repairs in any particular year or in the aggregate. Additionally, the applicable indemnity under the merger agreement may not cover all such obligations, and there will be timing differences between our payments to satisfy these obligations and our receipt of indemnification thereof, and some indemnification obligations may be satisfied through the surrender of shares of our common stock. Accordingly, our expenditures to cover these structural repair obligations could have a material adverse impact on our operating results (including our gross profit derived from locations that we operate under leases) and cash flows for 2014 and future years. Any other increase in the cost of parking services could also reduce our gross profit derived from locations that we operate under leases. As of December 31, 2013, we operated 20% of our locations under leases, compared to 9% prior to the Central Merger.

Adverse litigation judgments or settlements resulting from legal proceedings in which we may be involved in the normal course of business could affect our operations and financial condition.

In the normal course of business, we are from time to time involved in various legal proceedings. The outcome of these legal proceedings cannot be predicted. It is possible that an unfavorable outcome of some or all of the matters could cause us to incur substantial liabilities that may have a material adverse effect upon our financial condition and results of operations. Any significant adverse litigation, judgments or settlements could have a negative effect on our business, financial condition and results

of operations. In addition, Central is subject to a number of ongoing legal proceedings, and we will incur substantial expenses defending such matters and may have judgments levied against us that are substantial and may not be covered by reserves.

We have incurred substantial expenses and expect to incur additional substantial expenses related to the Central Merger and our integration with Central.

As of December 31, 2013, we have incurred or expect to incur approximately $51.9 million in total merger and integration costs, including $10.2 million in transaction costs, $31.4 million for synergy planning and integration costs and $10.3 million for financing costs and original issue discount costs. There are many factors beyond our control that could affect the total amount of merger and integration expenses. Moreover, many of the expenses that will be incurred are, by their nature, difficult to estimate accurately. To the extent these merger and integration expenses are higher than anticipated, our future operating results and financial condition may be materially adversely affected and our ability to meet the leverage ratio and fixed charged ratio mandated by our Senior Credit Facility may be impaired.

We are subject to intense competition that could constrain our ability to gain business, as well as our profitability.

We believe that competition in parking facility management and ancillary services is intense. The low cost of entry into the parking facility management business has led to a strongly competitive, fragmented market consisting primarily of 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 that choose not to outsource their parking operations. Competitors may be able to adapt more quickly to changes in customer requirements, devote greater resources to the promotion and sale of their services or develop technology that is as or more successful than our proprietary technology solutions that are designed to strengthen customer loyalty and optimize facility pricing and performance. We provide nearly all of our services under contracts, many of which are obtained through competitive bidding, and many of our competitors also have long-standing relationships with our clients. Providers of parking facility management services have traditionally competed on the basis of cost and quality of service. As we have worked to establish ourselves as principal members of the industry, we compete predominately on the basis of high levels of service and strong relationships. We may not be able to, or may choose not to, compete with certain competitors on the basis of price. As a result, a greater proportion of our clients may switch to other service providers or self-manage. Furthermore, these strong competitive pressures could impede our success in bidding for profitable business and our ability to increase prices even as costs rise, thereby reducing margins.

We must comply with public and private 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 such 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. We may be potentially liable for such costs as a result of our operation of parking facilities. Additionally, Central previously owned a large number of real properties; we acquired a partial ownership interest in six parking facilities as part of the Central Merger and as of December 31, 2013, we held a partial ownership interest in four of these parking facilities. We may now be liable for such costs as a result of such previous and current ownership. In addition, from time to time we are involved in environmental issues at certain locations or in connection with our operations. The cost of defending against claims of liability, or remediation of a contaminated property, could have a material adverse effect on our business, financial condition and results of operations. In addition,

several state and local laws have been passed in recent years that encourage car pooling and the use of mass transit. Laws and regulations that reduce the number of cars and vehicles being driven could adversely impact our business.

In connection with certain transportation services provided to our clients, including shuttle bus operations, we provide the vehicles and the drivers to operate these transportation services. The U.S. Department of Transportation and various state agencies exercise broad powers over these transportation services, including, licensing and authorizations, safety and insurance requirements. Our employee drivers must also comply with the safety and fitness regulations promulgated by the Department of Transportation, including those related to drug and alcohol testing and service hours. We may become subject to new and more restrictive federal and state regulations. Compliance with such regulations could hamper our ability to provide qualified drivers and increase our operating costs.

We are also subject to consumer credit laws and credit card industry rules and regulations relating to the processing of credit card transactions, including the Fair and Accurate Credit Transactions Act and the Payment Card Data Security Standard. These laws and these industry standards impose substantial financial penalties for non-compliance.

In addition, we are subject to laws generally applicable to businesses, including but not limited to federal, state and local regulations relating to wage and hour matters, employee classification, mandatory healthcare benefits, unlawful workplace discrimination and whistle blowing. Any actual or alleged failure to comply with any regulation applicable to our business or any whistle-blowing claim, even if without merit, could result in costly litigation, regulatory action or otherwise harm our business, financial condition and results of operations.

We collect and remit sales/parking taxes and file tax returns for and on behalf of ourselves and our clients. We are affected by laws and regulations that may impose a direct assessment on us for failure to remit sales/parking taxes and filing of tax returns for ourselves and on behalf of our clients.

Deterioration in economic conditions in general could reduce the demand for parking and ancillary services and, as a result, reduce our earnings and adversely affect our financial condition.

Adverse changes in global, national and local economic conditions could have a negative impact on our business. In addition, our business operations tend to be concentrated in large urban areas. Many of our customers are workers who commute by car to their places of employment in these urban centers. Our business could be materially adversely affected to the extent that weak economic conditions or demographic factors have resulted in the elimination of jobs and high unemployment in these large urban areas. In addition, increased unemployment levels, the movement of white-collar jobs from urban centers to suburbs or out of North America entirely, increased office vacancies in urban areas, movement toward home office alternatives or lower consumer spending could reduce consumer demand for our services.

Adverse changes in economic conditions could also lead to a decline in parking at airports and commercial facilities, including facilities owned by retail operators and hotels. In particular, reductions in parking at leased facilities can lower our profit because a decrease in revenue would be exacerbated by fixed costs that we must pay under our leases.

If adverse economic conditions reduce discretionary spending, business travel or other economic activity that fuels demand for our services, our earnings could be reduced. Adverse changes in local and national economic conditions could also depress prices for our services or cause clients to cancel their agreements to purchase our services.

The financial difficulties or bankruptcy of one or more of our major clients could adversely affect our results.

Future revenue and our ability to collect accounts receivable depend, in part, on the financial strength of our clients. We estimate an allowance for accounts we do not consider collectible, and this allowance adversely impacts profitability. In the event that our clients experience financial difficulty, become unable to obtain financing or seek bankruptcy protection, our profitability would be further impacted by our failure to collect accounts receivable in excess of the estimated allowance. Additionally, our future revenue would be reduced by the loss of these clients or by the cancellation of leases or management contracts by clients in bankruptcy.

Additional funds would need to be reserved for future insurance losses if such losses are worse than expected.

We provide liability and worker's compensation insurance coverage consistent with our obligations to our clients under our various management contracts and leases. We are obligated to reimburse our insurance carriers for, or pay directly, each loss incurred up to the amount of a specified deductible or self-insured retention. The per-occurrence deductible is $250,000 for our workers' compensation and garagekeepers legal liability policies and $500,000 for our automobile liability policy. The per-occurrence self-insured retention for our general liability policy is $500,000. We also purchase property insurance that provides coverage for loss or damage to our property, and in some cases our clients' property, as well as business interruption coverage for lost operating income and certain associated expenses. The deductible applicable to any given loss under the property insurance policies varies based upon the insured values and the peril that causes the loss. The stop-loss limit applicable under the group health insurance we provide for eligible employees is $175,000 per illness. Our financial statements reflect our funding of all such obligations based upon guidance and evaluation received from third-party insurance professionals. There can be no assurance, however, that the ultimate amount of our obligations will not exceed the amount presently funded or accrued, in which case we would need to set aside additional funds to reserve for any such excess. Changes in insurance reserves as a result of periodic evaluations of the liabilities can cause swings in operating results that may not be indicative of the operations of our ongoing business. Additionally, our obligations could increase if we receive a greater number of insurance claims, or if the severity of, or the administrative costs associated with, those claims generally increases. A material increase in insurance costs due to a change in the number or severity of claims, claim costs or premiums paid by us could have a material adverse effect on our operating income.

Labor disputes could lead to loss of revenues or expense variations.

At December 31, 2013, approximately 34% of our employees were represented by labor unions and approximately 27% of our collective bargaining contracts are up for renewal in 2014, representing approximately 11% of our employees. In addition, at any given time, we may face a number of union organizing drives.

When one or more of our major collective bargaining agreements becomes subject to renegotiation or when we face union organizing drives, we may disagree with the union on important issues that, in turn, could lead to a strike, work slowdown or other job actions. There can be no assurance that we will be able to renew existing labor union contracts on acceptable terms. In such cases, there are no assurances that we would be able to staff sufficient employees for our short-term needs. A strike, work slowdown or other job action could in some cases disrupt us from providing services, resulting in reduced revenues. If declines in client service occur or if our clients are targeted for sympathy strikes by other unionized workers, contract cancellations could result. The result of negotiating a first time agreement or renegotiating an existing collective bargaining agreement could result in a substantial increase in labor and benefits expenses that we may be unable to pass through to clients. In addition, potential legislation could make it significantly easier for union organizing drives to be successful and could give third-party arbitrators the ability to impose terms of collective bargaining agreements upon

us and a labor union if we are unable to agree with such union on the terms of a collective bargaining agreement.

In addition, we make contributions to multiemployer benefit plans on behalf of certain employees covered by collective bargaining agreements and could be responsible for paying unfunded liabilities incurred by such benefit plans, which amount could be material.

The restatement of our historical financial statements has already consumed, and may continue to consume, a significant amount of our time and resources and may have a material adverse effect on stock price and subject us to claims.

We have restated certain historical financial statements to reflect a correction in our accounting for deficiency payments made pursuant to the Bradley Agreement. We have also determined that, solely as a result of our prior accounting for the Bradley Agreement, we had a material weakness in our internal control over financial reporting and that, accordingly, our internal control over financial reporting and disclosure controls and procedures were not effective as of the end of certain prior reporting periods, even though we had previously determined that they were effective. It is difficult to predict all of the ramifications to us from this restatement. The restatement process was time and resource-intensive and involved substantial attention from management and significant costs and expenses, including for legal and other professional advisors and for third parties retained to assist us with the restatement. Although we have now completed the restatement, it is possible that we will have inquiries from the SEC and/or Nasdaq regarding our restated financial statements or related matters, which could consume a significant amount of our resources. Moreover, many companies that have been required to restate their historical financial statements have experienced volatility in stock prices and declines in stock prices and stockholder lawsuits, which can be expensive to defend and divert management attention and resources. We may suffer similar consequences as a result of our restatement.

Natural disasters or acts of terrorism could disrupt services.

Hurricanes, storms, earthquakes, drought, floods or other natural disasters or acts of terrorism may result in reduced revenues. Disasters may also cause economic dislocations throughout the country. In addition, terrorist attacks have resulted in, and may continue to result in, increased government regulation of airlines and airport facilities, including imposition of minimum distances between parking facilities and terminals, resulting in the elimination of currently managed parking facilities. We derive a significant percentage of our gross profit from parking facilities and parking related services in and around airports. The Federal Aviation Administration generally prohibits parking within 300 feet of airport terminals during periods of heightened security. While the prohibition is not currently in effect, there can be no assurance that this governmental prohibition will not again be reinstated. The existing regulations governing parking within 300 feet of airport terminals or future regulations may prevent us from using certain parking spaces. Reductions in the number of parking spaces and air travelers may reduce our revenue and cash flow for both our leased facilities and those facilities we operate under management contracts.

The Company is increasingly dependent on information technology, and potential disruption, cyber attacks, cyber terrorism, security breaches, and expanding social media vehicles present new risks.

We are increasingly dependent on information technology systems to manage and support a variety of business processes and activities, and any significant breakdown, invasion, destruction or interruption of these systems could negatively impact our operations. In addition, there is a risk of business interruption, reputational damage and potential legal liability damages from leakage of confidential information. Acts of cyber terrorism involve the premeditated use of disruptive activities, or the threat thereof, involving computers and/or networks, with the intention to cause harm or further social, ideological, religious, political or similar objectives. The occurrence of acts of cyber terrorism such as

website defacement, denial of automated payment services, sabotage of our proprietary on-demand technology or the use of electronic social media to disseminate unfounded or otherwise harmful allegations to our reputation, could have a material adverse effect on our business. The inappropriate use of certain media vehicles could cause brand damage or information leakage. Negative posts or comments about us on any social networking website could seriously damage our reputation. In addition, the disclosure of non-public information through external media channels could lead to information loss. Identifying new points of entry as social media continues to expand represents new challenges. Any business interruptions or damage to our reputation could negatively impact our financial condition and results of operations.

State and municipal government clients may sell or enter into long-term leases of parking-related assets to our competitors.

In order to raise additional revenue, a number of state and municipal governments have either sold or entered into long-term leases of public assets or may be contemplating such transactions. The assets that are the subject of such transactions have included government-owned parking garages located in downtown commercial districts and parking operations at airports. The sale or long-term leasing of such government-owned parking assets to our competitors or clients of our competitors could have a material adverse effect on our business, financial condition and results of operations.

Our ability to expand our business will be dependent upon the availability of adequate capital.

The rate of our expansion will depend in part on the availability of adequate capital, which in turn will depend in large part on cash flow generated by our business and the availability of equity and debt capital. In addition, our senior credit facility contains provisions that restrict our ability to incur additional indebtedness and/or make substantial investments or acquisitions. As a result, we cannot assure you that we will be able to finance our current growth strategy.

The sureties for our performance bond program may elect not to provide us with new or renewal performance bonds for any reason.

As is customary in the industry, a surety provider can refuse to provide a bond principal with new or renewal surety bonds. If any existing or future surety provider refuses to provide us with surety bonds, either generally or because we are unwilling or unable to post collateral at levels sufficient to satisfy the surety's requirements, 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 could also result in the loss of existing contracts. Failure to find a provider of surety bonds, and our resulting inability to bid for new contracts or renew existing contracts, could have a material adverse effect on our business and financial condition.

Federal health care reform legislation may adversely affect our business and results of operations.

In March 2010, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 were signed into law in the U.S. (collectively, the "Health Care Reform Laws"). The Health Care Reform Laws include a large number of health-related provisions that become effective over the next four years, including requiring most individuals to have health insurance and establishing new regulations on health plans. Although the Health Care Reform Laws do not mandate that employers offer health insurance, penalties will be assessed on large employers who do not offer health insurance that meets certain affordability or benefit requirements beginning January 1, 2015. Providing such additional health insurance benefits to our employees, or the payment of penalties if such coverage is not provided, would increase our expenses. If we are unable to raise the rates we charge our clients to cover this expense, such increases in expense could reduce our operating profit.

In addition, under the Health Care Reform Laws, employers will have to file a significant amount of additional information with the Internal Revenue Service and will have to develop systems and processes to track requisite information. We will have to modify our current systems to do so, which could increase our general and administrative expense.

We do not maintain insurance coverage for all possible risks.

We maintain a comprehensive portfolio of insurance policies to help protect us against loss or damage incurred from a wide variety of insurable risks. Each year, we review with our professional insurance advisers whether the insurance policies and associated coverages that we maintain are sufficient to adequately protect us from the various types of risk to which we are exposed in the ordinary course of business. That analysis takes into account various pertinent factors such as the likelihood that we would incur a material loss from any given risk, as well as the cost of obtaining insurance coverage against any such risk. There can be no assurance that we may not sustain a material loss for which we do not maintain any, or adequate, insurance coverage.

ITEM 1B. *UNRESOLVED STAFF COMMENTS*

Not applicable.

ITEM 2. *PROPERTIES*

Parking Facilities

We operate parking facilities in 46 states and the District of Columbia in the United States, Puerto Rico and four provinces of Canada. The following table summarizes certain information regarding our facilities as of December 31, 2013:

States/Provinces	Airports and Urban Cities	# of Locations			# of Spaces		
		Airport	Urban	Total	Airport	Urban	Total
Alabama	Airports, Auburn, Birmingham and Mobile	1	68	69	1,074	14,180	15,254
Alberta	Airports, Calgary, Edmonton, and Sherwood Park	3	6	9	—	1,561	1,561
Arkansas	Little Rock	—	1	1	—	371	371
Arizona	Phoenix, Tempe, Nogales, Scottsdale,	—	30	30	—	24,712	24,712
California	Airports, Beverly Hills, Glendale, Long Beach, Los Angeles, Newport Beach, Riverside, Sacramento, San Francisco, San Jose and Santa Monica	29	762	791	59,439	257,202	316,639
Colorado	Airports, Aurora, Colorado Springs, Denver, Greenwood Village, and Lakewood	9	159	168	40,477	68,732	109,209
Connecticut	Airports, Hartford and Windsor Locks	12	6	18	12,868	1,166	14,034
Delaware	Wilmington	—	3	3	—	1,167	1,167
District of Columbia	Airport and Washington, DC						
Florida	Airports, Coral Gables, Ft. Lauderdale, Ft. Myers, Miami, Orlando, Saint Petersburg and Tampa	14	218	232	49,877	86,190	136,067
Georgia	Airports and Atlanta	16	62	78	35,367	41,167	76,534
Hawaii	Honolulu	—	37	37	—	14,630	14,630
Idaho	Airport	1	—	1	915	—	915
Illinois	Airports, Chicago and Evanston	13	320	333	37,366	121,222	158,588
Indiana	Indianapolis	—	7	7	—	2,130	2,130
Kansas	Topeka	—	2	2	—	832	832
Kentucky	Airports and Lexington	6	18	24	16,807	3,430	20,237
Louisiana	Airports, Baton Rouge, Kenner, and New Orleans	9	93	102	10,474	25,149	35,623
Maine	Airports and Portland	3	3	6	3,081	1,890	4,971
Manitoba	Winnipeg	—	8	8	—	941	941
Maryland	Baltimore, Landover, Oxon Hill, Rockville	—	63	63	—	60,799	60,799
Massachusetts	Boston and Cambridge	—	100	100	—	36,629	36,629
Michigan	Airports and Detroit	14	31	45	34,439	15,587	50,026
Minnesota	Minneapolis and St. Paul	—	37	37	—	11,851	11,851
Mississippi	Jackson	—	16	16	—	5,672	5,672
Missouri	Airports, Kansas City and St. Louis	7	84	91	26,644	37,587	64,231
Montana	Airports	6	—	6	5,170	—	5,170
Nebraska	Airports and Omaha	2	11	13	1,307	2,349	3,656
New Hampshire	Airports	5	—	5	—	8,427	8,427
New Jersey	Camden, Jersey City, Newark, Paterson and Wayne	—	90	90	—	79,284	79,284
New Mexico	Airport and Albuquerque	1	8	9	—	4,186	4,186
New York	Airports, Bronx, Brooklyn, Buffalo, Flushing, Long Island City, Manhattan and New York City	8	558	566	15,547	84,022	99,569
North Carolina	Airport and Charlotte	3	30	33	2,352	19,186	21,538
North Dakota	Airports	2	—	2	2,336	—	2,336
Ohio	Airports, Cincinnati, Cleveland, Columbus and Dayton	17	174	191	17,859	94,637	112,496
Oklahoma	Oklahoma City and Tulsa	—	26	26	—	6,728	6,728
Ontario	Hamilton, Kitchener and Toronto	—	125	125	—	35,649	35,649
Oregon	Airports and Portland	8	10	18	18,293	4,042	22,335
Pennsylvania	Airports, Harrisburg, and Philadelphia	4	80	84	7,241	60,389	67,630
Puerto Rico	Carolina and San Juan	—	30	30	—	17,378	17,378
Quebec	Gatineau	—	8	8	—	4,647	4,647
Rhode Island	Airports, Providence, and Warwick	7	18	25	9,027	7,537	16,564
South Carolina	Columbia and Greenville	—	3	3	—	1,651	1,651
South Dakota	Airports	2	—	2	2,716	—	2,716
Tennessee	Airports, Knoxville, Memphis and Nashville	6	90	96	11,938	19,759	31,697
Texas	Airports, Austin, Dallas, Ft. Worth, Houston and San Antonio	29	236	265	42,081	167,590	209,671
Utah	Airports, Farmington, and Salt Lake City	9	14	23	15,161	5,247	20,408
Virginia	Airports, Arlington, Newport News, Richmond and Virginia Beach	8	108	116	11,280	37,038	48,318
Washington	Airport, Bellevue and Seattle	1	102	103	1,253	23,088	24,341
West Virginia	Charleston	—	15	15	—	5,367	5,367
Wisconsin	Airports and Milwaukee	12	34	46	20,099	17,435	37,534
	Totals	263	3,980	4,243	512,486	1,558,162	2,070,648

We have interest in fifteen joint ventures, seven limited liability companies, twelve general partnerships, and one limited partnership that each operate between one and thirty-five parking facilities. We also held a partial ownership interest in four parking facilities as of December 31, 2013.

For additional information on our properties, see also Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations—Summary of Operating Facilities" and Note D. and Note L. of the notes to the Consolidated Financial Statements included in Item 8. "Financial Statements and Supplementary Data".

Office Leases

We lease approximately 35,000 square feet for our corporate offices in Chicago, Illinois. We believe that this space will be adequate to meet our current and foreseeable future needs.

We also lease approximately 40,000 square feet for our support office in Nashville, Tennessee, which expires on March 31, 2014. We have entered into a new lease for approximately 33,000 square feet that will commence on April 1, 2014 and we believe that this space will be adequate to meet current and foreseeable future needs.

We also lease regional offices in various cities in the United States and Canada. These lease agreements generally include renewal and expansion options, and we believe that these facilities are adequate to meet our current and foreseeable future needs.

ITEM 3. *LEGAL PROCEEDINGS*

We are subject to litigation in the normal course of our business. The outcomes of legal proceedings and claims brought against us and other loss contingencies are subject to significant uncertainty. We accrue a charge against income when our management determines that it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. In addition, we accrue for the authoritative judgments or assertions made against us by government agencies at the time of their rendering regardless of our intent to appeal. In addition, we are from time-to-time party to litigation, administrative proceedings and union grievances that arise in the normal course of business, and occasionally pay non-material amounts to resolve claims or alleged violations of regulatory requirements. There are no "normal course" matters that separately or in the aggregate, would, in the opinion of management, have a material adverse effect on our operations, financial condition or cash flow.

In determining the appropriate loss contingencies, we consider the likelihood of loss or impairment of an asset or the incurrence of a liability, as well as our ability to reasonably estimate the amount of potential loss. We regularly evaluate current information available to us to determine whether an accrual should be established or adjusted. Estimating the probability that a loss will occur and estimating the amount of a potential loss or a range of potential loss involves significant estimation and judgment.

ITEM 4. *MINE SAFETY DISCLOSURES*

Not applicable.

PART II

ITEM 5. *MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES*

Market Information

Effective December 2, 2013, we changed our name from Standard Parking Corporation to SP Plus Corporation. In conjunction with our name change, we changed the ticker symbol under which our common stock is traded on the NASDAQ Global Select Market from "STAN" to "SP". The following table sets forth, for the periods indicated, the high and low sales prices for our common stock as reported on the NASDAQ Global Select Market.

	2013		2012	
	Sales Price		Sales Price	
Quarter Ended	High	Low	High	Low
March 31	$22.60	$19.34	$20.81	$17.00
June 30	$23.26	$20.00	$21.52	$18.33
September 30	$26.92	$21.40	$24.31	$20.87
December 31	$28.09	$21.97	$23.87	$20.68

Holders

As of March 3, 2014, there were 2,772 holders of our common stock, based on the number of record holders of our common stock.

Dividends

We did not pay a cash dividend in respect of our common stock in 2013 or 2012. By the terms of our Senior Credit Facility, we can pay cash dividends on our capital stock not to exceed $10.0 million in aggregate while such facility is in effect. There are no restrictions on the ability of our wholly owned subsidiaries to pay cash dividends to us.

Securities Authorized for Issuance Under Equity Compensation Plans

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by securities holders	722,469	$0.06	605,025
Equity compensation plans not approved by securities holders	—	—	—
Total	722,469	$0.06	605,025

Stock Repurchases

In June 2011, our Board of Directors authorized us to repurchase shares of our common stock, on the open market, up to $20.0 million in aggregate and cancelled a prior authorization from 2008. There were no stock repurchases for the years ended December 31, 2013 and 2012. As of December 31, 2013,

$12.5 million remained available for stock repurchases under the June 2011 authorization by the Board of Directors.

ITEM 6. *SELECTED FINANCIAL DATA*

The following table presents selected historical consolidated financial data as of December 31, 2013, 2012 and 2011, derived from our audited consolidated financial statements, which are included in Item 8. "Financial Statements and Supplementary Data". The table also presents selected historical consolidated financial data as of December 31, 2010 and 2009 derived from our audited consolidated financial statements, which are not included herein. The selected financial data set forth below should be read in conjunction with Item 7. "Management's Discussion and Analysis of Financial Condition and Result of Operations" and the historical consolidated financial statements and notes thereto for years 2013, 2012 and 2011, which are included in Item 8. "Financial Statements and Supplementary Data".

On October 2, 2012, we completed our acquisition (the "Central Merger") of Central Parking Corporation ("Central"). Our consolidated results of operations for the years ended December 31, 2013 include Central's results of operations for the entire year. Our consolidated results of operations for the year ended December 31, 2012 include Central's results of operations for the period October 2, 2012 through December 31, 2012. Our consolidated results of operations for the year ended December 31, 2011 do not include amounts related to Central's results of operations.

The results of operations for the historical periods included in the following table are not necessarily indicative of the results to be expected for future periods. See Item 1A. "Risk Factors" of this Annual Report on Form 10-K for a discussion of risk factors that could impact our future results.

	Year Ended December 31,				
	2013	2012	2011	2010	2009
	(In thousands)				
Statement of Operations Data:					
Parking services revenue:					
Lease contracts	$ 489,575	$250,355	$147,510	$138,664	$140,441
Management contracts	347,346	230,501	173,725	171,331	153,382
Reimbursed management contract revenue	629,878	473,082	408,427	411,148	401,671
Total revenue	1,466,799	953,938	729,662	721,143	695,494
Cost of parking services:					
Lease contracts	456,090	231,781	136,494	128,613	130,897
Management contracts	208,730	141,949	97,186	96,912	87,812
Reimbursed management contract expense	629,878	473,082	408,427	411,148	401,671
Total cost of parking services	1,294,698	846,812	642,107	636,673	620,380
Gross profit:					
Lease contracts	33,485	18,574	11,016	10,051	9,544
Management contracts	138,676	88,552	76,539	74,419	65,570
Total gross profit	172,101	107,126	87,555	84,470	75,114
General and administrative expenses	98,931	86,540	48,297	47,878	44,707
Depreciation and amortization	31,193	13,513	6,618	6,074	5,828
Operating income	41,977	7,073	32,640	30,518	24,579
Interest expense	19,034	8,616	4,691	5,335	6,012
Interest income	(643)	(297)	(227)	(218)	(268)
	18,391	8,319	4,464	5,117	5,744
Income before income taxes	23,586	(1,246)	28,176	25,401	18,835
Income tax expense (benefit)	8,821	(3,620)	10,700	9,770	6,807
Net income	14,765	2,374	17,476	15,631	12,028
Less: Net income attributable to noncontrolling interest	2,676	1,034	378	268	123
Net income attributable to SP Plus Corporation(1)	$ 12,089	$ 1,340	$ 17,098	$ 15,363	$ 11,905
Balance Sheet Data (at end of year):					
Cash and cash equivalents	$ 23,158	$ 28,450	$ 13,220	$ 7,305	$ 8,256
Total assets(2)	862,375	905,283	242,971	242,843	230,180
Total debt(3)	288,662	310,559	82,013	97,902	113,211
Total SP Plus Corporation stockholders' equity(4)	$ 203,108	$186,248	$ 41,251	$ 29,204	$ 8,554

(1) Net income attributable to SP Plus Corporation for 2012 includes the following significant amounts from the Central Merger: Total revenue, excluding reimbursed revenue, of $127.8 million; Total cost of parking services, excluding reimbursed expense, of $190.0 million; and General and administrative expenses of $24.6 million.

(2) Total assets as of December 31, 2012 includes the impact of assets acquired in the Central Merger of $624.9 million.

(3) Total long-term debt, including current portion as of December 31, 2012, includes $217.7 million of debt, net of cash acquired, assumed in the Central Merger.

(4) Total SP Plus Corporation stockholders' equity as of December 31, 2012 includes approximately $140.7 million related to the issuance of our common stock in the Central Merger.

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

The following discussion of our results of operations should be read in conjunction with the "Selected Financial Data" and our consolidated financial statements and the related notes included elsewhere herein. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including, but not limited to, those set forth in Item 1A "Risk Factors" and elsewhere herein. See "Special Note Regarding Forward-Looking Statements."

Overview

Our Business

We manage parking facilities in urban markets and at airports across the United States, Puerto Rico and in four Canadian provinces. We typically enter into contractual relationships with property owners or managers as opposed to owning facilities.

We operate our clients' properties through two types of arrangements: management contracts and leases. Under a management contract, we typically receive a base monthly fee for managing the facility, and we may also receive an incentive fee based on the achievement of facility performance objectives. We also receive fees for ancillary services. Typically, all of the underlying revenues and expenses under a standard management contract flow through to our clients rather than to us. However, some management contracts, which are referred to as "reverse" management contracts, usually provide for larger management fees and require us to pay various costs. Under lease arrangements, we generally pay to the property owner either a fixed annual rent, a percentage of gross customer collections or a combination thereof. We collect all revenues under lease arrangements and we are responsible for most operating expenses, but we are typically not responsible for major maintenance, capital expenditures or real estate taxes. Margins for lease contracts vary significantly, not only due to operating performance, but also due to variability of parking rates in different cities and varying space utilization by parking facility type and location. As of December 31, 2013, we operated 80% of our locations under management contracts and 20% under leases.

In evaluating our financial condition and operating performance, management's primary focus is on our gross profit, total general and administrative expense and general and administrative expense as a percentage of our gross profit. Although the underlying economics to us of management contracts and leases are similar, the manner in which we are required to account for them differs. Revenue from leases includes all gross customer collections derived from our leased locations (net of local parking taxes), whereas revenue from management contracts only includes our contractually agreed upon management fees and amounts attributable to ancillary services. Gross customer collections at facilities under management contracts, therefore, are not included in our revenue. Accordingly, while a change in the proportion of our operating agreements that are structured as leases versus management contracts may cause significant fluctuations in reported revenue and expense of parking services, that change will not artificially affect our gross profit. For example, as of December 31, 2013, 80% of our locations were operated under management contracts and 81% of our gross profit for the year ended

December 31, 2013 was derived from management contracts. Only 42% of total revenue (excluding reimbursed management contract revenue), however, was from management contracts because under those contracts the revenue collected from parking customers belongs to our clients. Therefore, gross profit and total general and administrative expense, rather than revenue, are management's primary focus.

General Business Trends

We believe that sophisticated commercial real estate developers and property managers and owners recognize the potential for parking and related services to be a profit generator rather than a cost center. Often, the parking experience makes both the first and the last impressions on their properties' tenants and visitors. By outsourcing these services, they are able to capture additional profit by leveraging the unique operational skills and controls that an experienced parking management company can offer. Our ability to consistently deliver a uniformly high level of parking and related services and maximize the profit to our clients improves our ability to win contracts and retain existing locations. Our location retention rate was approximately 87% for the year ended December 31, 2013, and was approximately 89% for the year ended December 31, 2012, excluding Central for the period of time in 2012 it was not under our ownership and dispositions required by the Department of Justice in connection with the Central Merger.

Summary of Operating Facilities

We focus our operations in core markets where a concentration of locations improves customer service levels and operating margins. The following table reflects our facilities operated at the end of the years indicated:

	December 31, 2013(1)	December 31, 2012(2)	December 31, 2011
Managed facilities	3,393	3,325	1,953
Leased facilities	850	939	201
Total facilities	4,243	4,264	2,154

(1) Includes partial ownership in two managed facilities and two leased facilities acquired in the Central Merger.

(2) Includes 1,388 managed facilities, 754 leased facilities, 2,142 total facilities and partial ownership in two managed facilities and four leased facilities acquired in the Central Merger.

Revenue

We recognize parking services revenue from lease and management contracts as the related services are provided. Substantially all of our revenues come from the following two sources:

- *Parking services revenue—lease contract.* Parking services revenues related to lease contracts consist of all revenue received at a leased facility, including parking receipts (net of parking tax), consulting and real estate development fees, gains on sales of contracts and payments for exercising termination rights.

- *Parking services revenue—management contract.* Management contract revenue consists of management fees, including both fixed and performance-based fees, and amounts attributable to ancillary services such as accounting, equipment leasing, payments received for exercising termination rights, consulting, development fees, gains on sales of contracts, insurance and other

value-added services with respect to managed locations. We believe we generally purchase required insurance at lower rates than our clients can obtain on their own because we effectively self-insure for all liability and worker's compensation claims by maintaining a large per-claim deductible. As a result, we have generated operating income on the insurance provided under our management contracts by focusing on our risk management efforts and controlling losses. Management contract revenues do not include gross customer collections at the managed locations as these revenues belong to the property owners rather than to us. Management contracts generally provide us with management fees regardless of the operating performance of the underlying facilities.

Conversions between type of contracts, lease or management, are typically determined by our clients and not us. Although the underlying economics to us of management contracts and leases are similar, the manner in which we account for them differs substantially.

Reimbursed Management Contract Revenue

Reimbursed management contract revenue consists of the direct reimbursement from the property owner for operating expenses incurred under a management contract, which is reflected in our revenue.

Cost of Parking Services

Our cost of parking services consists of the following:

- *Cost of parking services—lease contract.* 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 generally based on either a fixed contractual amount or a percentage of gross revenue or a combination thereof. Generally, under a lease arrangement we are not responsible for major capital expenditures or real estate taxes.
- *Cost of parking services—management contract.* The cost of parking services under a management contract is generally the responsibility of the facility owner. As a result, these costs are not included in our results of operations. However, our reverse management contracts, which typically provide for larger management fees, do require us to pay for certain costs.

Reimbursed Management Contract Expense

Reimbursed management contract expense consists of direct reimbursed costs incurred on behalf of property owners under a management contract, which is reflected in our cost of parking services.

Gross Profit

Gross profit equals our revenue less the cost of generating such revenue. This is the key metric we use to examine our performance because it captures the underlying economic benefit to us of both lease contracts and management contracts.

General and Administrative Expenses

General and administrative expenses include salaries, wages, payroll taxes, insurance, travel and office related expenses for our headquarters, field offices, supervisory employees, and board of directors.

Depreciation and Amortization

Depreciation is determined using a straight-line method over the estimated useful lives of the various asset classes or in the case of leasehold improvements, over the initial term of the operating lease or its useful life, whichever is shorter. Intangible assets determined to have finite lives are amortized over their estimated remaining useful life.

Results of Operations

Fiscal 2013 Compared to Fiscal 2012

As noted previously, our consolidated results of operations for the year ended December 31, 2013 include Central's results of operations for the entire year, and the financial results for the year ended December 31, 2012 include only approximately three months of operations related to the acquired Central operations due to the timing of the closing of the Central Merger on October 2, 2012. To help understand the operating results for the periods, the term "Central operations" refers to the results of Central on a stand-alone basis for the period from October 2, 2012 to December 31, 2012 and the term "Standard operations" refers to the results of Standard on a stand-alone basis and not inclusive of results from the acquired operations of Central for the twelve months ended December 31, 2012.

Segments

An operating segment is defined as a component of an enterprise that engages in business activities from which it may earn revenue and incur expenses, and about which separate financial information is regularly evaluated by our chief operating decision maker (CODM), in deciding how to allocate resources. Our CODM is our president and chief executive officer.

The chief operating decision maker does not evaluate segments using discrete asset information. The business is managed based on regions administered by executive vice presidents. On November 1, 2013, the Company changed its internal reporting segment information reported to its CODM. The Company now reports Ontario, Manitoba and Quebec in Region One and Missouri, Nebraska, North Carolina and South Carolina in Region Five. All periods presented have been restated to reflect the new internal reporting to the CODM.

Region One encompasses operations in Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Virginia, West Virginia, Wisconsin and the three Canadian provinces of Manitoba, Ontario, and Quebec.

Region Two encompasses event planning and transportation, and its technology-based parking and traffic management systems.

Region Three encompasses operations in Arizona, California, Colorado, Hawaii, New Mexico, Oregon, Utah, Washington and the Canadian province of Alberta.

Region Four encompasses all major airport and transportation operations nationwide.

Region Five encompasses Alabama, Florida, Georgia, Louisiana, Mississippi, Missouri, Nebraska, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, and Texas.

Other consists of ancillary revenue that is not specifically identifiable to a region and insurance reserve adjustments related to prior years.

The following tables present the material factors that impact our financial statements on an operating segment basis.

Segment revenue information is summarized as follows:

	Year Ended December 31,															
	Region One		Region Two		Region Three		Region Four		Region Five		Other		Total		Variance	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	Amount	%
	(In millions)															
Lease contract revenue:																
New location	$ 4.2	$ 0.5	$ 0.0	$ 0.0	$ 3.7	$ 2.0	$ 1.5	$ 0.2	$15.0	$10.1	$ 0.0	$ 0.0	$ 24.4	$ 12.8	$ 11.6	90.6%
Contract expirations	0.3	3.3	0.0	0.0	1.8	3.8	2.6	4.1	0.4	3.1	0.0	0.0	5.1	14.3	(9.2)	−64.3%
Same location	81.3	73.2	0.0	0.0	14.6	13.6	39.4	37.8	14.4	13.6	0.1	0.1	149.8	138.3	11.5	8.3%
Conversions	0.3	0.4	0.0	0.0	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.3	1.3	(1.0)	−76.9%
Acquisition	213.2	57.4	4.4	1.4	26.1	7.7	0.0	0.0	64.8	17.3	1.5	(0.1)	310.0	83.7	226.3	270.4%
Total lease contract revenue	$299.3	$134.8	$ 4.4	$ 1.4	$46.2	$27.1	$43.5	$43.0	$94.6	$44.1	$ 1.6	$ 0.0	$489.6	$250.4	$239.2	95.5%
Management contract revenue:																
New location	$ 9.2	$ 1.9	$ 1.2	$ 0.4	$ 3.9	$ 0.8	$ 4.0	$ 1.5	$ 3.2	$ 0.5	$ 0.0	$ 0.0	$ 21.5	$ 5.1	$ 16.4	321.6%
Contract expirations	1.5	6.6	0.0	6.8	4.1	12.3	0.1	1.7	0.4	1.4	0.0	0.0	6.1	28.8	(22.7)	−78.8%
Same location	49.0	46.9	8.5	9.0	33.3	32.4	45.2	45.3	14.6	17.8	(0.4)	1.0	150.2	152.4	(2.2)	−1.4%
Conversions	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	0.0	0.0	0.1	(0.1)	−100.0%
Acquisition	50.1	13.7	21.5	5.4	22.4	5.4	50.5	13.0	24.3	7.6	0.7	(1.0)	169.5	44.1	125.4	284.4%
Total management contract revenue	$109.9	$ 69.2	$31.2	$21.6	$63.7	$50.9	$99.8	$61.5	$42.5	$27.3	$ 0.2	$ 0.0	$347.3	$230.5	$116.8	50.7%

Parking services revenue—lease contract. Lease contract revenue increased $239.2 million, or 95.5%, to $489.6 million for the year ended December 31, 2013, compared to $250.4 million for the year-ago period. The increase in lease contract revenue consisted of an increase from the Standard operations of $12.9 million, or 7.7%, and $226.3 million from the Central operations. The increase resulted primarily from increases in revenue from new and same locations and acquisitions, partially offset by decreases in revenue from contract expirations and fewer locations that converted from management contracts during the current year. Same location revenue for those facilities, which as of December 31, 2013 are the comparative periods for the two years presented, increased 8.3%. The increase in same location revenue was due to increases in short-term parking revenue of $5.8 million and increases in monthly parking revenue of $3.6 million. Revenue associated with contract expirations relates to contracts that expired during the current period.

Parking services revenue—management contract. Management contract revenue increased $116.8 million, or 50.7%, to $347.3 million for the year ended December 31, 2013, compared to $230.5 million for the year-ago period. The increase in management contact revenue consisted of an increase from the Central operations of $125.4 million, partially offset by a decrease of $8.6 million, or 4.6% from the Standard operations. The increase resulted primarily from increases in revenue from new locations and acquisitions, which was partially offset by the decrease in contract expirations. Same location revenue for those facilities, which as of December 31, 2013 are the comparative periods for the two years presented, decreased 1.4%, primarily due to decreased fees from ancillary services.

Reimbursed management contract revenue. Reimbursed management contract revenue increased $156.8million, or 33.1%, to $629.9 million for the year ended December 31, 2013, compared to $473.1 million in the year-ago period. This increase resulted primarily from the acquisition of Central and an increase in reimbursements for costs incurred on behalf of owners.

Lease contract revenue increased primarily due to new locations and same locations in regions one, three, four and five, combined with acquisitions in regions one, two, three and five. This was partially offset by decreases in contract expirations in regions one, three, four and five. Same location revenue increases for the aforementioned regions were primarily due to increases in short-term and monthly parking revenue.

Management contract revenue increased primarily due to new locations and acquisitions in all five operating regions, combined with same location revenue in regions one and three. This was partially offset by contract expirations in regions one, three, four and five and same locations in regions two, four and five. The decreases in same location revenue were primarily due to decreases in fees from ancillary services. For comparability purposes, revenue associated with contract expirations relate to the contracts that expired during the current period.

Segment cost of parking services information is summarized as follows:

	Year Ended December 31,															
	Region One		Region Two		Region Three		Region Four		Region Five		Other		Total		Variance	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	Amount	%
	(In millions)															
Cost of parking services lease contracts:																
New location	$ 3.4	$ 0.5	$ 0.0	$ 0.0	$ 3.4	$ 2.0	$ 1.4	$ 0.2	$14.0	$ 9.6	$ 0.0	$ 0.0	$ 22.2	$ 12.3	$ 9.9	80.5%
Contract expirations	0.3	3.3	0.0	0.0	1.8	3.5	2.3	3.5	0.4	2.7	0.0	0.0	4.8	13.0	(8.2)	−63.1%
Same location	77.4	68.8	0.0	0.0	13.2	12.1	37.0	35.5	13.7	12.7	(0.6)	(1.0)	140.7	128.1	12.6	9.8%
Conversions	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.3	1.1	(0.8)	−72.7%
Acquisition	205.6	56.3	4.3	1.4	24.2	7.3	(0.1)	0.1	51.0	13.7	3.1	(1.5)	288.1	77.3	210.8	272.7%
Total cost of parking services lease contracts	$287.0	$129.2	$ 4.3	$ 1.4	$42.6	$24.9	$40.6	$40.1	$79.1	$38.7	$ 2.5	$(2.5)	$456.1	$231.8	$224.3	96.8%
Cost of parking services management contracts:																
New location	$ 5.7	$ 0.9	$ 0.8	$ 0.4	$ 2.0	$ 0.4	$ 2.3	$ 0.7	$ 2.5	$ 0.2	$ 0.1	$ 0.0	$ 13.4	$ 2.6	$ 10.8	415.4%
Contract expirations	0.5	2.5	0.0	5.6	2.8	7.5	0.0	1.0	0.1	1.1	0.0	0.0	3.4	17.7	(14.3)	−80.8%
Same location	24.4	23.7	6.8	7.1	18.7	17.8	30.8	32.0	8.3	11.2	(1.1)	(1.1)	87.9	90.7	(2.8)	−3.1%
Conversions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Acquisition	28.1	9.6	13.8	4.8	14.1	4.5	40.2	10.9	10.6	4.3	(3.0)	(3.2)	104.0	30.9	73.1	236.6%
Total cost of parking services management contracts	$ 58.7	$ 36.7	$21.4	$17.9	$37.6	$30.2	$73.3	$44.6	$21.7	$16.8	$(4.0)	$(4.3)	$208.7	$141.9	$ 66.8	47.1%

Cost of parking services—lease contracts. Cost of parking services for lease contracts increased $224.3 million, or 96.8%, to $456.1 million for the year ended December 31, 2013, compared to $231.8 million for the year-ago period. The increase in cost of parking services for lease contracts consisted of an increase from the Standard operations of $13.5 million, or 8.7%, and $210.8 million from the Central operations. The increase resulted primarily from increases in costs from new and same locations and acquisitions, which was partially offset by decreases in contract expirations and fewer locations that converted from management contracts during the current year. Same location costs for those facilities, which as of December 31, 2013 are the comparative for the two years presented, increased 9.8%. Same location costs increased $12.8 million primarily due to higher rent expense, primarily as a result of contingent rental payments on the increase in revenue for same locations.

Cost of parking services—management contracts. Cost of parking services for management contracts increased $66.8 million, or 47.1%, to $208.7 million for the year ended December 31, 2013, compared to $141.9 million for the year-ago period. The increase in cost of parking services for management contracts consisted of an increase from the Central acquisition of $73.1 million, partially offset by a decrease of $6.3, or 5.7%, million from the Standard operations. The decrease resulted from decreases in costs related to same locations and in contract expirations, partially offset by increase in new locations and acquisitions. Same location costs for those facilities, which as of December 31, 2013 are the comparative for the two years presented, decreased 3.1%. Same location decrease in operating expenses for management contracts primarily resulted from decrease in costs associated with reverse management contracts and in the cost of providing management services.

Reimbursed management contract expense. Reimbursed management contract revenue increased $156.8 million, or 33.1%, to $629.9 million for the year ended December 31, 2013, compared to $473.1 million in the year-ago period. This increase resulted from an increase in reimbursements for costs incurred on behalf of owners.

Cost of parking services for lease contracts increased primarily due to new locations and same locations in regions one, three, four and five, combined with acquisitions in regions one, two, three and five, partially offset by contract expirations in regions one, three, four and five, conversions in region one, same locations in the other region and acquisitions in regions four and other. Same location cost increased primarily due to increases in contingent rent payments on the increase in revenue, payroll and payroll related costs and other operating costs, offset by a favorable health insurance dividend related to prior years. The other region amounts in same location primarily represent a favorable health insurance dividend related to prior years and costs that are not specifically identifiable to a region.

Cost of parking services for management contracts increased due to new locations and acquisitions in all five operating regions, combined with increases in same locations in regions one, three, four, five, and other, contract expirations in regions two and five. Partially offsetting these increases, were decreases due to contract expirations in regions one, three and four, and acquisitions in the other region. Same location cost increases primarily resulted from increases in costs associated with reverse management contracts and in the cost of providing management services. The other region amounts in same location primarily represent prior year insurance reserve adjustments, a favorable health insurance dividend related to prior years and costs that are not specifically identifiable to a region.

Segment gross profit/gross profit percentage information is summarized as follows:

	Year Ended December 31,															
	Region One		Region Two		Region Three		Region Four		Region Five		Other		Total		Variance	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	Amount	%
	(In millions)															
Gross profit lease contracts:																
New location	0.8	$ 0.0	$ 0.0	$ 0.0	$ 0.3	$ 0.0	0.1	$ 0.0	$ 1.0	$ 0.5	$ 0.0	$ 0.0	$ 2.2	$ 0.5	$ 1.7	340.0%
Contract expirations	0.0	0.0	0.0	0.0	0.0	0.3	0.3	0.6	0.0	0.4	0.0	0.0	0.3	1.3	(1.0)	−76.9%
Same location	3.9	4.4	0.0	0.0	1.4	1.5	2.4	2.3	0.7	0.9	0.7	1.1	9.1	10.2	(1.1)	−10.8%
Conversions	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.2	(0.2)	−100.0%
Acquisition	7.6	1.1	0.1	0.0	1.9	0.4	0.1	(0.1)	13.8	3.6	(1.6)	1.4	21.9	6.4	15.5	242.2%
Total gross profit lease contracts	$ 12.3	$ 5.6	$ 0.1	$ 0.0	$ 3.6	$ 2.2	2.9	$ 2.9	$15.5	$ 5.4	$ (0.9)	$ 2.5	$ 33.5	$ 18.6	$14.9	80.1%
	(Percentages)															
Gross profit percentage lease contracts:																
New location	19.0%	0.0%	0.0%	0.0%	8.1%	0.0%	$ 6.7%	0.0%	6.7%	5.0%	0.0%	0.0%	9.0%	3.9%		
Contract expirations	0.0%	0.0%	0.0	0.0	0.0%	7.9%	11.5%	14.6%	0.0%	12.9%	0.0%	0.0%	5.9%	9.1%		
Same location	4.8%	6.0%	0.0	0.0	9.6%	11.0%	6.1%	6.1%	4.9%	6.6%	700.0%	1100.0%	6.1%	7.4%		
Conversions	0.0%	25.0%	0.0	0.0	0.0%	0.0%	0.0%	11.1%	0.0%	0.0%	0.0%	0.0%	0.0%	15.4%		
Acquisition	3.6%	1.9%	2.3	0.0	7.3%	5.2%	0.0%	0.0%	21.3%	20.8%	−106.7%	−1400.0%	7.1%	7.6%		
Total gross profit percentage	4.1%	4.2%	$ 2.3	$ 0.0	7.8%	8.1%	$ 6.7%	6.7%	16.4%	12.2%	−56.3%	0.0%	6.8%	7.4%		
	(In millions)															
Gross profit management contracts:																
New location	$ 3.5	$ 1.0	$ 0.4	$ 0.0	$ 1.9	$ 0.4	1.7	$ 0.8	$ 0.7	$ 0.3	$ (0.1)	$ 0.0	$ 8.1	$ 2.5	$ 5.6	224.0%
Contract expirations	1.0	4.1	0.0	1.2	1.3	4.8	0.1	0.7	0.3	0.3	0.0	0.0	2.7	11.1	(8.4)	−75.7%
Same location	24.6	23.2	1.7	1.9	14.6	14.6	14.4	13.3	6.3	6.6	0.7	2.1	62.3	61.7	0.6	1.0%
Conversions	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	0.0	0.0	0.1	(0.1)	−100.0%
Acquisition	22.0	4.1	7.7	0.6	8.3	0.9	10.3	2.1	13.5	3.3	3.7	2.2	65.5	13.2	52.3	396.2%
Total gross profit management contracts	$ 51.2	$ 32.5	$ 9.8	$ 3.7	$26.1	$20.7	26.5	$16.9	$20.8	$10.5	$ 4.2	$ 4.3	$138.6	$ 88.6	$50.0	56.4%
	(Percentages)															
Gross profit percentage management contracts:																
New location	38.0%	52.6%	33.3%	0.0%	48.7%	50.0%	42.5%	53.3%	21.9%	60.0%	0.0%	0.0%	37.7%	49.0%		
Contract expirations	66.7%	62.1%	0.0%	17.6%	31.7%	39.0%	100.0%	41.2%	75.0%	21.4%	0.0%	0.0%	44.3%	38.5%		
Same location	50.2%	49.5%	20.0%	21.1%	43.8%	45.1%	31.9%	29.4%	43.2%	37.1%	−175.0%	210.0%	41.5%	40.5%		
Conversions	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%		
Acquisition	43.9%	29.9%	35.8%	11.1%	37.1%	16.7%	20.4%	16.2%	55.6%	43.4%	528.6%	−220.0%	38.6%	29.9%		
Total gross profit percentage	46.6%	47.0%	31.4%	17.1%	41.0%	40.7%	26.6%	27.5%	48.9%	38.5%	2100.0%	0.0%	39.9%	38.4%		

Gross profit—lease contracts. Gross profit for lease contracts increased $14.9 million, or 80.1%, to $33.5 million for the year ended December 31, 2013, compared to $18.6 million for year-ago period. The increase in gross profit for lease contracts consisted of a decrease from the Standard operations of $0.6 million, or 4.4% and an increase of $15.5 million from the Central operations. Gross profit percentage for lease contracts was 6.8% for the year ended December 31, 2013 compared to 7.4% for the year ago period. Gross profit lease contracts increases were primarily the result of new locations and acquisitions, partially offset by same locations. Gross profit lease contracts increases on same locations were primarily the result of increases in short-term and monthly parking revenue and a favorable health insurance dividend related to prior years.

Gross profit—management contracts. Gross profit for management contracts increased $50.0 million, or 56.4%, to $138.6 million for the year ended December 31, 2013, compared to $88.6 million in for the year-ago period. The increase in gross profit for management contracts consisted of a decrease from the Standard operations of $2.3 million, or 3.1%, and an increase of $52.3 million from Central operations. Gross profit percentage for management contracts increased to 39.9% for the year ended December 31, 2013, compared to 38.4 for the year-ago period. Gross profit for management contracts increases were primarily the result of new locations, acquisitions and conversions, offset by same locations and contract expirations. Gross profit management contracts decreases on same locations were primarily the result of increases in costs associated with reverse management contracts and the cost of providing management services. Gross profit percentage on same and new locations and contract expirations accounted for most of the decline on a percentage basis.

Gross profit for lease contracts increased primarily due to new locations in regions one and five, conversions in region one, same locations in regions three, five and other, contract expirations in region four and acquisitions in all regions. Partially offsetting, were contract expirations in region one and same locations in regions one and four, and new locations in regions one and five. Gross profit lease contracts on same locations decreased primarily due to increases in rent noted previously.

Gross profit for management contracts increased primarily due to new locations in all five operating regions, conversions and same locations in region one, contract expirations in region two and acquisitions in all regions. Partially offsetting, were contract expirations in regions one, three, four and five, combined with same locations in regions two, three, four, five and other. Gross profit for management contracts decreases on same locations were primarily the result of increases in costs associated with reverse management contracts and the cost of providing management services. The other region amounts in same location primarily represent prior year insurance reserve adjustments, a favorable health insurance dividend related to prior years and amounts that are not specifically identifiable to a specific region.

General and administrative expenses. General and administrative expenses increased $12.4 million, or 14.3%, to $98.9 million for year ended December 31, 2013, compared to $86.5 million for the year-ago period. This increase was primarily related to the addition of general and administrative expenses related to Central of $14.3 million partially offset by cost savings from process efficiencies and a reduction of merger and integration costs of $1.9 million.

Interest expense. Interest expense increased $10.4 million, or 120.9%, to $19.0 million for the year ended December 31, 2013, as compared to $8.6 million in the year-ago period. This increase resulted primarily from an increase in average borrowings.

Interest income. Interest income increased by $0.3 million, or 116.5%, to $0.6 million for the year ended December 31, 2013, as compared to $0.3 million in the year-ago period.

Income tax expense. For the year ended December 31, 2013, the Company recognized income tax expense of $8.8 million on pre-tax earnings of $23.6 million compared to a $3.6 million income tax benefit on a pre-tax loss of $1.2 million for the year ended December 31, 2012. Income tax expense is

based on an effective tax rate of approximately 37.4% for the year ended December 31, 2013 compared to a benefit of approximately 290.5% for the year ended December 31, 2012. The decrease in the effective tax rate was primarily due to a recognized tax benefit as a result of the reversal of accrued uncertain tax positions that were recorded in previous periods.

Results of Operations

Fiscal 2012 Compared to Fiscal 2011

Segment revenue information is summarized as follows:

	Year Ended December 31,															
	Region One		Region Two		Region Three		Region Four		Region Five		Other		Total		Variance	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	Amount	%
	(In millions)															
Lease contract revenue:																
New location	$ 3.3	$ 0.6	$ 0.0	$0.0	$ 3.3	$ 0.4	$ 0.2	$ 0.0	$10.1	$ 0.0	$ 0.0	$0.0	$ 16.9	$ 1.0	$ 15.9	1590.0%
Contract expirations	0.8	2.9	0.0	0.0	0.1	2.1	0.4	0.6	1.3	2.5	0.0	0.0	2.6	8.1	(5.5)	−67.9%
Same location	72.3	68.6	0.0	0.0	16.0	14.9	41.4	38.0	15.3	14.5	0.2	0.0	145.2	136.0	9.2	6.8%
Conversions	1.1	1.5	0.0	0.0	0.0	0.0	0.9	0.9	0.0	0.0	0.0	0.0	2.0	2.4	(0.4)	−16.7%
Acquisition	57.4	0.0	1.4	0.0	7.7	0.0	0.0	0.0	17.3	0.0	(0.1)	0.0	83.7	0.0	83.7	100.0%
Total lease contract revenue	$134.9	$73.6	$ 1.4	$0.0	$27.1	$17.4	$42.9	$39.5	$44.0	$17.0	$ 0.1	$0.0	$250.4	$147.5	$102.9	69.8%
Management contract revenue:																
New location	$ 8.1	$ 1.8	$ 6.4	$0.1	$ 5.2	$ 1.6	$ 2.7	$ 0.9	$ 2.2	$ 0.8	$ 0.0	$0.0	$ 24.6	$ 5.2	$ 19.4	373.1%
Contract expirations	2.9	9.3	1.2	0.3	3.0	7.0	0.0	1.2	0.7	2.8	0.0	0.0	7.8	20.6	(12.8)	−62.1%
Same location	43.8	42.0	8.7	8.7	37.8	37.5	45.8	45.5	16.3	12.7	0.9	0.9	153.3	147.3	6.0	4.1%
Conversions	0.7	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.6	0.1	16.7%
Acquisition	13.7	0.0	5.4	0.0	5.4	0.0	13.0	0.0	7.6	0.0	(1.0)	0.0	44.1	0.0	44.1	100.0%
Total management contract revenue	$ 69.2	$53.7	$21.7	$9.1	$51.4	$46.1	$61.5	$47.6	$26.8	$16.3	$(0.1)	$0.9	$230.5	$173.7	$ 56.8	32.7%

Parking services revenue—lease contracts. Lease contract revenue increased $102.9 million, or 69.8%, to $250.4 million for the year ended December 31, 2012, compared to $147.5 million for the year-ago period. The increase in lease contract revenue consisted of an increase from the Standard operations of $19.2 million, or 13.0%, and $83.7 million from the Central operations. The increase resulted primarily from increases in revenue from new and same locations and acquisitions, partially offset by decreases in revenue from contract expirations and fewer locations that converted from management contracts during the current year. Same location revenue for those facilities, which as of December 31, 2012 are the comparative periods for the two years presented, increased 6.7%. The increase in same location revenue was due to increases in short-term parking revenue of $7.9 million, or 8.0%, and increases in monthly parking revenue of $1.2 million, or 3.0%. Revenue associated with contract expirations relates to contracts that expired during the current period.

Parking services revenue—management contracts. Management contract revenue increased $56.8 million, or 32.7%, to $230.5 million for the year ended December 31, 2012, compared to $173.7 million for the year-ago period. The increase in management contact revenue consisted of an increase from the Standard operations of $12.7 million, or 7.3%, and $44.1 million from the Central operations. The increase resulted primarily from increases in revenue from new locations, acquisitions and same locations, which was partially offset by the decrease in contract expirations. Same location revenue for those facilities, which as of December 31, 2012 are the comparative periods for the two years presented, increased 4.0%, primarily due to increased fees from reverse management locations and ancillary services.

Reimbursed management contract revenue. Reimbursed management contract revenue increased $64.7 million, or 15.8%, to $473.1 million for the year ended December 31, 2012, compared to $408.4 million in the year-ago period. This increase resulted from an increase in reimbursements for costs incurred on behalf of owners.

Lease contract revenue increased primarily due to new locations and same locations in regions one, three, four and five, combined with acquisitions in regions one, two, three and five. This was partially offset by decreases in contract expirations in regions one, three, four and five. Same location revenue increases for the aforementioned regions were primarily due to increases in short-term and monthly parking revenue.

Management contract revenue increased primarily due to new locations and acquisitions in all five operating regions, combined with same location revenue in regions one, three, four, five and other. This was partially offset by contract expirations in regions one, three, four and five and same locations in region two. The increases in same location revenue were primarily due to an increase in fees from reverse management locations and ancillary services. For comparability purposes, revenue associated with contract expirations relate to the contracts that expired during the current period.

Segment cost of parking services information is summarized as follows:

	Year Ended December 31,															
	Region One		Region Two		Region Three		Region Four		Region Five		Other		Total		Variance	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	Amount	%
	(In millions)															
Cost of parking services lease contracts:																
New location	$ 3.1	$ 0.6	$ 0.0	$0.0	$ 3.3	$ 0.4	$ 0.2	$ 0.0	$ 9.6	$ 0.0	$ 0.0	$ 0.0	$ 16.2	$ 1.0	$15.2	1520.0%
Contract expirations	0.8	2.9	0.0	0.0	0.1	2.0	0.4	0.7	1.2	2.2	0.0	0.0	2.5	7.8	(5.3)	−67.9%
Same location	68.1	63.2	0.0	0.0	14.2	13.3	38,5	35.3	14.3	13.6	(1.1)	(0.1)	134.0	125.3	8.7	6.9%
Conversions	1.0	1.6	0.0	0.0	0.0	0.0	0.8	0.8	0.0	0.0	0.0	0.0	1.8	2.4	(0.6)	−25.0%
Acquisition	56.3	0.0	1.4	0.0	7.3	0.0	0.1	0.0	13.7	0.0	(1.5)	0.0	77.3	0.0	77.3	100.0%
Total cost of parking services lease contracts	$129.3	$68.3	$ 1.4	$0.0	$24.9	$15.7	$40.0	$36.8	$38.8	$15.8	$(2.6)	$(0.1)	$231.8	$136.5	$95.3	69.8%
Cost of parking services management contracts:																
New location	$ 4.7	$ 1.1	$ 5.4	$0.0	$ 3.1	$ 0.8	$ 3.1	$ 1.6	$ 0.9	$ 0.3	$ 0.0	$ 0.0	$ 17.2	$ 3.8	$13.4	352.6%
Contract expirations	1.5	5.4	0.9	0.4	1.6	4.1	0.0	1.0	1.0	1.3	0.0	0.0	5.0	12.2	(7.2)	−59.0%
Same location	20.6	18.7	6.8	6.9	21.4	20.6	30.6	30.1	10.3	6.6	(1.0)	(1.8)	88.7	81.1	7.6	9.4%
Conversions	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0%
Acquisition	9.6	0.0	4.8	0.0	4.5	0.0	10.9	0.0	4.3	0.0	(3.2)	0.0	30.9	0.0	30.9	100.0%
Total cost of parking services management contracts	$ 36.5	$25.3	$17.9	$7.3	$30.6	$25.5	$44.6	$32.7	$16.5	$ 8.2	$(4.2)	$(1.8)	$141.9	$ 97.2	$44.7	46.0%

Cost of parking services—lease contracts. Cost of parking services for lease contracts increased $95.3 million, or 69.8%, to $231.8 million for the year ended December 31, 2012, compared to $136.5 million for the year-ago period. The increase in cost of parking services for lease contracts consisted of an increase from the Standard operations of $19.6 million, or 14.4%, and $75.7 million from the Central operations. The increase resulted primarily from increases in costs from new and same locations and acquisitions, which was partially offset by decreases in contract expirations and fewer locations that converted from management contracts during the current year. Same location costs for those facilities, which as of December 31, 2012 are the comparative for the two years presented, increased 8.2%. Same location costs increased $10.3 million primarily due to higher rent expense, primarily as a result of contingent rental payments on the increase in revenue for same locations.

Cost of parking services—management contracts. Cost of parking services for management contracts increased $44.7 million, or 46.0%, to $141.9 million for the year ended December 31, 2012, compared to $97.2 million for the year-ago period. The increase in cost of parking services for

management contracts consisted of an increase from the Standard operations of $13.9 million, or 14.3%, and $30.8 million from the Central operations. The increase resulted from increases in costs related to new reverse management locations, same locations and acquisitions, which was partially offset by decreases in contract expirations. Same location costs for those facilities, which as of December 31, 2012 are the comparative for the two years presented, increased 9.5%. Same location increase in operating expenses for management contracts primarily resulted from increases in costs associated with reverse management contracts and the cost of providing management services. Same location cost also includes an unfavorable change in net insurance loss experience reserve estimates relating to prior years of $0.6 million and a favorable health insurance dividend related to prior years of $0.9 million.

Reimbursed management contract expense. Reimbursed management contract revenue increased $64.7 million, or 15.8%, to $473.1 million for the year ended December 31, 2012, compared to $408.4 million in the year-ago period. This increase resulted from an increase in reimbursements for costs incurred on behalf of owners.

Cost of parking services for lease contracts increased primarily due to new locations and same locations in regions one, three, four and five, combined with acquisitions in regions one, two, three and five, which was partially offset by contract expirations in regions one, three, four and five, conversions in region one, same locations in the other region and acquisitions in regions four and other. Same location cost increased primarily due to increases in contingent rent payments on the increase in revenue, payroll and payroll related costs, other operating costs, offset by a favorable health insurance dividend related to prior years. The other region amounts in same location primarily represent a favorable health insurance dividend related to prior years and costs that are not specifically identifiable to a region.

Cost of parking services for management contracts increased due to new locations and acquisitions in all five operating regions, combined with increases in same locations in regions one, three, four, five, and other, contract expirations in regions two and five. Partially offsetting, were decreases due to contract expirations in regions one, three and four, and acquisitions in the other region. Same location cost increases primarily resulted from increases in costs associated with reverse management contracts and the cost of providing management services. The other region amounts in same location primarily represent prior year insurance reserve adjustments, a favorable health insurance dividend related to prior years and costs that are not specifically identifiable to a region.

Segment gross profit/gross profit percentage information is summarized as follows:

	Year Ended December 31,															
	Region One		Region Two		Region Three		Region Four		Region Five		Other		Total		Variance	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	Amount	%
	(In millions)															
Gross profit lease contracts:																
New location	$ 0.2	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.5	$ 0.0	$ 0.0	$ 0.0	$ 0.7	$ 0.0	$ 0.7	0.0%
Contract expirations	0.0	0.0	0.0	0.0	0.0	0.1	0.0	(0.1)	0.1	0.3	0.0	0.0	0.1	0.3	(0.2)	−66.7%
Same location	4.2	5.4	0.0	0.0	1.8	1.6	2.9	2.7	1.0	0.9	1.3	0.1	11.2	10.7	0.5	4.7%
Conversions	0.1	(0.1)	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.2	0.0	0.2	0.0
Acquisition	1.1	0.0	0.0	0.0	0.4	0.0	(0.1)	0.0	3.6	0.0	1.4	0.0	6.4	0.0	6.4	100.0%
Total gross profit lease contracts	$ 5.6	$ 5.3	$ 0.0	$ 0.0	$ 2.2	$ 1.7	$ 2.9	$ 2.7	$ 5.2	$ 1.2	$ 2.7	$ 0.1	$18.6	$11.0	$ 7.6	69.1%
	(Percentages)															
Gross profit percentage lease contracts:																
New location	6.1%	0.0%	0.0	0.0	0.0	0.0	0.0	0.0	5.0%	0.0	0.0	0.0	4.1%	0.0%		
Contract expirations	0.0%	0.0%	0.0	0.0	0.0	4.8%	0.0	−16.7%	0.0	12.0%	0.0	0.0	3.8%	3.7%		
Same location	5.8%	7.9%	0.0	0.0	11.3%	10.7%	7.0%	7.1%	6.5%	6.2%	0.0	0.0	7.7%	7.9%		
Conversions	9.1%	−6.7%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.0%	0.0		
Acquisition	1.9%	0.0	0.0	0.0	5.2%	0.0	0.0	0.0	20.8%	0.0	−1400.0%	0.0	7.6%	0.0		
Total gross profit percentage	4.2%	7.2%	0.0	0.0	8.1%	9.8%	6.8%	6.8%	11.8%	7.1%	2700.0%	0.0	7.4%	7.5%		
	(In millions)															
Gross profit management contracts:																
New location	$ 3.4	$ 0.7	$ 1.0	$ 0.1	$ 2.1	$ 0.8	$ (0.4)	$ (0.7)	$ 1.3	$ 0.5	$ 0.0	$ 0.0	$ 7.4	$ 1.4	$ 6.0	428.6%
Contract expirations	1.4	3.9	0.3	(0.1)	1.4	2.9	0.0	0.2	(0.3)	1.5	0.0	0.0	2.8	8.4	(5.6)	−66.7%
Same location	23.2	23.3	1.9	1.8	16.4	16.9	15.2	15.4	6.0	6.1	1.9	2.7	64.6	66.2	(1.6)	−2.4%
Conversions	0.6	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.5	0.1	20.0%
Acquisition	4.1	0.0	0.6	0.0	0.9	0.0	2.1	0.0	3.3	0.0	2.2	0.0	13.2	0.0	13.2	100.0%
Total gross profit management contracts	$32.7	$ 28.4	$ 3.8	$ 1.8	$20.8	$20.6	$ 16.9	$ 14.9	$ 10.3	$ 8.1	$ 4.1	$ 2.7	$88.6	$76.5	$12.1	15.8%
	(Percentages)															
Gross profit percentage management contracts:																
New location	42.0%	38.9%	15.6%	100.0%	40.4%	50.0%	−14.8%	−77.8%	59.1%	62.5%	0.0	0.0	30.1%	26.9%		
Contract expirations	48.3%	41.9%	0.0	−33.3%	46.7%	41.4%	0.0	16.7%	−42.9%	53.6%	0.0	0.0	35.9%	40.8%		
Same location	53.0%	55.5%	21.8%	20.7%	43.4%	45.1%	33.2%	33.8%	36.8%	48.0%	211.1%	300.0%	42.1%	44.9%		
Conversions	85.7%	83.3%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	85.7%	83.3%		
Acquisition	29.9%	0.0	11.1%	0.0	16.7%	0.0	16.2%	0.0	43.4%	0.0	−220.0%	0.0	29.9%	0.0		
Total gross profit percentage	47.3%	52.9%	17.5%	19.8%	40.5%	44.7%	27.5%	31.3%	38.4%	49.7%	−4100.0%	300.0%	38.4%	44.0%		

Gross profit—lease contracts. Gross profit for lease contracts increased $7.6 million, or 69.1%, to $18.6 million for the year ended December 31, 2012, compared to $11.0 million for year-ago period. The increase in gross profit for lease contracts consisted of a decrease from the Standard operations of $0.4 million, or (3.6%) and an increase of $8.0 million from the Central operations. Gross profit percentage for lease contracts 7.5% for the year ended December 31, 2012, remained at 7.5% for the year-ago period. Gross profit lease contracts increases were primarily the result of new locations and acquisitions, partially offset by same locations. Gross profit lease contracts increases on same locations were primarily the result of increases in short-term and monthly parking revenue and a favorable health insurance dividend related to prior years.

Gross profit—management contracts. Gross profit for management contracts increased $12.1 million, or 15.8%, to $88.6 million for the year ended December 31, 2012, compared to $76.5 million in for the year-ago period. The increase in gross profit for management contracts consisted of a decrease from the Standard operations of $1.2 million, or 1.6%, and an increase of $13.3 million from Central operations. Gross profit percentage for management contracts decreased to 38.4% for the year ended December 31, 2012, compared to 44.0% for the year-ago period. Gross profit for management contracts increases were primarily the result of new locations, acquisitions and conversions, offset by same locations and contract expirations. Gross profit management contracts decreases on same locations were primarily the result of increases in costs associated with reverse

management contracts and the cost of providing management services. Gross profit percentage on same and new locations and contract expirations accounted for most of the decline on a percentage basis.

Gross profit for lease contracts increased primarily due to new locations in regions one and five, conversions in region one, same locations in regions three, five and other, contract expirations in region four and acquisitions in all regions. Partially offsetting, were contract expirations in region one and same locations in regions one and four, and new locations in regions one and five. Gross profit lease contracts on same locations decreased primarily due to increases in rent noted previously.

Gross profit for management contracts increased primarily due to new locations in all five operating regions, conversions and same locations in region one, contract expirations in region two and acquisitions in all regions. Partially offsetting, were contract expirations in regions one, three, four and five, combined with same locations in regions two, three, four, five and other. Gross profit for management contracts decreases on same locations were primarily the result of increases in costs associated with reverse management contracts and the cost of providing management services. The other region amounts in same location primarily represent prior year insurance reserve adjustments, a favorable health insurance dividend related to prior years and amounts that are not specifically identifiable to a specific region.

General and administrative expenses. General and administrative expenses increased $38.2 million, or 79.1%, to $86.5 million for year ended December 31, 2012, compared to $48.3 million for the year-ago period. This increase was primarily related to professional fees incurred in connection with the merger with Central of $26.9 million, additional RSU grants of $0.7 million, the addition of general and administrative expenses related to Central of $14.5 million partially offset by cost savings from process efficiencies of $2.0 million, acquisition earn-out liability valuation changes of $0.7 million and a favorable health insurance dividend related to prior years of $1.2 million.

Interest expense. Interest expense increased $3.9 million, or 83.0%, to $8.6 million for the year ended December 31, 2012, as compared to $4.7 million in the year-ago period. This increase resulted primarily from an increase in borrowings and the write-off of our interest rate cap in connection with the extinguishment of debt related to our former Amended and Restated Credit Agreement, dated as of July 15, 2008.

Interest income. Interest income decreased slightly by $0.1 million, or 30.8%, to $0.3 million for the year ended December 31, 2012, as compared to $0.2 million in the year-ago period.

Income tax expense. Income tax expense decreased $14.3 million, or 133.6%, to an income tax benefit of $3.6 million for the year ended December 31, 2012, as compared to $10.7 million of tax expense for the year ended December 31, 2011. Our effective tax rate was a benefit of 290.5% for the year ended December 31, 2012 and compared to an effective rate of 38.0% for the year ended December 31, 2011. The $3.6 million tax benefit was primarily due to the reversal of accrued uncertain tax positions that were recorded in previous periods.

Liquidity and Capital Resources

General

Our primary liquidity and capital resource requirements stem from the cost of our parking services, our capital expenditures, our income taxes, our share repurchases and our debt service. Our primary sources of liquidity have been parking services revenue and borrowings under our senior credit facility; and to a much lesser extent, cash from sales of non-core assets and miscellaneous revenues.

Outstanding Indebtedness

On December 31, 2013, we had total indebtedness of approximately $288.7 million, a decrease of $21.8 million from December 31, 2012. The $288.7 million includes:

- $286.7 million under our Senior Credit Facility (as defined below); and
- $2.0 million of other debt including capital lease obligations, obligations on seller notes and other indebtedness.

We believe that our cash flow from operations, combined with additional borrowing capacity under our Senior Credit Facility, which amounted to $72.3 million at December 31, 2013, will be sufficient to enable us to pay our indebtedness, or to fund other liquidity needs. We may need to refinance all or a portion of our indebtedness on or before their respective maturities. We believe that we will be able to refinance our indebtedness on commercially reasonable terms.

Senior Credit Facility

On October 2, 2012, pursuant to the terms of the Agreement and Plan of Merger dated February 28, 2012, we completed the Central Merger. Central stockholders received 6,161,332 shares of our common stock and we assumed $217.7 million of Central's debt net of cash acquired. Additionally, Central's former stockholders will be entitled to receive $27.0 million to be paid three years after closing, to the extent the $27.0 million is not used to satisfy seller indemnity obligations pursuant to the terms of the Agreement and Plan of Merger dated February 28, 2012.

In connection with the Central Merger, we entered into a credit agreement (the "Credit Agreement") on February 28, 2012 with Bank of America, N.A., as administrative agent, Wells Fargo Bank, N.A. and JPMorgan Chase Bank, N.A., as co-syndication agents, U.S. Bank National Association, First Hawaiian Bank and General Electric Capital Corporation, as co-documentation agents, Merrill Lynch, Pierce, Fenner & Smith Inc., Wells Fargo Securities, LLC and J.P. Morgan Securities LLC, as joint lead arrangers and joint book managers, and the lenders party thereto (the "Lenders").

Pursuant to the terms, and subject to the conditions, of the Credit Agreement, the Lenders have made available to us a new secured Senior Credit Facility ("Senior Credit Facility") that permits aggregate borrowings of $450.0 million consisting of (i) a revolving credit facility of up to $200.0 million at any time outstanding, which includes a letter of credit facility that is limited to $100.0 million at any time outstanding, and (ii) a term loan facility of $250.0 million. The Senior Credit Facility matures on October 2, 2017.

We drew down the entire amount of the term loan portion of the Senior Credit Facility and borrowed $72.8 million under the revolving credit facility in connection with the closing of the Central Merger. We used the proceeds from these borrowings to repay outstanding indebtedness of Standard and Central affiliates. The revolving credit facility has been and will also be used to pay costs and expenses related to the Central Merger and the related financing and to fund ongoing working capital and other general corporate purposes.

Borrowings under the Senior Credit Facility bear interest, at our option, (i) at a rate per annum based on our consolidated total debt to EBITDA ratio for the 12-month period ending as of the last day of the immediately preceding fiscal quarter, determined in accordance with the applicable pricing levels set forth in the Credit Agreement (the "Applicable Margin") for LIBOR loans, plus the applicable LIBOR rate or (ii) the Applicable Margin for base rate loans plus the highest of (x) the federal funds rate plus 0.5%, (y) the Bank of America prime rate and (z) a daily rate equal to the applicable LIBOR rate plus 1.0%.

Under the terms of the Credit Agreement, we are required to maintain a maximum consolidated total debt to EBITDA ratio of not greater than 4.5:1.0 (with certain step-downs described in the Credit

Agreement). In addition, we are required to maintain a minimum consolidated fixed charge coverage ratio of not less than 1.25:1.0 (with certain step-ups described in the Credit Agreement).

Events of default under the Credit Agreement include failure to pay principal or interest when due, failure to comply with the financial and operational covenants, the occurrence of any cross default event, non-compliance with other loan documents, the occurrence of a change of control event, and bankruptcy and other insolvency events. If an event of default occurs and is continuing, the Lenders holding a majority of the commitments and outstanding term loan under the Credit Agreement have the right, among others, to (i) terminate the commitments under the Credit Agreement, (ii) accelerate and require us to repay all the outstanding amounts owed under the Credit Agreement and (iii) require us to cash collateralize any outstanding letters of credit.

Each of our wholly owned domestic subsidiaries (subject to certain exceptions set forth in the Credit Agreement) has guaranteed all existing and future indebtedness and liabilities of the other guarantors and SP Plus arising under the Credit Agreement.

We were in compliance with all of our covenants as of December 31, 2013. We amended the covenants in November 2013 in connection with our restatement and based on the amendment, we will continue to treat the Bradley Agreement consistent with our prior accounting for purposes of the covenants.

At December 31, 2013, we had $59.5 million of letters of credit outstanding under the Senior Credit Facility, borrowings against the senior credit facility aggregated $286.7 million and we had $72.3 million available under the senior credit facility.

Interest Rate Swap Transactions

On October 25, 2012, we entered into interest rate swap transactions (collectively, the "Interest Rate Swaps") with each of JPMorgan Chase Bank, Bank of America and PNC Bank, N.A. in an initial aggregate notional amount of $150.0 million (the "Notional Amount"). The Interest Rate Swaps have an effective date of October 31, 2012 and a termination date of September 30, 2017. The Interest Rate Swaps effectively fix the interest rate on an amount of variable interest rate borrowings under the Credit Agreement, originally equal to the Notional Amount at 0.7525% per annum plus the applicable margin rate for LIBOR loans under the Credit Agreement determined based upon our consolidated total debt to EBITDA ratio. The Notional Amount is subject to scheduled quarterly amortization that coincides with quarterly prepayments of principal under the Credit Agreement. These Interest Rate Swaps are classified as cash flow hedges, and we calculate the effectiveness of the hedge on a monthly basis, with any ineffective portion of the cash flow hedge being recognized in earnings as an increase of interest expense. As of December 31, 2013, no ineffective portion of the cash flow has been recognized in interest expense. The fair value of the Interest Rate Swaps at December 31, 2013 was a $0.8 million asset, and is included in the line item "Prepaid Expenses and Other". The fair value of Interest Rate Swaps at December 31, 2012 was a $0.8 million liability, and is included in the line item "Other long-term liabilities".

We do not enter into derivative instruments for any purpose other than cash flow hedging purposes.

Stock Repurchases

In June 2011, our Board of Directors authorized us to repurchase shares of our common stock, on the open market, up to $20.0 million in aggregate and cancelled a prior authorization from 2008. There were no stock repurchases for the years ended December 31, 2013 and 2012. As of December 31, 2013, $12.5 million remained available for stock repurchases under the June 2011 authorization by the Board of Directors.

Letters of Credit

We had provided letters of credit totaling $50.2 million and $43.7 million to our casualty insurance carriers to collateralize our casualty insurance program as of December 31, 2013 and 2012, respectively.

We had provided $9.3 million and $12.3 million in letters of credit to collateralize other obligations as of December 31, 2013 and 2012, respectively.

Deficiency Payments

Pursuant to our obligations with respect to the parking garage operations at Bradley International Airport, we are required to make certain deficiency payments for the benefit of the State of Connecticut and for holders of special facility revenue bonds. The deficiency payments represent contingent interest bearing advances to the trustee to cover operating cash flow requirements. As of December 31, 2013, we had made $14.6 million of cumulative deficiency payments to the trustee, net of reimbursements. Deficiency payments made are recorded as increases to cost parking services and the reimbursements are recorded as reductions to cost of parking services. We believe these advances to be fully recoverable and will recognize the principal, interest and premium payments related to these deficiency payments when they are received. We do not directly guarantee the payment of any principal or interest on any debt obligations of the State of Connecticut or the trustee.

We made deficiency payments (net of repayments received) of $0.1 million in the year ended December 31, 2013 compared to deficiency payments (net of repayments received) of $1.2 million made in the year ended December 31, 2012. We received $0.5 million in interest on deficiency repayments from the trustee in the year ended December 31, 2013 compared to $0.1 million in interest in the year ended December 31, 2012.

Lease Commitments

We have minimum lease commitments of $178.1 million for fiscal 2014. The leased properties generate sufficient cash flow to meet the base rent payment.

Daily Cash Collections

As a result of day-to-day activity at our parking locations, we collect significant amounts of cash. Lease contract revenue is generally deposited into our local bank accounts, with a portion remitted to our clients in the form of rental payments according to the terms of the leases. Under management contracts, some clients require us to deposit the daily receipts into one of our local bank accounts, with the cash in excess of our operating expenses and management fees remitted to the clients at negotiated intervals. Other clients require us to deposit the daily receipts into client designated bank accounts and the clients then reimburse us for operating expenses and pay our management fee subsequent to month-end. Some clients require segregated bank accounts for the receipts and disbursements at locations. Our working capital and liquidity may be adversely affected if a significant number of our clients require us to deposit all parking revenues into their respective accounts.

Our liquidity also fluctuates on an intra-month and intra-year basis depending on the contract mix and timing of significant cash payments. Additionally, our ability to utilize cash deposited into our local accounts is dependent upon the availability and movement of that cash into our corporate account. For all these reasons, from time to time, we carry a significant cash balance, while also utilizing our senior credit facility.

Net Cash Provided by Operating Activities

Our primary sources of funds are cash flows from operating activities and changes in operating assets and liabilities. Net cash provided by operating activities totaled $34.9 million for 2013, compared

to $11.4 million for 2012. Cash provided during 2013 included $50.1 million from operations that was partially offset by changes in operating assets and liabilities that resulted in a use of $15.2 million. The net decrease in changes in operating assets and liabilities resulted primarily from; (i) a net increase in notes and accounts receivables and other assets of $6.9 million; (ii) a net decrease in accounts payable and accrued liabilities of $15.7 million, which primarily resulted from the timing on payments to our clients and new business that are under management contracts as described under "Daily Cash Collections" and a reduction in accrued merger and integration expenses related to the Central Merger; partially offset by (iii) a net decrease in prepaid assets of $7.4 million.

Net cash provided by operating activities totaled $11.4 million for 2012, compared to $35.0 million for 2011. Cash provided during 2012 included $27.6 million from operations that was partially offset by changes in operating assets and liabilities that resulted in a use of $16.2 million. The net decrease in changes in operating assets and liabilities resulted primarily from; (i) a decrease in accrued liabilities of $21.8 million primarily related to Central which included a reversal of accrued uncertain tax positions of $12.3 million, and $10.7 million in reductions in accrued rents, payroll, property taxes and related benefits and casualty loss reserves; (ii) an increase in notes and accounts receivables of $6.0 million; (iii) an increase in accounts payable of $9.1 million which primarily resulted from the timing on payments to our clients and new business that are under management contracts as described under "Daily Cash Collections"; and (iv) a net decrease in prepaid and other assets of $2.5 million.

Net Cash Used in Investing Activities

Net cash provided by investing activities totaled $13.4 million in 2013 compared to $21.2 million used in 2012. Cash used in investing activities in 2013, included capital expenditures of $15.8 million for capital investments needed to secure and/or extend leased facilities and investments in IT projects, cost of contract purchased of $0.4 million and contingent payments for previously acquired businesses of $0.3 million, partially offset by proceeds from the sale of assets of $0.8 million and proceeds from sale of equity interest in land of $2.3 million.

Net cash provided by investing activities totaled $21.2 million in 2012 compared to $5.3 million used in 2011. Cash provided in 2012 included $27.7 million from the merger with Central which was offset by $5.0 million for capital investments needed to secure and/or extend leased facilities, investment in information system enhancements and infrastructure, cost of contract purchases of $1.2 million and $0.3 million for contingent payments on previously acquired businesses.

Net Cash Used in Financing Activities

Net cash used in financing activities totaled $26.4 million in 2013 compared to $17.4 million in 2012. Cash used in financing activities for 2013 included contingent payments for businesses acquired of $0.5 million, net payments on Senior Credit Facility of $22.6 million, payments on notes payable and other long-term borrowings of $0.2 million, distributions to noncontrolling interests of $2.8 million, and payments on capital leases of $0.5 million, partially offset by the tax benefit on vesting of restricted stock units of $0.2 million.

Net cash used in financing activities totaled $17.4 million in 2012 compared to 23.4 million in 2011.

Cash used in financing activities for 2012 included $237.1 million for payment on Central's senior credit facility assumed from the Central Merger, $10.3 million in financing costs incurred on the new Senior Credit Facility, $12.6 million in payments on the net payments on former credit facility, $5.6 million in payments on the term loan facility (Senior Credit Facility), $2.1 million in earn-out payments, $0.9 million distributed to non-controlling interests, $0.5 million used for payments on capital leases, and $0.2 million used for payments on notes payable and other long-term borrowings. Cash provided consisted of $250.0 million in proceeds from the term loan (Senior Credit Facility),

$72.8 million from the new Senior Credit Facility, $0.5 million from the exercise of stock options and $0.5 million in excess tax benefits on vesting of stock option exercises.

Cash and Cash Equivalents

We had cash and cash equivalents of $23.2 million at December 31, 2013, compared to $28.5 million at December 31, 2012 and $13.2 million at December 31, 2011. The cash balances reflect our ability to utilize funds deposited into our local bank accounts. Availability, timing of deposits and the subsequent movement of cash into our corporate bank accounts may result in significant changes to our cash balances.

Summary Disclosures about Contractual Obligations and Commercial Commitments

The following summarizes certain of our contractual obligations at December 31, 2013 and the effect such obligations are expected to have on our liquidity and cash flow in future periods. The nature of our business is to manage parking facilities. As a result, we do not have significant short-term purchase obligations.

		Payments Due by Period			
	Total	Less than 1 Year	1 - 3 Years	4 - 5 Years	After 5 Years
			(In thousands)		
Long-term debt(1)	$ 292,219	$ 25,793	$266,409	$ 17	$ —
Operating leases(2)	798,984	178,127	322,671	115,517	182,669
Other long-term liabilities(3)	69,468	28,819	31,145	3,036	6,468
Interest payments on long-term debt	37,764	11,411	26,353	—	—
Letters of credit(4)	59,498	—	59,498	—	—
Total	$1,257,933	$244,150	$706,076	$118,570	$189,137

(1) Represents principal amounts. See Note I. of the notes to the consolidated financial statements included in Item 8. "Financial Statements and Supplementary Data".

(2) Represents minimum rental commitments, excluding contingent rent provisions under all non-cancelable leases.

(3) Represents deferred compensation, customer deposits, insurance claims, obligation related to acquisitions and deferred partnership fees.

(4) Represents aggregate amount of currently issued letters of credit at their maturities.

In addition we made contingent payments for business acquired (earn-outs) of $0.3 million, $0.3 million and $0.3 million for each of the years ended 2013, 2012 and 2011, respectively. We made deficiency payments (net of repayments received) related to the Bradley Agreement of $0.1 million, $1.2 million and $1.3 million for the years ended 2013, 2012 and 2011, respectively. The above schedule includes $0.1 million of expected deficiency payments in the "less than one year" category, as these deficiency payments have met the criteria of both probable and estimable as of December 31, 2013.

Critical Accounting Policies

"Management's Discussion and Analysis of Financial Condition and Results of Operations" discusses our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and judgments that affect the reported amounts of assets and liabilities

and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. We base these estimates and judgments on historic experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Certain accounting estimates are particularly sensitive because of their complexity and the possibility that future events affecting them may differ materially from our current judgments and estimates.

This listing of critical accounting policies is not intended to be a comprehensive list of all of our accounting policies. Recent accounting pronouncements are included in Note A of the notes to the consolidated financial statements included in Item 8. "Financial Statements and Supplementary Data". In many cases, the accounting treatment of a particular transaction is specifically dictated by accounting principles generally accepted in the United States of America, with no need for management's judgment regarding accounting policy. We believe the following critical accounting policies reflect significant accounting policies that may require a higher degree of judgment and estimation:

Goodwill and Other Intangibles

Goodwill represents the excess of purchase price paid over the fair value of net assets acquired. In accordance with the Financial Accounting Standards Board's ("FASB") authoritative accounting guidance on goodwill, we do not amortize goodwill but rather evaluate it for impairment on an annual basis, or more often if events or circumstances change that could cause goodwill to become impaired. We have elected to assess the impairment of goodwill annually on the first day of our fiscal fourth quarter, or at an interim date if there is an event or change in circumstances indicate the carrying value may not be recoverable. Factors that could trigger an impairment review include significant under-performance relative to expected historical or projected future operating results, significant changes in the use of acquired assets or our business strategy, and significant negative industry or economic trends.

A multi-step impairment test is performed on goodwill. The Company has the option to evaluate various qualitative factors to determine the likelihood of impairment. If determined that it is more likely than not the fair value is less than the carrying value of a reporting unit, then the Company is required to perform Step 1. If the Company does not elect to perform a qualitative assessment, it can voluntarily proceed directly to Step 1. In Step 1, we perform a quantitative analysis to compare the fair value of the reporting unit to its carrying value including goodwill. If the fair value of the reporting unit exceeds the carrying value of the net assets assigned to that unit, goodwill is not considered impaired, and we are not required to perform further testing. If the carrying value of the net assets assigned to the reporting unit exceeds the fair value of the reporting unit, then we must perform Step 2 of the impairment test in order to determine the implied fair value of the reporting unit's goodwill. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, then we would record an impairment loss equal to the difference.

The goodwill impairment test is performed at the reporting unit level; the Company's reporting units represent our operating segments, which are comprised of our five operating regions. Management determines the fair value of each of its reporting units by using a discounted cash flow approach and a market approach using multiples of EBITDA of comparable companies to estimate market value. In addition, we compare our derived enterprise value on a consolidated basis to our market capitalization as of its test date to ensure its derived value approximates the market value of the Company when taken as a whole.

In conducting our goodwill impairment quantitative assessment, we analyzed actual and projected growth trends of the reporting units, gross margin, operating expenses and EBITDA (which also includes forecasted five-year income statement and working capital projections, a market-based weighted average cost of capital and terminal values after five years). We also assess critical areas that

may impact our business including economic conditions, market related exposures, competition, changes in product offerings and changes in key personnel. As part of the 2013 goodwill assessment, we engaged a third party to evaluate our reporting unit's fair values.

The Company continue to perform a goodwill impairment test as required on an annual basis and on an interim basis, if certain conditions exist. Factors we consider important, which could result in changes to our estimates, include underperformance relative to historical or projected future operating results and declines in acquisitions and trading multiples. Due to the diverse customer base, we do not believe our future operating results will vary significantly relative to its historical and projected future operating results. However, future events may indicate differences from our judgments and estimates that could, in turn, result in impairment charges in the future. Future events that may result in impairment charges include increases in interest rates, which would impact discount rates, unfavorable economic conditions or other factors that could decrease revenues and profitability of existing locations and changes in the cost structure of existing facilities. Factors that could potentially have an unfavorable economic effect on our judgments and estimates include, among others: changes imposed by governmental and regulatory agencies, such as property condemnations and assessment of parking-related taxes; construction or other events that could change traffic patterns; and terrorism or other catastrophic events.

Intangible assets with finite lives are amortized over their estimated useful lives and reviewed for impairment when circumstances change that would create a triggering event. Intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives. We evaluate the remaining useful life of the other intangible assets on a periodic basis to determine whether events or circumstances warrant a revision to the remaining useful life. Assumptions and estimates about future values and remaining useful lives of our intangible and other long-lived assets are complex and subjective. They can be affected by a variety of factors, including external factors such as industry and economic trends, and internal factors, such as changes in our business strategy and internal forecasts. Although management believes the historical assumptions and estimates are reasonable and appropriate, different assumptions and estimates could materially impact our reported financial results.

Long-lived Assets

The Company evaluates long-lived asset groups whenever events or circumstances indicate that the carrying value of an asset may not be recoverable. Events or circumstances that would result in an impairment review primarily include a significant change in the use of an asset, or the planned sale or disposal of an asset. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to future undiscounted cash flows expected to be generated by the asset group. If it is determined to be impaired, the impairment recognized is measured by the amount by which the carrying value of the asset exceeds its fair value. The Company's estimates of future cash flows from such assets could be impacted if it underperforms relative to historical or projected future operating results.

Assumptions and estimates used to determine cash flows in the evaluation of impairment and the fair values used to determine the impairment are subject to a degree of judgment and complexity. Any changes to the assumptions and estimates resulting from changes in actual results or market conditions from those anticipated may affect the carrying value of long-lived assets and could result in an impairment charge.

Insurance Reserves

We purchase comprehensive casualty insurance (including, without limitation, general liability, automobile liability, garage-keepers legal liability, worker's compensation and umbrella/excess liability insurance) covering certain claims that arise in connection with our operations. Under our various

liability and workers' compensation insurance policies, we are obligated to pay directly or reimburse the insurance carrier for the first $250,000 of any loss (or, as of January 1, 2014, the first $500,000 of any loss in the case of our general liability or automobile or automobile liability policies). As a result, we are effectively self-insured for all claims up to these levels. It is our policy to record our self-insurance liabilities based on claims filed and an estimate of claims incurred but not yet reported. We utilize historical claims experience and actuarial methods which consider a number of factors to estimate our ultimate cost of losses incurred in determining the required level of insurance reserves and timing of expense recognition associated with claims against us. This determination requires the use of judgment in both the estimation of probability when determining the required insurance reserves and amount to be recognized as an expense. Future information regarding historical loss experience may require changes to the level of insurance reserves and could result in increased expense recognition in the future.

Allowance for Doubtful Accounts

We report accounts receivable, net of an allowance for doubtful accounts, to represent our estimate of the amount that ultimately will be realized in cash. In determining the adequacy of the allowance for doubtful accounts, we use historical collection trends, aging of receivables, and a review of specific accounts, and make adjustments in the allowance as necessary. Changes in economic conditions or other circumstances could have an impact on the collection of existing receivable balances or future allowance considerations.

Income Taxes

Income tax expense involves management judgment as to the ultimate resolution of any tax issues. Historically, our assessments of the ultimate resolution of tax issues have been reasonably accurate. The current open issues are not dissimilar from historical items.

Deferred income taxes are computed using the asset and liability method, such that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between financial reporting amounts and the tax bases of existing assets and liabilities based on currently enacted tax laws and tax rates in effect for the periods in which these temporary differences are expected to reverse or be settled. Income tax expense is the tax payable for the period plus the change during the period in deferred income taxes. We have certain federal net operating loss carry forwards which expire in 2024. Our ability to fully utilize these net operating losses to offset taxable income is limited due to the change in ownership resulting from the initial public offering of our stock in 2004 (Internal Revenue Code, Section 382). We consider a number of factors in our assessment of the recoverability of our net operating loss carryforwards including their expiration dates, the limitations imposed due to the change in ownership as well as future projections of income. Future changes in our operating performance along with these considerations may significantly impact the amount of net operating losses ultimately recovered, and our assessment of their recoverability.

When evaluating our tax positions, we account for uncertainty in income taxes in our consolidated financial statements. The evaluation of a tax position is a two-step process, the first step being recognition. We determine whether it is more-likely-than-not that a tax position will be sustained upon tax examination, including resolution of any related appeals or litigation, based on only the technical merits of the position. If a tax position does not meet the more-likely-than-not threshold, the benefit of that position is not recognized in our financial statements. The second step is measurement. The tax position is measured as the largest amount of benefit that is more-likely-than-not of being realized upon ultimate resolution with a taxing authority.

Legal and Other Contingencies

We are subject to litigation in the normal course of our business. The outcomes of legal proceedings and claims brought against us and other loss contingencies are subject to significant uncertainty. We accrue a charge against income when our management determines that it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. In addition, we accrue for the authoritative judgments or assertions made against us by government agencies at the time of their rendering regardless of our intent to appeal. In determining the appropriate loss contingencies, we consider the likelihood of loss or impairment of an asset or the incurrence of a liability, as well as our ability to reasonably estimate the amount of loss. We regularly evaluate current information available to us to determine whether an accrual should be established or adjusted. Estimating the probability that a loss will occur and estimating the amount of a loss or a range of loss involves significant estimation and judgment.

ITEM 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

Interest Rates

Our primary market risk exposure consists of risk related to changes in interest rates. We use the variable rate Senior Credit Facility, discussed previously, to finance our operations. This Senior Credit Facility exposes us to variability in interest payments due to changes in interest rates. If interest rates increase, interest expense increases and conversely, if interest rates decrease, interest expense also decreases. We believe that it is prudent to limit our exposure to an increase in interest rates.

On October 25, 2012, we entered into interest rate swap transactions (collectively, the "Interest Rate Swaps") with each of JPMorgan Chase Bank, Bank of America and PNC Bank, N.A. in an initial aggregate notional amount of $150.0 million (the "Notional Amount"). The Interest Rate Swaps have an effective date of October 31, 2012 and a termination date of September 30, 2017. The Interest Rate Swaps effectively fix the interest rate on an amount of variable interest rate borrowings under the Credit Agreement, originally equal to the Notional Amount at 0.7525% per annum plus the applicable margin rate for LIBOR loans under the Credit Agreement determined based upon SP Plus's consolidated total debt to EBITDA ratio. The Notional Amount is subject to scheduled quarterly amortization that coincides with quarterly prepayments of principal under the Credit Agreement. These Interest Rate Swaps are classified as cash flow hedges, and we calculate the effectiveness of the hedge on a monthly basis. The ineffective portion of the cash flow hedge is recognized in earnings as an increase of interest expense. For the year ended December 31, 2013 and 2012, no ineffective portion of the cash flow was recognized as interest expense. The fair value of the Interest Rate Swaps at December 31, 2013 was a $0.8 million asset, and is included in the line item "Other assets, net". The fair value of the Interest Rate Swaps at December 31, 2012 was a $0.8 million liability, and is included in the line item "Other long-term liabilities"

We do not enter into derivative instruments for any purpose other than cash flow hedging purposes.

Our $450.0 million Senior Credit Facility provides for a $200.0 million variable rate revolving facility and a term loan facility of $250.0 million. In addition, the variable rate revolving facility includes a letter of credit sub-facility with a sublimit of $100.0 million. Interest expense on such borrowing is sensitive to changes in the market rate of interest. If we were to borrow the entire non-hedged variable rate debt of $300.0 million available under the facility, a 1% increase in the average market rate would result in an increase in our annual interest expense of $3.0 million. This amount is determined by considering the impact of the hypothetical interest rates on our 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 our financial structure.

Foreign Currency Risk

Our exposure to foreign exchange risk is minimal. All foreign investments are denominated in U.S. dollars, with the exception of Canada. We had approximately $0.4 million of Canadian dollar denominated cash instruments at December 31, 2013, and approximately $0.3 million of Canadian dollar denominated debt instruments at December 31, 2013. We do not hold any hedging instruments related to foreign currency transactions. We monitor foreign currency positions and may enter into certain hedging instruments in the future should we determine that exposure to foreign exchange risk has increased.

ITEM 8. *FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA*

The consolidated financial statements and related notes and schedules required by this Item are incorporated into this Form 10-K and set forth in Part IV, Item 15 herein.

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

None.

ITEM 9A. *CONTROLS AND PROCEDURES*

(a) Evaluation of Disclosure Controls and Procedures

Prior to the filing of our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and under the supervision and with the participation of our management, including our Chief Executive Officer, Chief Financial Officer and Corporate Controller, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (the "Evaluation") at a reasonable assurance level as of the last day of the period covered by this Report.

Disclosure controls and procedures are defined by Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act") as controls and other procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer, Chief Financial Officer and Corporate Controller, to allow timely decisions regarding required disclosures.

It should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving our stated goals under all potential future conditions, regardless of how remote.

Based upon the Evaluation, our Chief Executive Officer, Chief Financial Officer and Corporate Controller concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2013.

(b) Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control system was designed to provide reasonable assurance to our management and Board of Directors regarding the preparation and fair presentation of our published financial statements.

Prior to the filing of our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, our management assessed the effectiveness of our internal control over financial reporting as of the last day of the period covered by the report. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control—Integrated Framework (1992 Framework). Based on our evaluation under the COSO Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2013.

Ernst & Young LLP has audited the Consolidated Financial Statements included in this Annual Report on Form 10-K and, as part of its audit, has issued an attestation report, included herein, on the effectiveness of our internal control over financial reporting.

(c) Changes in Internal Control Over Financial Reporting

During the last fiscal quarter, we implemented internal control procedures to address a previously identified material weakness related to a design deficiency in our controls over the application of complex technical accounting standards for deficiency payments and our historical accounting treatment of an account receivable pursuant to the Bradley Agreement. These internal controls included (i) enhanced procedures to review lease and management agreements for provisions that may include contingencies and may require us to make future deficiency payments and (ii) review of reconciliations and related analysis for those lease and management agreements that contain contingent provisions and the potential to make deficiency payments, by the appropriate levels of management. After completing our testing of the design and operating effectiveness of these new procedures, we have concluded that we have remediated the previously identified material weakness as of December 31, 2013.

Except for the item listed above, there have been no significant changes in our internal controls over financial reporting or any other factors that could significantly affect these controls during the quarter ended December 31, 2013.

(d) Limitations of the Effectiveness of Internal Control

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the internal control system are met. Because of the inherent limitations of any internal control system, no evaluation of controls can provide absolute assurance that all control issues, if any, within the Company have been detected.

ITEM 9B. *OTHER INFORMATION*

None.

PART III

ITEM 10. *DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE*

Information required by this item with respect to our directors and compliance by our directors, executive officers and certain beneficial owners of our common stock with Section 16(a) of the Exchange Act is incorporated by reference to all information under the captions entitled "Board Matters—Nominees for Director," "Our Corporate Governance Practices—Board Designees," "Our Corporate Governance Practices—Codes of Conduct and Ethics," "Meetings and Committees of the Board," "Executive Officers" and "Section 16(a) Beneficial Ownership Reporting Compliance" from our Proxy Statement.

We have adopted a code of ethics as part of our compliance program. The code of ethics applies to our chief executive officer (Principal Executive Officer), chief financial officer (Principal Financial Officer) and corporate controller (Principal Accounting Officer). In addition we have adopted a code

of business conduct that applies to all of our officers and employees. Any amendments to, or waivers from, our code of ethics will be posted on our website www.spplus.com. A copy of these codes of conduct and ethics will be provided to you without charge upon request to investor_relations@spplus.com.

ITEM 11. ***EXECUTIVE COMPENSATION***

The information required by this item is incorporated by reference to all information under the caption entitled “Compensation Discussion and Analysis,” “Compensation Committee Report,” “Executive Compensation,” and “Director Compensation,” included in our Proxy Statement.

ITEM 12. ***SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.***

The information required by this item is incorporated by reference to all information under the caption entitled “Equity Compensation Plan Information” and “Security Ownership” included in our Proxy Statement.

ITEM 13. ***CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE***

The information required by this item is incorporated by reference to all information under the caption “Board Matters—Nominations for Directors—Board Designees,” “Our Corporate Governance Practices—Director Independence,” “Our Corporate Governance Practices—Related-Party Transaction Policy,” and “Transactions with Related Persons and Control Persons” included in our Proxy Statement.

ITEM 14. ***PRINCIPAL ACCOUNTANT FEES AND SERVICES.***

The information required by this item is incorporated by reference to all information under the caption “Audit Committee Disclosure—Independent Auditors’ Fees” and caption “Audit Committee Disclosure—Procedures for Audit Committee Pre-Approval and Permissible Non-Audit Services of Independent Auditor” included in our Proxy Statement.

PART IV

ITEM 15. ***EXHIBITS AND FINANCIAL STATEMENT SCHEDULES***

(a) Financial Statements and Schedules

1. Financial Statements

Report of Independent Registered Public Accounting Firm 60
Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting 61
Audited Consolidated Financial Statements:
Consolidated Balance Sheets as of December 31, 2013 and 2012 62
For the years ended December 31, 2013, 2012 and 2011:
Consolidated Statements of Income 63
Consolidated Statement of Comprehensive Income 64
Consolidated Statements of Stockholders' Equity 65
Consolidated Statements of Cash Flows 66
Notes to Consolidated Financial Statements 67

2. Financial Statement Schedule

The following financial statement schedule is included in this report and should be read in conjunction with the financial statements and Report of Independent Registered Public Accounting Firm referred to above.

Schedule II—Valuation and Qualifying Accounts 111

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.

(b) Exhibits Required by Item 601 of Regulation S-K

The information required by this item is set forth on the exhibit index that follows the signature page of this report.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of SP Plus Corporation

We have audited the accompanying consolidated balance sheets of SP Plus Corporation and subsidiaries (formerly known as Standard Parking Corporation), (the Company) as of December 31, 2013 and 2012, and the related consolidated statements of income and comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2013. Our audits also included the financial statement schedule listed in the Index at Item 15. 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 the standards of the Public Company Accounting Oversight Board (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 amounts 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 SP Plus Corporation and subsidiaries at December 31, 2013 and 2012, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles. 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.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), SP Plus Corporation and subsidiaries' internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 Framework) and our report dated March 13, 2014, expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Chicago, Illinois
March 13, 2014

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of SP Plus Corporation

We have audited SP Plus Corporation and subsidiaries' (formerly known as Standard Parking Corporation) internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 Framework) (the COSO criteria). SP Plus Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, SP Plus Corporation and subsidiaries has maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of SP Plus Corporation and subsidiaries as of December 31, 2013, and 2012, and the related consolidated statements of income and comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2013 of SP Plus Corporation and subsidiaries, and our report dated March 13, 2014 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Chicago, Illinois
March 13, 2014

SP PLUS CORPORATION

CONSOLIDATED BALANCE SHEETS

	December 31,	
	2013	2012
	($ In thousands, except for share and per share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 23,158	$ 28,450
Notes and accounts receivable, net	115,126	111,498
Prepaid expenses and other	20,645	27,823
Deferred taxes	10,317	15,265
Total current assets	169,246	183,036
Leasehold improvements, equipment, land and construction in progress, net	44,885	40,402
Other assets:		
Advances and deposits	7,149	8,540
Other intangible assets, net	106,222	122,631
Favorable acquired lease contracts	60,034	74,713
Other assets, net	24,574	22,260
Cost of contracts, net	10,762	14,215
Goodwill	439,503	439,486
	648,244	681,845
Total assets	$862,375	$905,283
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$115,493	$129,034
Accrued rent	17,397	11,444
Compensation and payroll withholdings	28,955	34,562
Property, payroll and other taxes	11,803	11,740
Accrued insurance	23,473	27,972
Accrued expenses	20,722	23,582
Current portion of long-term debt obligations	24,632	21,837
Total current liabilities	242,475	260,171
Deferred taxes	17,348	19,079
Long-term borrowings, excluding current portion:		
Obligations under senior credit facility	263,457	286,727
Other long-term debt obligations	577	1,995
	264,034	288,722
Unfavorable acquired lease contracts	74,130	92,225
Other long-term liabilities	60,677	58,086
Stockholders' equity:		
Preferred Stock, par value $0.01 per share; 5,000,000 shares authorized as of December 31, 2013 and 2012; no shares issued	—	—
Common stock, par value $.001 per share; 50,000,000 shares authorized as of December 31, 2013, and 2012; 21,977,311 and 21,870,770 shares issued and outstanding as of December 31, 2013, and 2012, respectively	22	22
Additional paid-in capital	240,665	236,375
Accumulated other comprehensive (loss) income	118	(381)
Accumulated deficit	(37,679)	(49,768)
Total SP Plus Corporation stockholders' equity	203,126	186,248
Noncontrolling interest	585	752
Total equity	203,711	187,000
Total liabilities and stockholders' equity	$862,375	$905,283

See Notes to Consolidated Financial Statements.

SP PLUS CORPORATION

CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31,		
	2013	2012	2011
	($ In thousands, except for share and per share data)		
Parking services revenue:			
Lease contracts	$ 489,575	$ 250,355	$ 147,510
Management contracts	347,346	230,501	173,725
Reimbursed management contract revenue	629,878	473,082	408,427
Total revenue	1,466,799	953,938	729,662
Costs and expenses:			
Cost of parking services:			
Lease contracts	456,090	231,781	136,494
Management contracts	208,730	141,949	97,186
Reimbursed management contract expense	629,878	473,082	408,427
Total cost of parking services	1,294,698	846,812	642,107
Gross profit:			
Lease contracts	33,485	18,574	11,016
Management contracts	138,616	88,552	76,539
Total gross profit	172,101	107,126	87,555
General and administrative expenses(1)	98,931	86,540	48,297
Depreciation and amortization	31,193	13,513	6,618
Operating income	41,977	7,073	32,640
Other expenses (income):			
Interest expense	19,034	8,616	4,691
Interest income	(643)	(297)	(227)
Total other expenses (income)	18,391	8,319	4,464
Income (loss) before income taxes	23,586	(1,246)	28,176
Income tax expense (benefit)	8,821	(3,620)	10,700
Net income	14,765	2,374	17,476
Less: Net income attributable to noncontrolling interest	2,676	1,034	378
Net income attributable to SP Plus Corporation	$ 12,089	$ 1,340	$ 17,098
Common stock data:			
Net income per common share:			
Basic	$ 0.55	$ 0.08	$ 1.09
Diluted	$ 0.54	$ 0.08	$ 1.07
Weighted average shares outstanding:			
Basic	21,902,870	17,179,606	15,703,595
Diluted	22,249,584	17,490,204	16,047,879

(1) Non-cash stock based compensation expense of $4,227, $2,103 and $2,451 for the years ended December 31, 2013, 2012 and 2011, respectively, is included in general and administrative expenses.

See Notes to Consolidated Financial Statements.

SP PLUS CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31,		
	2013	2012	2011
	(In thousands)		
Net income	$14,765	$2,374	$17,476
Other comprehensive income (expense)	499	(63)	(421)
Comprehensive income	$15,264	$2,311	17,055
Less: comprehensive income attributable to noncontrolling interest	2,676	1,034	378
Comprehensive income attributable to SP Plus Corporation	$12,588	$1,277	$16,677

SP PLUS CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Noncontrolling Interest	Total
	Number of Shares	Par Value					
	($ In thousands, except for share and per share data)						
Balance (deficit) at December 31, 2010	15,775,645	$16	$ 97,291	$ 103	$(68,206)	$ (75)	$ 29,129
Net income					17,098	378	17,476
Foreign currency translation adjustments				(390)			(390)
Cash flow hedge				(31)			(31)
Repurchase of common stock	(461,512)	(1)	(7,543)				(7,544)
Proceeds from exercise of stock options	68,322	—	217				217
Issuance of stock grants	14,009	—	245				245
Vested restricted stock units	68,400	—	—				—
Non-cash stock-based compensation related to restricted stock units			2,206				2,206
Tax benefit from exercise of stock options			246				246
Distribution to noncontrolling interest						(388)	(388)
Balance (deficit) at December 31, 2011	15,464,864	$15	$ 92,662	$(318)	$(51,108)	$ (85)	$ 41,166
Net income					1,340	1,034	2,374
Foreign currency translation adjustments				2			2
Cash flow hedge				(65)			(65)
Shares issued—Central Merger	6,161,332	7	140,719				140,726
Exercise of stock options	81,023	—	526				526
Issuance of stock grants	8,751	—	165				165
Vested restricted stock units	154,800	—	—				—
Non-cash stock-based compensation related to restricted stock units			1,857				1,857
Tax benefit from exercise of stock options			446				446
Purchase of Central shares of noncontrolling interest						677	677
Distribution to noncontrolling interest						(874)	(874)
Balance (deficit) at December 31, 2012	21,870,770	$22	$236,375	$(381)	$(49,768)	$ 752	$187,000
Net income					12,089	2,676	14,765
Foreign currency translation adjustments				(463)			(463)
Cash flow hedge				962			962
Proceeds from exercise of stock options							
Issuance of stock grants	15,576						
Vested restricted stock units	90,965						
Non-cash stock-based compensation related to restricted stock units			4,092				4,092
Tax benefit from vesting of restricted stock units			198				198
Distribution to noncontrolliing interest						(2,843)	(2,843)
Balance (deficit) at December 31, 2013	21,977,311	$22	$240,665	$ 118	$(37,679)	$ 585	$203,711

See Notes to Consolidated Financial Statements.

SP PLUS CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2013	2012	2011
	($ In thousands, except for share and per share data)		
Operating activities			
Net income	$ 14,765	$ 2,374	$ 17,476
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	29,595	15,201	6,671
Net (accretion) amortization of acquired of acquired lease contracts	(4,298)	(609)	—
(Gain) loss on sale of equipment	1,597	80	32
(Gain) loss on sale of equity interest in land	(1,191)	—	—
Amortization of debt issuance costs	1,402	870	638
Amortization of original discount on borrowings	1,284	341	—
Non-cash stock-based compensation	4,227	2,103	2,451
Provision for losses on accounts receivable	189	420	201
Excess tax benefit related to vesting of restricted stock units	(198)	(445)	(246)
Deferred income taxes	2,741	7,231	2,434
Changes in operating assets and liabilities:			
Notes and accounts receivable	(3,817)	(5,995)	5,432
Prepaid assets	7,376	(1,446)	(154)
Other assets	(3,124)	3,981	(1,389)
Accounts payable	(13,541)	9,091	763
Accrued liabilities	(2,114)	(21,793)	640
Net cash provided by operating activities	34,893	11,404	34,949
Investing activities			
Purchase of leasehold improvements and equipment	(15,734)	(5,024)	(4,150)
Proceeds from sale of equipment	776	30	116
Proceeds from sale of equity interest in land	2,322	—	—
Acquisitions of business, net of cash acquired	—	27,736	14
Cost of contracts purchased	(361)	(1,172)	(932)
Capitalized interest	(17)	(12)	(43)
Contingent payments for businesses acquired	(347)	(332)	(262)
Net cash provided by (used in) investing activities	(13,361)	21,226	(5,257)
Financing activities			
Proceeds from exercise of stock options	—	526	217
Repurchase of common stock	—	—	(7,544)
Contingent payments for businesses acquired	(542)	(2,073)	—
Payments on senior credit facility revolver (Senior Credit Facility)	(491,565)	(71,800)	—
Proceeds from senior credit facility revolver (Senior Credit Facility)	491,515	72,790	—
Payment on senior credit facility of Central Parking (related to Central Merger)	—	(237,143)	—
Proceeds from term loan (Senior Credit Facility)/(related to Central Merger)	—	250,000	—
Payments on term loan (Senior Credit Facility)	(22,500)	(5,625)	—
Net payments on former senior credit facility	—	(12,590)	(15,200)
Payment on notes payable	(40)	(40)	—
Payments on other long-term borrowings	(154)	(145)	(136)
Distribution to noncontrolling interest	(2,843)	(874)	(388)
Payments of debt issuance costs and original discount on borrowings	—	(10,332)	(30)
Payments on capital leases	(430)	(542)	(553)
Tax benefit related to vesting of restricted stock units	198	445	246
Net cash used in financing activities	(26,361)	(17,403)	(23,388)
Effect of exchange rate changes on cash and cash equivalents	(463)	3	(389)
Increase (decrease) in cash and cash equivalents	(5,292)	15,230	5,915
Cash and cash equivalents at beginning of year	28,450	13,220	7,305
Cash and cash equivalents at end of year	$ 23,158	$ 28,450	$ 13,220
Cash paid for:			
Interest	$ 16,324	$ 18,715	$ 4,015
Income taxes	1,331	3,651	7,507
Non-cash transactions:			
Fair value of shares issued to acquire Central Parking common stock	$ —	$ 140,726	—

See Notes to Consolidated Financial Statements.

Note A. Significant Accounting Policies and Practices

The Company

Effective December 2, 2013, Standard Parking Corporation changed its name to SP Plus Corporation. The name change was effected through a short-form merger pursuant to Section 253 of the Delaware General Corporation Law (the "DGCL") by merging a newly formed wholly owned subsidiary of the Company into the Company, with the Company remaining as the surviving corporation in the merger. Under the DGCL, the merger did not require stockholder approval and had the sole effect of amending its certificate of incorporation to reflect its new legal name.

The Company provides parking management, ground transportation and other ancillary services to commercial, institutional and municipal clients in the United States, Puerto Rico and Canada. Its services include a comprehensive set of on-site parking management and ground transportation services, which consist of training, scheduling and supervising all service personnel as well as providing customer service, marketing, maintenance, security and accounting and revenue control functions necessary to facilitate the operation of clients' parking facilities. The Company also provides a range of ancillary services such as airport shuttle operations, valet services, taxi and livery dispatch services and municipal meter revenue collection and enforcement services.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and variable interest entities in which the Company is the primary beneficiary. Noncontrolling interest recorded in the consolidated statement of income is the interest in consolidated variable interest entities not controlled by the Company. The Company has ownership interests in thirty-eight partnerships, joint ventures or similar arrangements which operate parking facilities. Twenty-nine are Variable Interest Entities (VIE) and nine are voting interest model entities where the Company's ownership ranges from 20-50% and it does not control the entities.

The Company consolidates those VIEs where it is the primary beneficiary and accounts for voting interest entities that it does not control using the equity method of accounting. The assets and liabilities of the VIEs are not material to the Company's Consolidated Balance Sheets. All significant intercompany profits, transactions and balances have been eliminated in consolidation.

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. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current environment.

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

Note A. Significant Accounting Policies and Practices (Continued)

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' equity.

Reclassifications

Certain reclassifications, having no effect on the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of equity, consolidated statements of cash flows, earnings per share, total assets, or total liabilities have been made to the previously issued consolidated balance sheets to conform to the current period's presentation of the Company's consolidated financial statements. Specifically, prior year current liability amounts for unfavorable acquired lease contracts were reclassified to long-term liabilities to conform to the Company's presentation of favorable acquired lease contracts. See also Note R. Domestic and Foreign Operations for additional information on the reclassification of segment revenues and segment financial results to reflect our changed internal reporting.

Cash and Cash Equivalents

Cash equivalents represent funds temporarily invested in money market instruments with maturities of three months or less. Cash equivalents are stated at cost, which approximates fair value.

Allowance for Doubtful Accounts

Accounts receivable, net of the allowance for doubtful accounts, represents the Company's estimate of the amount that ultimately will be realized in cash. Management reviews the adequacy of its allowance for doubtful accounts on an ongoing basis, using historical collection trends, aging of receivables, and a review of specific accounts, and makes adjustments in the allowance as necessary. Changes in economic conditions or other circumstances could have an impact on the collection of existing receivable balances or future allowance considerations. As of December 31, 2013 and 2012, the Company's allowance for doubtful accounts was $695 and $506, respectively.

Leasehold Improvements, Equipment, Land and Construction in Progress, net

Leasehold improvements, equipment, software, vehicles, and other fixed assets are stated at cost less accumulated depreciation and amortization. Equipment is depreciated on the straight-line basis over the estimated useful lives ranging from 2 to 10 years. Expenditures for major renewals and improvements that extend the useful life of property and equipment are capitalized. 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 (weighted average of approximately 10 years).

Certain costs associated with directly obtaining, developing or upgrading internal-use software are capitalized and amortized over the estimated useful life of software.

Note A. Significant Accounting Policies and Practices (Continued)

Cost of Contracts

Cost of contracts represents the cost of obtaining contractual rights associated with providing parking services at a managed or leased facility. Cost of parking contracts are amortized over the estimated life of the contracts, including anticipated renewals and terminations. Estimated lives are based on the contract life or anticipated lives that are consistent with underlying valuation analysis used in determining the fair value as of the date of acquiring.

Goodwill and Other Intangibles

Goodwill represents the excess of purchase price paid over the fair value of net assets acquired. In accordance with the Financial Accounting Standards Board's ("FASB") authoritative accounting guidance on goodwill, the Compnay does not amortize goodwill but rather evaluates it for impairment on an annual basis, or more often if events or circumstances change that could cause goodwill to become impaired. The Company has elected to assess the impairment of goodwill annually on the first day of its fiscal fourth quarter, or at an interim date if there is an event or change in circumstances indicate the carrying value may not be recoverable. Factors that could trigger an impairment review include significant under-performance relative to expected historical or projected future operating results, significant changes in the use of acquired assets or its business strategy, and significant negative industry or economic trends.

A multi-step impairment test is performed on goodwill. The Company has the option to evaluate various qualitative factors to determine the likelihood of impairment. If determined that it is more likely than not the fair value is less than the carrying value of a reporting unit, then the Company is required to perform Step 1. If the Company does not elect to perform a qualitative assessment, it can voluntarily proceed directly to Step 1. In Step 1, the Company performs a quantitative analysis to compare the fair value of the reporting unit to its carrying value including goodwill. If the fair value of the reporting unit exceeds the carrying value of the net assets assigned to that unit, goodwill is not considered impaired, and the Company's is not required to perform further testing. If the carrying value of the net assets assigned to the reporting unit exceeds the fair value of the reporting unit, then the Company must perform Step 2 of the impairment test in order to determine the implied fair value of the reporting unit's goodwill. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, then the Company would record an impairment loss equal to the difference.

The goodwill impairment test is performed at the reporting unit level; the Company's reporting units represent its operating segments, which are comprised of its five operating regions. Management determines the fair value of each of its reporting units by using a discounted cash flow approach and a market approach using multiples of EBITDA of comparable companies to estimate market value. In addition, the Company compares its derived enterprise value on a consolidated basis to the Company's market capitalization as of its test date to ensure its derived value approximates the market value of the Company when taken as a whole.

In conducting its goodwill impairment quantitative assessment, the Company analyzed actual and projected growth trends of the reporting units, gross margin, operating expenses and EBITDA (which also includes forecasted five-year income statement and working capital projections, a market-based

Note A. Significant Accounting Policies and Practices (Continued)

weighted average cost of capital and terminal values after five years). The Company also assesses critical areas that may impact its business including economic conditions, market related exposures, competition, changes in product offerings and changes in key personnel. As part of the 2013 goodwill assessment, the Company engaged a third party to evaluate its reporting unit's fair values.

The Company will continue to perform a goodwill impairment test as required on an annual basis and on an interim basis, if certain conditions exist. Factors the Company considers important, which could result in changes to its estimates, include underperformance relative to historical or projected future operating results and declines in acquisitions and trading multiples. Due to the broad customer base, the Company does not believe its future operating results will vary significantly relative to its historical and projected future operating results. However, future events may indicate differences from its judgments and estimates which could, in turn, result in impairment charges in the future. Future events that may result in impairment charges include increases in interest rates, which would impact discount rates, unfavorable economic conditions or other factors which could decrease revenues and profitability of existing locations and changes in the cost structure of existing facilities. Factors that could potentially have an unfavorable economic effect on its judgments and estimates include, among others: changes imposed by governmental and regulatory agencies, such as property condemnations and assessment of parking-related taxes; construction or other events that could change traffic patterns; and terrorism or other catastrophic events.

Intangible assets with finite lives are amortized over their estimated useful lives and reviewed for impairment when circumstances change that would create a triggering event. Intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives. The Company evaluates the remaining useful life of the other intangible assets on a periodic basis to determine whether events or circumstances warrant a revision to the remaining useful life. Assumptions and estimates about future values and remaining useful lives of its intangible and other long-lived assets are complex and subjective. They can be affected by a variety of factors, including external factors such as industry and economic trends, and internal factors, such as changes in its business strategy and internal forecasts. Although management believes the historical assumptions and estimates are reasonable and appropriate, different assumptions and estimates could materially impact its reported financial results.

Long-Lived Assets

The Company evaluates long-lived asset groups whenever events or circumstances indicate that the carrying value of an asset may not be recoverable. Events or circumstances that would result in an impairment review primarily include a significant change in the use of an asset, or the planned sale or disposal of an asset. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to future undiscounted cash flows expected to be generated by the asset group. If it is determined to be impaired, the impairment recognized is measured by the amount by which the carrying value of the asset exceeds its fair value. The Company's estimates of future cash flows from such assets could be impacted if it underperforms relative to historical or projected future operating results.

Note A. Significant Accounting Policies and Practices (Continued)

Assumptions and estimates used to determine cash flows in the evaluation of impairment and the fair values used to determine the impairment are subject to a degree of judgment and complexity. Any changes to the assumptions and estimates resulting from changes in actual results or market conditions from those anticipated may affect the carrying value of long-lived assets and could result in an impairment charge.

Debt Issuance Costs

The costs of obtaining financing are capitalized and amortized as interest expense over the term of the respective financing using the effective interest method. Debt issuance costs of $3,890 and $5,149 at December 31, 2013 and 2012, respectively, are included in other assets in the consolidated balance sheets and are reflected net of accumulated amortization of $6,078 and $4,594, respectively. Amortization expense related to debt issuance costs and included in interest expense was $1,484, $1,211 and $638 at December 31, 2013, 2012 and 2011, respectively.

Financial Instruments

The carrying values of cash, accounts receivable and accounts payable approximate their fair value due to the short-term nature of these financial instruments. Book overdrafts of $29,310 and $37,678 are included within accounts payable as of December 31, 2013, and 2012, respectively. Long-term debt has a carrying value that approximates fair value because these instruments bear interest at variable market rates.

Insurance Reserves

The Company purchases comprehensive casualty insurance covering certain claims that arise in connection with its operations. In addition, the Company purchases umbrella/excess liability coverage. The Company's various liability insurance policies have deductibles or a self-insured retention limit of up to $250 that must be met before the insurance companies are required to pay directly or reimburse the Company for costs incurred relating to covered claims. As a result, the Company is, in effect, self-insured for all claims up to these levels. The Company applies the provisions as defined in the guidance related to accounting for contingencies, in determining the timing and amount of expense recognition associated with claims against the Company. The expense recognition is based upon the Company's determination of an unfavorable outcome of a claim being deemed as probable and capable of being reasonably estimated, as defined in the guidance related to accounting for contingencies. This determination requires the use of judgment in both the estimation of probability and the amount to be recognized as an expense. The Company utilizes historical claims experience along with regular input from third party insurance advisors in determining the required level of insurance reserves. Future information regarding historical loss experience may require changes to the level of insurance reserves and could result in increased expense recognition in the future.

Note A. Significant Accounting Policies and Practices (Continued)

Legal and Other Contingencies

The Company is subject to litigation in the normal course of its business. The Company applies the provisions as defined in the guidance related to accounting for contingencies in determining the recognition and measurement of expense recognition associated with legal claims against the Company. Management uses guidance from internal and external legal counsel on the potential outcome of litigation in determining the need to record liabilities for potential losses and the disclosure of pending legal claims.

Certain lease contracts acquired in the Central Merger include provisions allocating to the Company responsibility for all structural repairs required on the property, including repairs arising as a result of ordinary wear and tear. The Company may incur costs for certain structural repair obligations in 2014 and future years, the Company is unable to estimate an amount or range of estimated liability for these repairs in any particular year or in the aggregate. As a result, the company has not recognized a liability for these costs in the accompanying consolidated financial statements. Additionally, the applicable indemnity pursuant to the Agreement and Plan of Merger dated February 12, 2012, and further discussed in Note B. *Acquisitions*, may not cover all such obligations, and there will be timing differences between our payments to satisfy these obligations and our receipt of indemnification thereof, and some indemnification obligations may be satisfied through the surrender of shares of our common stock.

Interest Rate Swaps

October 25, 2012, the Company entered into Interest Rate Swap transactions (collectively, the "Interest Rate Swaps") with each of JPMorgan Chase Bank, N.A. ("JPMorgan Chase Bank"), Bank of America, N.A. ("Bank of America") and PNC Bank, N.A. in an initial aggregate Notional Amount of $150,000 (the "Notional Amount"). The Interest Rate Swaps have an effective date of October 31, 2012 and a termination date of September 30, 2017. The Interest Rate Swaps effectively fix the interest rate on an amount of variable interest rate borrowings under the Credit Agreement ("the Credit Agreement"), originally equal to the Notional Amount at 0.7525% per annum plus the applicable margin rate for LIBOR loans under the Credit Agreement determined based upon the Company's consolidated total debt to EBITDA ratio. The Notional Amount is subject to scheduled quarterly amortization that coincides with quarterly prepayments of principal under the Credit Agreement. These Interest Rate Swaps are classified as cash flow hedges, and the Company calculates the effectiveness of the hedge on a monthly basis. The ineffective portion of the cash flow hedge is recognized in earnings as an increase of interest expense. As of December 31, 2013, no ineffective portion of cash flow hedges has been recognized in interest expense.

The Company does not enter into derivative instruments for any purpose other than cash flow hedging purposes.

Parking Services Revenue

The Company's revenues are primarily derived from leased locations, managed properties and the providing of ancillary services, such as accounting, payments received for exercising termination rights,

Note A. Significant Accounting Policies and Practices (Continued)

consulting development fees, gains on sales of contracts, insurance and other value-added services. In accordance with the guidance related to revenue recognition, revenue is recognized when persuasive evidence of an arrangement exists, the fees are fixed or determinable, collectability is reasonably assured and as services are provided. The Company recognizes gross receipts (net of taxes collected from customers) as revenue from leased locations, and management fees for parking services, as the related services are provided. Ancillary services are earned from management contract properties and are recognized as revenue as those services are provided.

Cost of Parking Services

The Company recognizes costs for leases, non-reimbursed costs from managed facilities and reimbursed expense as cost of parking services. Cost of parking services consists primarily of rent and payroll related costs.

Reimbursed Management Contract Revenue and Expense

The Company recognizes as both revenues and expenses, in equal amounts, costs incurred by the Company that are directly reimbursed from its management clients. The Company has determined it is the principal in these transactions, as defined in *Accounting Standard Codification (ASC) 605-45 Principal Agent Considerations*, based on the indicators of gross revenue reporting. As the principal, the Company is the primary obligor in the arrangement, have latitude in establishing price, discretion in supplier selection, and the Company assumes credit risk.

Advertising Costs

Advertising costs are expensed as incurred and are included in general and administrative expenses. Advertising expenses aggregated $971, $796 and $317 for 2013, 2012 and 2011, respectively.

Stock-Based Compensation

Share based payments to employees including grants of employee stock options and restricted stock units are measured at the grant date, based on the estimated fair value of the award, and the related expense is recognized over the requisite employee service period (generally the vesting period) for awards expected to vest (considering estimated forfeitures).

Income Taxes

Income tax expense involves management judgment as to the ultimate resolution of any tax issues. Historically, our assessments of the ultimate resolution of tax issues have been reasonably accurate. The current open issues are not dissimilar from historical items.

Deferred income taxes are computed using the asset and liability method, such that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between financial reporting amounts and the tax bases of existing assets and liabilities based on currently enacted tax laws and tax rates in effect for the periods in which these temporary differences

Note A. Significant Accounting Policies and Practices (Continued)

are expected to reverse or settled. Income tax expense is the tax payable for the period plus the change during the period in deferred income taxes. We have certain federal net operating loss carry forwards which expire in 2024. Our ability to fully utilize these net operating losses to offset taxable income is limited due to the change in ownership resulting from the initial public offering of our stock in 2004 (Internal Revenue Code, Section 382). We consider a number of factors in our assessment of the recoverability of our net operating loss carryforwards including their expiration dates, the limitations imposed due to the change in ownership as well as future projections of income. Future changes in our operating performance along with these considerations may significantly impact the amount of net operating losses ultimately recovered, and our assessment of their recoverability.

When evaluating our tax positions, we account for uncertainty in income taxes in our consolidated financial statements. The evaluation of a tax position is a two-step process, the first step being recognition. We determine whether it is more-likely-than-not that a tax position will be sustained upon tax examination, including resolution of any related appeals or litigation, based on only the technical merits of the position. If a tax position does not meet the more-likely-than-not threshold, the benefit of that position is not recognized in our financial statements. The second step is measurement. The tax position is measured as the largest amount of benefit that is more-likely-than-not of being realized upon ultimate resolution with a taxing authority.

Recent Accounting Pronouncements

Adopted Accounting Pronouncements

On July 27, 2012, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2012-02, "Intangibles—Goodwill and Other (Topic 350)". ASU-2012-02 allows an entity the option to make a qualitative evaluation to determine whether the existence of events and circumstances indicate that it is more likely than not the indefinite-lived intangible asset is impaired thus requiring the entity to perform quantitative impairment tests in accordance with ASC 350-30. The ASU also amends previous guidance by expanding upon the examples of events and circumstances that an entity should consider when making the qualitative evaluation. The adoption of this guidance did not have an impact on the Company's financial position, results of operations or cash flows.

In January 2013, the FASB issued ASU No. 2013-01, "Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities". This update provides clarification on the disclosure requirements related to recognized derivatives, repurchase agreements and reverse purchase agreements, and securities borrowing and lending transactions. This update is effective for annual reporting periods and corresponding interim periods beginning on or after January 1, 2013, and retrospective application is required. The adoption of this guidance did not have a material effect on the Company's consolidated financial statements.

In March 2013, the FASB issued ASU No. 2013-02, "Comprehensive Income—Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income". ASU No. 2013-02 requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. Additionally, an entity is required to present, either on the face

Note A. Significant Accounting Policies and Practices (Continued)

of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income. The guidance does not change the items reported in other comprehensive income or when an item of other comprehensive income is reclassified to net income. The company adopted the provisions of ASU No. 2013-02 on December 30, 2012. As this guidance only revises the presentation of comprehensive income, there was no impact to the Company's financial position, results of operations or cash flows.

Accounting Pronouncements to be Adopted

In December 2011, the Financial Accounting Standards Board ("FASB") issued *ASU 2011-11, Balance Sheet* (Topic 210): Disclosures about Offsetting Assets and Liabilities. This update requires additional disclosures about offsetting and related arrangements on assets and liabilities to enable users of financial statements to understand the effect of such arrangements on an entity's financial position as reported. This amendment is effective for fiscal 2014, and adoption of this standard will only affect the footnote disclosures within consolidated financial statements. Once adopted, these disclosure provisions will apply retrospectively for all comparative periods presented. Although the Company is still evaluating the impact of this guidance, the Company does not believe that its adoption will have a material effect on the Company's financial position, results of operations or cash flows but could impact financial statement disclosures.

In July 2013, the FASB issued Accounting Standards Update ("ASU") No. 2013-11, "Income Taxes (Topic 740), Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists" to eliminate diversity in practice. Under this ASU, an unrecognized tax benefit, or a portion of an unrecognized tax benefit that exists at the reporting date, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward if certain criteria are met. This guidance is effective for fiscal years and interim periods within those years beginning after December 15, 2013 with early adoption permitted. The Company does not believe the adoption of this ASU will have a material impact on its financial statements.

Note B. Acquisitions

On October 2, 2012 ("Closing Date"), the Company completed its acquisition (the "Central Merger" or "Merger") of 100% of the outstanding common shares of KCPC Holdings, Inc., which was the ultimate parent of Central Parking Corporation ("Central") for 6,161,332 shares of Company common stock and the assumption of approximately $217,675 of Central's debt net of cash acquired. Additionally, Central's former stockholders will be entitled to receive cash consideration of $27,000 to be paid three years after closing, to the extent the $27,000 is not used to satisfy seller indemnity obligations pursuant to the Agreement and Plan of Merger dated February 12, 2012. The Company financed the acquisition through additional borrowings under the Senior Credit Facility (defined in Note I. *Borrowing Arrangements*).

Pursuant to the Central Merger agreement, the Company is entitled to indemnification from former stockholders of KCPC if and to the extent Central's combined net debt and the absolute value

Note B. Acquisitions (Continued)

of Central's working capital (as determined in accordance with the Merger Agreement) (the "Net Debt Working Capital") exceeded $285,000 as of September 30, 2012 and for certain defined adverse consequences (net) that are indemnified pursuant to the Agreement and Plan Merger dated February 12, 2012. The Net Debt Working Capital was $298,386 as of September 30, 2012 and, accordingly, the Net Debt Working Capital exceeded the threshold by $13,386. Additionally, the Company has reduced the cash consideration payable in three years by $5,817 for the sellers' indemnification of certain defined adverse consequences. The Company has given the former stockholders of KCPC notice regarding indemnification matters in early 2013 and has made subsequent adjustments for known matters since that date.

Central Net Debt Working Capital at September 30, 2012 as defined in the Merger Agreement	$(298,386)
Threshold	285,000
Excess over the threshold	(13,386)
Indemnification of certain defined adverse consequences, net	(5,817)
Cash consideration payable in three years	27,000
Settled cash consideration	$ 7,797
Present value of cash consideration as of December 31, 2013	$ 6,332
Present value of cash consideration at the acquisition date	$ 8,943

Accordingly, the fair value of the final consideration transferred to acquire all of Central's outstanding stock at the acquisition date is as follows:

Stock consideration	$140,726
Present value of cash consideration to be issued as of December 31, 2013	6,332
Total consideration transferred	$147,058

The Company incurred certain acquisition and integration costs associated with the transaction that were expensed as incurred and are reflected in the Consolidated Statements of Income. The Company recognized $10,918 and $28,036 of these costs in its Consolidated Statement of Income for the years ended December 31, 2013 and 2012, respectively, in General and Administrative Expenses. The Company incurred costs of $10,332 in 2012 related to obtaining the Credit Agreement. Of the total costs of $10,332, $5,149 was recognized as debt issuance costs and has been included in "Other assets, net" and $5,183 was recognized as a discount to borrowings. The entire cost is being amortized using the effective interest method to interest expense over the term of the loan.

The acquisition has been accounted for using the acquisition method of accounting (in accordance with the provisions of ASC 805, *Business Combinations*) which requires, among other things, that most assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date.

The purchase price has been allocated based on the estimated fair value of net assets acquired and liabilities assumed at the date of the acquisition. The Company has finalized the purchase price allocation, which resulted in revision to the previously reported preliminary amounts. The revisions to the purchase price allocation were applied retrospectively back to the date of the acquisition.

Note B. Acquisitions (Continued)

The following table summarizes the fair values of the assets acquired and liabilities assumed in the acquisition as previously reported based on the preliminary allocation and as finalized:

	Preliminary amounts(a)	Purchase Price Accounting Adjustment	Amounts as finalized
Net current liabilities	$ (28,041)	$ 2,597	$ (25,444)
Leasehold improvements, equipment, land and construction in progress, net	24,154	627	24,781
Identified intangible assets:			
Management contracts	81,000	—	81,000
Favorable lease contracts	51,650	28,585	80,235
Trade name / trademarks	14,900	(5,800)	9,100
Existing technology	34,000	—	34,000
Non-competition agreements	2,600	—	2,600
Other noncurrent assets	17,748	—	17,748
Long-term debt	(237,223)	—	(237,223)
Unfavorable lease contracts	(69,316)	(32,360)	(101,676)
Other noncurrent liabilities	(19,523)	—	(19,523)
Net long term deferred tax liability	(24,516)	1,988	(22,528)
Net (liabilities assumed)	(152,567)	(4,363)	(156,930)
Goodwill	302,236	4,363	306,599
Total fair value of consideration transferred at acquisition date	$ 149,669	$ —	$ 149,669

(a) These amounts reflect the reclassification of net long term deferred tax liabilities of $24,434 from net current liabilities to net long term deferred tax liability.

The acquired management contracts are being amortized over a weighted average life of 16 years. The favorable and unfavorable acquired lease contracts are being amortized over a weighted average life of 10.1 and 8.9 years, respectively. The trade names and trademarks are being amortized over 4.0 years. The non-compete agreements are being amortized over primarily 1.0 year. The existing technology is being amortized over 4.5 years. See Note F, *Other Intangible Assets, net* and Note G, *Favorable and Unfavorable Lease Contracts* for amortization and accretion of the intangible assets and liabilities.

Goodwill is calculated as the excess of the consideration transferred over the net assets acquired. Goodwill is not amortized and is not deductible for tax purposes. Goodwill represents expected synergies with the Company's existing operations which include growth of new and existing customers, elimination of corporate overhead redundancies, and logistical improvements.

A single estimate of fair value results from a complex series of the Company's judgments about future events and uncertainties and relies heavily on estimates and assumptions. The Company's judgments used to determine the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact the Company's results of operations.

Note B. Acquisitions (Continued)

The results of Central's operations have been included in the Company's consolidated financial statements from the acquisition date. The following table presents information for Central that is included in the Company's Consolidated Statements of Income for the year ended December 31, 2012:

	Central's operations included in the Company's results for the year ended December 31, 2012
Total revenue	$190,008
Operating loss(1)	$ (9,263)

(1) Includes amortization and depreciation related to identifiable intangible and tangible assets of $5,944 and acquisition and integration costs of $10,007.

The following unaudited pro forma consolidated results of operations for 2012 and 2011 assume that the acquisition of Central was completed as of January 1, 2011:

	2012	2011
Revenue, excluding reimbursed management contract revenue	$880,062	$866,513
Net loss from continuing operations attributable to SP Plus stockholders	$(26,889)	$ (7,534)
Earnings per share from continuing operations attributable to SP Plus stockholders		
Basic	$ (1.23)	$ (0.34)
Diluted	$ (1.23)	$ (0.34)

The Company has assumed a 42% combined statutory federal and state tax rate when estimating the tax effects of the adjustments to the unaudited pro forma combined statements of income.

Note C. Net Income Per Common Share

Basic net income per common share is computed by dividing net income attributable to SP Plus Corporation by the weighted average number of shares of common stock outstanding during the period. Diluted net income per common share is based upon the weighted average number of shares of common stock outstanding at period end, consisting of incremental shares assumed to be issued upon exercise of stock options and the incremental shares assumed to be issued under performance share and restricted stock unit arrangements, using the treasury-stock method.

Note C. Net Income Per Common Share (Continued)

A reconciliation of the basic weighted average common shares outstanding to diluted weighted average common shares outstanding is as follows:

	Year Ended December 31,		
	2013	2012	2011
	(In thousands except for share and per share data)		
Net income attributable to SP Plus Corporation	$ 12,089	$ 1,340	$ 17,098
Basic weighted average common shares outstanding	21,902,870	17,179,606	15,703,595
Dilutive impact of share-based awards	346,714	310,598	344,284
Diluted weighted average common shares outstanding	22,249,584	17,490,204	16,047,879
Net income per common share:			
Basic	$ 0.55	$ 0.08	$ 1.09
Diluted	$ 0.54	$ 0.08	$ 1.07

There were no potential shares of common stock attributable to stock options excluded from net income per common share calculation because their effect would be anti-dilutive.

Note D. Leasehold Improvements, Equipment, Land and Construction in Progress, net

Leasehold improvements, equipment, and construction in progress and related accumulated depreciation and amortization is as follows:

		December 31	
	Ranges of Estimated Useful Life	2013	2012
Equipment	2 - 5 Years	$ 30,563	$ 28,498
Software	3 - 10 Years	19,063	15,031
Vehicles	4 Years	8,075	9,353
Other	10 Years	282	367
Leasehold improvements	Shorter of lease term or economic life up to 10 years	18,642	17,920
Construction in progress		5,212	2,086
		81,837	73,255
Less accumulated depreciation and amortization		(38,202)	(35,152)
		43,635	38,103
Land		1,250	2,299
Leasehold improvements, equipment, land and construction in progress, net		$ 44,885	$ 40,402

Note D. Leasehold Improvements, Equipment, Land and Construction in Progress, net (Continued)

Assets acquired in the Central Merger were recorded at fair value as of the acquisition date, and subsequent capital asset additions are recorded at cost, which includes interest on significant projects. Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives or over the terms of the respective leases, whichever is shorter, and depreciated principally on the straight-line basis. The costs and accumulated depreciation of assets sold or disposed of are removed from the accounts and the resulting gain or loss is reflected in earnings. Plant and equipment are reviewed for impairment when conditions indicate an impairment or future impairment; the assets are either written down or the useful life is adjusted to the remaining period of usefulness.

Depreciation expense was $10,403, $6,672 and $4,167 in 2013, 2012 and 2011, respectively. Depreciation includes losses on abandonments of leasehold improvements and equipment of $1,614, $80 and $31 in 2013, 2012 and 2011, respectively. During the fourth quarter 2013, we sold our equity interest in land for $2,322 and recognized a gain on sale of $1,191.

Note E. Cost of Contracts, net

Cost of contracts, net is comprised of the following:

	December 31,	
	2013	2012
Cost of contracts	$ 25,607	$ 26,599
Accumulated amortization	(14,845)	(12,384)
Cost of contracts, net	$ 10,762	$ 14,215

The expected future amortization of cost of contracts is as follows:

	Cost of Contract
2014	2,355
2015	1,967
2016	1,789
2017	1,677
2018	1,437
2019 and Thereafter	1,537
Total	$10,762

Amortization expense related to cost of contracts was $2,788, $3,142 and $2,275 for the years ended December 31, 2013, 2012 and 2011, respectively. During 2013, 2012 and 2011, there was no additional amortization expense recorded relating to losses of contracts that were previously capitalized. The weighted average useful life was 9.6 years, 9.5 years and 9.7 years as of December 31, 2013, 2012 and 2011, respectively.

Note F. Other Intangible assets, net

The following presents a summary of other intangible assets:

	December 31,	
	2013	2012
Covenant not to compete	$ 933	$ 3,533
Trade names and trademarks	9,820	9,820
Proprietary know how	34,650	34,650
Management contract rights	81,000	81,000
Accumulated amortization	(20,181)	(6,372)
Intangible assets, net	$106,222	$122,631

Amortization expense related to intangible assets included in depreciation and amortization was $16,812, $4,024 and $260 for the years ended December 31, 2013, 2012 and 2011, respectively.

Noncompete agreements are being amortized over primarily 1.0 year. Proprietary know-how is being amortized over and estimated useful life of 4.5 years. Trade names and trademarks are being amortized over an estimated useful life of 4.0 years. Management contracts are being amortized over the contract term, including renewals and terminations, and has a weighted average life of 16 years.

The expected future amortization of intangible assets is as follows:

	Intangible asset amortization
2014	$ 15,171
2015	15,137
2016	14,569
2017	7,196
2018	5,306
2019 and Thereafter	48,844
Total	$106,223

Note G. Favorable and Unfavorable Acquired Lease Contracts

Favorable and unfavorable lease contracts represent the acquired fair value of lease contracts in connection with the Central Merger. Favorable and unfavorable acquired lease contracts are being amortized over the contract term, including anticipated renewals and terminations and has a weighted average life of 10.1 and 8.9 years, respectively.

Note G. Favorable and Unfavorable Acquired Lease Contracts (Continued)

The following presents a summary of favorable and unfavorable lease contracts:

	Favorable		(Unfavorable)	
	December 31,		December 31,	
	2013	2012	2013	2012
Acquired fair value of lease contracts	$ 77,621	$80,235	$(92,093)	$(98,290)
Accumulated (amortization) accretion	(17,587)	(5,522)	17,963	6,065
Total acquired fair value of lease contracts, net	60,034	74,713	(74,130)	(92,225)

Amortization for lease contracts, net of unfavorable lease contracts was $4,298 and $609 for the years ended December 31, 2013 and 2012, respectively, and is a reduction to cost of parking services-lease contract. There is no amortization for lease contracts included in cost of parking services for lease contracts for the year ended December 31, 2011.

The expected future amortization (accretion) of lease contract rights is as follows:

	Favorable	(Unfavorable)	Favorable (Unfavorable) Net
2014	$11,739	$(12,301)	$ (562)
2015	9,649	(11,061)	(1,412)
2016	8,559	(10,312)	(1,753)
2017	6,506	(9,117)	(2,611)
2018	4,059	(7,394)	(3,335)
2019 and Thereafter	19,522	(23,945)	(4,423)
Total	$60,034	$(74,130)	$(14,096)

Note H. Fair Value Measurement

Fair value measurements-recurring basis

In determining fair value, the Company uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

Applicable accounting literature establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The fair value hierarchy is based on observable or unobservable inputs to valuation techniques that are used to measure fair value. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based

Note H. Fair Value Measurement (Continued)

upon its own market assumptions. Applicable accounting literature defines levels within the hierarchy based on the reliability of inputs as follows:

- Level 1: Inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted prices that are observable and market-corroborated inputs, which are derived principally from or corroborated by observable market data.
- Level 3: Inputs that are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

The following table sets forth the Company's financial assets and liabilities measured at fair value on a recurring basis and the basis of measurement at December 31, 2013 and 2012:

	Fair Value Measurement at December 31, 2013			Fair Value Measurement at December 31, 2012		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets:						
Prepaid expenses and other						
Interest rate swap	—	$824	—	—	—	—
Liabilities:						
Accrued expenses						
Contingent acquisition consideration	—	—	$1,374	—	—	$1,316
Other long term liabilities						
Interest rate swap	—	—	—	—	$794	—
Contingent acquisition consideration	—	—	$ 163	—	—	$2,008

We seek to minimize our risks from interest rate fluctuations through the use of interest rate swap contracts and hedge only exposures in the ordinary course of business. Interest rate swaps are used to manage interest rate risk associated with our floating rate debt. We account for our derivative instruments at fair value provided we meet certain documentary and analytical requirements to qualify for hedge accounting treatment. Hedge accounting creates the potential for a Consolidated Statement of Operations match between the changes in fair values of derivatives and the changes in cost of the associated underlying transactions, in this case interest expense. Derivatives held by us are designated as hedges of specific exposures at inception, with an expectation that changes in the fair value will essentially offset the change in the underlying exposure. Discontinuance of hedge accounting is required whenever it is subsequently determined that an underlying transaction is not going to occur, with any gains or losses recognized in the Consolidated Statement of Operations at such time, with any subsequent changes in fair value recognized currently in earnings. Fair values of derivatives are determined based on quoted prices for similar contracts. The effective portion of the change in fair value of the interest rate swap is reported in accumulated other comprehensive income, a component

Note H. Fair Value Measurement (Continued)

of stockholders' equity, and is being recognized as an adjustment to interest expense or other (expense) income, respectively, over the same period the related expenses are recognized in earnings. Ineffectiveness would occur when changes in the market value of the hedged transactions are not completely offset by changes in the market value of the derivative and the those related gains and losses on derivatives representing hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized currently in earnings when incurred. No ineffectiveness was recognized during 2013, 2012 or 2011.

The significant inputs used to derive the fair value of the contingent acquisition consideration include financial forecasts of future operating results, the probability of reaching the forecast and the associated discount rate. The weighted average probability of the contingent acquisition consideration ranges from 20% to 50%, with a weighted average discount rate of 7%.

The following table provides a reconciliation of the beginning and ending balances for the contingent consideration liability measured at fair value using significant unobservable inputs (Level 3):

	Due to Seller
Balance at December 31, 2010	$(6,807)
Increase related to new acquisitions	—
Payment of contingent consideration	—
Change in fair value	309
Balance at December 31, 2011	(6,498)
Increase related to new acquisitions	—
Payment of contingent consideration	2,202
Change in fair value	972
Balance at December 31, 2012	(3,324)
Increase related to new acquisitions	—
Payment of contingent consideration	896
Change in fair value	891
Balance at December 31, 2013	$(1,537)

For the year ended December 31, 2013, 2012 and 2011, the Company recognized a benefit of $891, $972 and $309, respectively, in general and administrative expenses in the statement of income due to the change in fair value measurements using a level three valuation technique. These adjustments were the result of using revised forecasts to operating results, updates to the probability of achieving the revised forecasts and updated fair value measurements that revised the Company's contingent consideration obligations related to the purchase of these businesses.

Note H. Fair Value Measurement (Continued)

Nonrecurring Fair Value Measurements

Certain assets are measured at fair value on a nonrecurring basis; that is, the assets are measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances (for example, when there is evidence of impairment). Non-financial assets such as goodwill, intangible assets, and leasehold improvements, equipment land and construction in progress are subsequently measured at fair value when there is an indicator of impairment and recorded at fair value only when an impairment is recognized. The Company assesses the impairment of intangible assets annually or whenever events or changes in circumstances indicate that the carrying amount of an intangible asset may not be recoverable. The fair value of its goodwill and intangible assets is not estimated if there is no change in events or circumstances that indicate the carrying amount of an intangible asset may not be recoverable. The Company has not recorded impairment charges related to its business acquisitions. The purchase price of business acquisitions is primarily allocated to the tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values on the acquisition dates, with the excess recorded as goodwill. The Company utilizes Level 3 inputs in the determination of the initial fair value.

Financial instruments not measured at fair value

The following table presents the carrying amounts and estimated fair values of financial instruments not measured at fair value in the Consolidated Balance Sheet at December 31, 2013 and 2012:

	2013		2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In thousands)			
Cash and cash equivalents	$ 23,158	$ 23,158	$ 28,450	$ 28,450
Long-term debt—				
Senior credit facility, net of discount	(286,672)	(286,672)	(307,939)	(307,939)
Other obligations	$ (1,994)	$ (1,994)	$ (2,620)	$ (2,620)

The carrying value of cash and cash equivalents approximates their fair value due to the short-term nature of these financial instruments and would be classified as a Level 1. The fair value of the Senior Credit Facility and Obligations on seller notes and other obligations were estimated to not be materially different from the carrying amount and are generally measured using a discounted cash flow analysis based on current market interest rates for similar types of financial instruments and would be classified as a Level 2.

Note I. Borrowing Arrangements

Long-term borrowings, in order of preference, consisted of the following:

	Maturity Date	Amount Outstanding December 31, 2013	Amount Outstanding December 31, 2012
		(In thousands)	
Senior credit facility, net of discount	October 2, 2017	$286,672	$307,939
Other obligations	Various	1,994	2,620
Total debt		288,666	310,559
Less current portion		24,632	21,837
Total long-term debt		$264,034	$288,722

Aggregate minimum principal maturities of long-term debt for the fiscal years following December 31, 2013, are as follows:

2014	$ 25,793
2015	30,175
2016	32,061
2017	204,173
Thereafter	17
Total debt	292,219
Less: Current portion, including debt discount	24,632
Less: Discount on debt	3,553
Total long-term portion, including debt discount	$264,034

Senior Credit Facility

In connection with the Merger, on the Closing Date, the Company entered into a Credit Agreement with Bank of America, as administrative agent, Wells Fargo Bank, N.A. (“Wells Fargo Bank”) and JPMorgan Chase Bank, as co-syndication agents, U.S. Bank National Association, First Hawaiian Bank and General Electric Capital Corporation, as co-documentation agents, Merrill Lynch, Pierce, Fenner & Smith Inc., Wells Fargo Securities, LLC and J.P. Morgan Securities LLC, as joint lead arrangers and joint book managers, and the lenders party thereto (the “Lenders”).

Pursuant to the terms, and subject to the conditions, of the Credit Agreement, the Lenders have made available to the Company a secured Senior Credit Facility (the “Senior Credit Facility”) that permits aggregate borrowings of $450,000 consisting of (i) a revolving credit facility of up to $200,000 at any time outstanding, which includes a letter of credit facility that is limited to $100,000 at any time outstanding, and (ii) a term loan facility of $250,000. The Senior Credit Facility matures on October 2, 2017.

The Company drew down the entire amount of the term loan portion of the Senior Credit Facility and borrowed $72,800 under the revolving credit facility in connection with the closing of the Central

Note I. Borrowing Arrangements (Continued)

Merger. The proceeds from these borrowings were used by the Company to repay outstanding indebtedness of the Company and Central, and will also be used to pay costs and expenses related to the Merger and the related financing and fund ongoing working capital and other general corporate purposes.

Borrowings under the Senior Credit Facility bear interest, at the Company's option, (i) at a rate per annum based on the Company's consolidated total debt to EBITDA ratio for the 12-month period ending as of the last day of the immediately preceding fiscal quarter, determined in accordance with the applicable pricing levels set forth in the Credit Agreement (the "Applicable Margin") for LIBOR loans, plus the applicable LIBOR rate or (ii) the Applicable Margin for base rate loans plus the highest of (x) the federal funds rate plus 0.5%, (y) the Bank of America prime rate and (z) a daily rate equal to the applicable LIBOR rate plus 1.0%.

Under the terms of the Credit Agreement, the Company is required to maintain a maximum consolidated total debt to EBITDA ratio of not greater than 4.5:1.0 (with certain step-downs described in the Credit Agreement). In addition, the Company is required to maintain a minimum consolidated fixed charge coverage ratio of not less than 1.25:1.0 (with certain step-ups described in the Credit Agreement).

Events of default under the Credit Agreement include failure to pay principal or interest when due, failure to comply with the financial and operational covenants, the occurrence of any cross default event, non-compliance with other loan documents, the occurrence of a change of control event, and bankruptcy and other insolvency events. If an event of default occurs and is continuing, the Lenders holding a majority of the commitments and outstanding term loan under the Credit Agreement have the right, among others, to (i) terminate the commitments under the Credit Agreement, (ii) accelerate and require the Company to repay all the outstanding amounts owed under the Credit Agreement and (iii) require the Company to cash collateralize any outstanding letters of credit.

Each wholly owned domestic subsidiary of the Company (subject to certain exceptions set forth in the Credit Agreement) has guaranteed all existing and future indebtedness and liabilities of the other guarantors and the Company arising under the Credit Agreement.

In connection with and effective upon the execution and delivery of the Credit Agreement on October 2, 2012, the Company terminated its then-existing Amended and Restated Credit Agreement (the "Former Credit Agreement"), dated as of July 15, 2008. In connection with the extinguishment of debt, $693 related to the interest rate cap was recorded in interest expense during the year ended December 31, 2012. Loss on the extinguishment of debt of $51 was recorded in interest expense during the fourth quarter related to debt issuance costs. There were no termination penalties incurred by the Company in connection with the termination of the Former Credit Agreement.

The Company is in compliance with all of its covenants as of December 31, 2013.

The weighted average interest rate on our Senior Credit Facility was 3.7% and 3.7% at both periods ending at December 31, 2013 and 2012. The rate includes all outstanding LIBOR contracts, cash flow hedge effectiveness effect and letters of credit. The weighted average interest rate on

Note I. Borrowing Arrangements (Continued)

outstanding borrowings, not including letters of credit, was 3.8% and 3.9%, respectively, at December 31, 2013 and December 31, 2012.

At December 31, 2013, the Company had $59,498 of letters of credit outstanding under the Senior Credit Facility, borrowings against the Senior Credit Facility aggregated $290,225 (excluding debt discount of $3,553), and the Company had $72,303 available under the senior credit facility. The Company has entered into various financing agreements, which were used for the purchase of equipment.

The Company acquired Subordinated Convertible Debentures ("Convertible Debentures") as a result of the acquisition of Central. The subordinated debenture holders have the right to redeem the Convertible Debentures for $19.18 cash per share upon their stated maturity (April 1, 2028) or upon acceleration or earlier repayment of the Convertible Debentures. There were no redemptions during the years ended December 31, 2013 and 2012. Approximately $1,254 (redemption value) Convertible Debentures remain outstanding at both December 31, 2013 and 2012.

Note J. Accumulated Other Comprehensive Income (Loss)

The components of accumulated other comprehensive income (loss) is comprised of unrealized gains (losses) on cash flow hedges and foreign currency translation adjustments. The components of changes in accumulated comprehensive income (loss), net of taxes, were as follows:

	Foreign Currency Translation Adjustments	Effective Portion of Unrealized Gain (Loss) on Derivative	Total Accumulated Other Comprehensive Income (Loss)
Balance as of December 31, 2010	$ 483	$(380)	$ 103
Change in other comprehensive income (loss)	(390)	(31)	(421)
Balance as of December 31, 2011	93	(411)	(318)
Change in other comprehensive income (loss)	2	(65)	(63)
Balance as of December 31, 2012	95	(476)	(381)
Change in other comprehensive income (loss)	(463)	962	499
Balance as of December 31, 2013	$(368)	$ 486	$ 118

Note K. Income Taxes

For financial reporting purposes, income before taxes includes the following components:

	2013	2012	2011
United States	$21,365	$(1,468)	$27,152
Foreign	2,221	222	1,024
Total	$23,586	$(1,246)	$28,176

The components of income tax expense (benefit) for the years ended December 31, 2013, 2012 and 2011 were as follows:

	2013	2012	2011
Current provision:			
U.S. federal	$3,183	$ 748	$ 6,202
Foreign	734	233	292
State	2,162	(11,830)	1,678
Total current	6,079	(10,849)	8,172
Deferred provision:			
U.S. federal	2,301	6,069	2,547
Foreign	(91)	(11)	5
State	532	1,171	(24)
Total deferred	2,742	7,229	2,528
Income tax expense (benefit)	$8,821	$ (3,620)	$10,700

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

Note K. Income Taxes (Continued)

purposes. Significant components of the Company's deferred tax assets and liabilities as of December 31, 2013 and 2012 are as follows:

	2013	2012
Deferred tax assets:		
Net operating loss carry forwards	$ 21,621	$ 28,054
Accrued expenses	32,665	33,276
Accrued compensation	10,033	10,551
Book over tax cost unfavorable lease contracts	37,758	36,339
Other	129	169
Gross deferred tax assets	102,206	108,389
Less: valuation allowance	(21,340)	(25,299)
Total deferred tax asset	80,866	83,090
Deferred tax liabilities:		
Prepaid expenses	(450)	(516)
Undistributed foreign earnings	(1,065)	(1,144)
Tax over book depreciation and amortization	(20,586)	(3,047)
Tax over book goodwill amortization	(28,713)	(27,496)
Tax over book cost favorable contracts	(31,824)	(43,417)
Other	(5,259)	(11,284)
Total deferred tax liabilities	(87,897)	(86,904)
Net deferred tax liability	$ (7,031)	$ (3,814)

Amounts recognized on the balance sheet consist of:

	2013	2012
Deferred tax asset, current	$ 10,317	$ 15,265
Deferred tax (liability), long term	(17,348)	(19,079)
Net deferred tax liability	$ (7,031)	$ (3,814)

The accounting guidance for accounting for income taxes requires that the Company assess the realizability of deferred tax assets at each reporting period. These assessments generally consider several factors including the reversal of existing temporary differences, projected future taxable income, and potential tax planning strategies. The Company has valuation allowances totaling $21,340 and $25,299, respectively, at December 31, 2013 and 2012 primarily related to our state Net Operating Loss carryforwards ("NOLs") and state tax credit that the Company believes are not likely to be realized based on upon its estimates of future taxable income, limitations on the use of its state NOLs, and the carryforward life over which the state tax benefit is realized.

At December 31, 2013, the Company had $2,486 of gross federal NOLs, which will expire in 2024. As a result of the initial public offering completed in June of 2004, an ownership change occurred

Note K. Income Taxes (Continued)

under Internal Revenue Code Section 382, which limits its ability to use pre-change NOLs to reduce future taxable income. Additionally, a second ownership change occurred in May 2009, however, since the fair market value of the Company's shares were significantly higher than at the time of the initial public offering, there was no change in the applicable Section 382 limitation that limits its ability to utilize pre-change NOLs.

The Company has $19,999 of tax-effected state net operating loss carryforwards as of December 31, 2013, which will expire in the years 2014 through 2028. As noted above, the utilization of the state net operating loss carryforwards of the Company are limited due to the ownership change in June 2004 and are also limited due to the Central Merger. The Company has $113 of tax-effected foreign net operating loss carryforwards related to its Canadian subsidiary.

Since 2005, the Company has treated its investment in its Canadian subsidiary as non-permanent in duration and provided taxes on the undistributed Canadian earnings. As of December 31, 2013, the Company treats approximately $1,600 of Canadian earnings as permanently reinvested to meet the Canadian subsidiary's working capital requirements. The amount of tax that may be payable on the distribution of such earnings to the United States is approximately $612. Generally, such amounts will become subject to U.S. taxation upon the remittance of dividends and under certain other circumstances. The Company has provided taxes for the remaining undistributed earnings of its Canadian subsidiary in excess of the permanently reinvested amount. The Company is treating its cumulative earnings of $3,852 in its Puerto Rico subsidiary as permanent in duration to satisfy current working capital requirements. The amount of tax that may be payable on a distribution of such earnings to the United States is $1,599.

A reconciliation of the Company's reported income tax provision (benefit) to the amount computed by multiplying book income / (loss) before income taxes by the statutory United States federal income tax rate is as follows:

	2013	2012	2011
Tax at statutory rate	$ 8,255	$ (436)	$ 9,861
Permanent differences	844	4,534	572
State taxes, net of federal benefit	1,397	1,086	1,067
Effect of foreign tax rates	49	8	(71)
Uncertain tax positions	—	(8,104)	—
Current year adjustment to deferred taxes	3,960	—	—
Recognition of tax credits	(1,699)	(432)	(903)
Other	(25)	(276)	174
	12,781	(3,620)	10,700
Change in valuation allowance	(3,960)	—	—
Income tax (benefit) expense	$ 8,821	$(3,620)	$10,700

Taxes paid, which are for United States federal income tax, certain state income taxes, and foreign income taxes were $1,331, $3,651 and $7,507 in 2013, 2012 and 2011, respectively.

Note K. Income Taxes (Continued)

As of December 31, 2013, the Company has not identified any uncertain tax positions that would have a material impact on the Company's financial position. As a result of the Central Merger, the Company recorded $6,780, plus accrued interest of $5,328 and penalties of $678, for a state uncertain tax position as part of the opening balance sheet. Due to the lapsing of the statute of limitations for this position in the fourth quarter 2012, the Company decreased its uncertain tax position for the full amount of the liability previously established and reversed the previously accrued interest. As a result, the Company does not have any uncertain tax positions recorded as of December 31, 2013.

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits:

	2013	2012	2011
Unrecognized tax benefits—January 1,	—	—	—
Gross adjustments—Central Merger	—	6,780	—
Gross increases—tax positions in prior period	—	—	—
Gross decreases—tax positions in prior period	—	—	—
Gross increases—tax positions in current period	—	—	—
Settlement	—	—	—
Lapse of statute of limitations	—	(6,780)	—
Unrecognized tax benefits—December 31,	—	—	—

The Company recognizes potential interest and penalties related to uncertain tax positions, if any, in income tax expense.

The tax years that remain subject to examination for the Company's major tax jurisdictions at December 31, 2013 are shown below:

2009 - 2013	United States—federal income tax
2007 - 2013	United States—state and local income tax
2010 - 2013	Foreign—Canada and Puerto Rico

Note L. Benefit Plans

The Company offers deferred compensation arrangements for certain key executives. Subject to their continued employment by the Company, certain employees are offered supplemental pension arrangements in which the employees will receive a defined monthly benefit upon attaining age 65. At December 31, 2013 and 2012, the Company has accrued $3,710 and $3,669, respectively, representing the present value of the future benefit payments. Expenses related to these plans amounted to $145, $486, and $311 in 2013, 2012 and 2011, respectively.

As a result of the Central Merger, the Company has agreements with certain former key executives that provide for aggregate annual payments ranging from $32 to $144 per year for periods ranging from 10 years to life, beginning when the executive retires or upon death or disability. Under certain conditions, the amount of deferred benefits can be reduced. Life insurance contracts with a face value of approximately $6,986 as of December 31, 2013 have been purchased to fund, as necessary, the

Note L. Benefit Plans (Continued)

benefits under these agreements. The cash surrender value of the life insurance contracts is approximately $993 and $700 at December 31, 2013 and 2012, respectively, and classified in non-current assets and included in Other assets, net. The plan is a non-qualified plan and is not subject to ERISA funding requirements. Compensation costs for the years ended December 31, 2013 and 2012 was $565 and $855, respectively. The Company had recorded a liability in other long-term liabilities of $3,586 and $3,942 associated with these agreements as of December 31, 2013 and 2012, respectively.

The Company sponsors savings and retirement plan whereby the participants may elect to contribute a portion of their compensation to the plan. The plans are qualified defined contribution plans 401(K). For the Standard plan, the Company contributes an amount in cash or other property as a Company match equal to 50% of the first 4% of contributions as they occur. For the Central Plan, the Company will match an amount equal to 100% of the participant's contributions up to 3% of compensation and 50% of the participant's contributions exceeding 3% but not to exceed 5% of compensation. Expenses related to these plans amounted to $1,764, $893, and $988 in 2013, 2012 and 2011, respectively. The two plans merged effective January 1, 2014.

The Company also offers a non-qualified deferred compensation plan to those employees whose participation in its 401(k) plan is limited by statute or regulation. This plan allows certain employees to defer a portion of their compensation, limited to a maximum of $50 per year, to be paid to the participants upon separation of employment or distribution date selected by employee. To support the non-qualified deferred compensation plan, the Company has elected to purchase Company Owned Life Insurance ("COLI") policies on certain plan participants. The cash surrender value of the COLI policies is designed to provide a source for funding the the non-qualified deferred compensation liability. As of December 31, 2013 and 2012, the cash surrender value of the COLI policies is $8,151 and $5,620, respectively and is included in other non-current assets on the Consolidated Balance Sheet. The liability for the non-qualified deferred compensation plan is included in other long-term liabilities on the Consolidated Balance Sheet and was $9,096 and $6,064 as of December 31, 2013 and 2012, respectively.

The Company contributes to a number of multiemployer defined benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees. The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects:

a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

c. If the Company chooses to stop participating in one of its multiemployer plans, it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as withdrawal liability.

The Company's contributions represented more than 5% of total contributions to the Teamsters Local Union No. 727 Benefit Fund for the plan year ending February 28, 2013. The Company does not

Note L. Benefit Plans (Continued)

represent more than five percent to any other fund. The Company's participation in this plan for the annual periods ended December 31, 2013, 2012 and 2011, is outlined in the table below. The "EIN/ Pension Plan Number" column provides the Employee Identification Number ("EIN") and the three-digit plan number, if applicable. The zone status is based on information that the Company received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a Financial Improvement Plan ("FIP") or a Rehabilitation Plan ("RP") is either pending or has been implemented. The "Expiration Date of Collective Bargaining Agreement" column lists the expiration dates of the agreements to which the plans are subject.

Pension	EIN/ Pension Plan Number	Pension Protection Zone Status			FIP/FR Pending Implementation	Contributions			Surcharge Imposed	Zone Status as of the Most Recent Annual Report	Expiration Date of Collective Bargaining Agreement
		2013	2012	2011		2013	2012	2011			
Teamsters Local Union 727	36-61023973	Green	Green	Green	N/A	3,376	3,617	2,500	No	2013	10/31/2016

Net expenses for contributions not reimbursed by clients and related to multiemployer defined benefit and defined contribution benefit plans were $621, $762 and $710 in 2013, 2012 and 2011, respectively.

In the event that the Company decides to cease participating in these plans, the Company could be assessed a withdrawal liability. The Company currently does not have any intentions to cease participating in these multiemployer pension plans and therefore would not trigger the withdrawal liability.

Note M. Leases and Contingencies

The Company operates parking facilities under operating leases expiring on various dates, generally prior to 2020. Certain of the leases contain options to renew at the Company's discretion.

Total future annual rent expense is not determinable as a portion of such future rent is contingent based on revenues of the parking facilities. At December 31, 2013, the Company's minimum rental

Note M. Leases and Contingencies (Continued)

commitments, excluding contingent rent provisions under all non-cancellable operating leases, are as follows:

2014(1)	$178,127
2015	129,447
2016	106,513
2017	86,711
2018	65,846
2019 and thereafter	232,340
	$798,984

(1) $34,111 is included in 2014's minimum commitments for leases that expire in less than one year.

Rent expense, including contingent rents, was $326,814, $173,502 and $108,324 in 2013, 2012 and 2011, respectively. Contingent rent expense was $133,877, $79,552 and $58,309 in 2013, 2012 and 2011, respectively. Contingent rent expense consists primarily of percentage rent payments, which will cease at various times as certain leases expire.

The Company enters into contingent purchase price arrangements from time to time for its business combinations and depending upon the date of the business combination, some of its contingent purchase price arrangements are not reflected in its consolidated balance sheet as those acquisitions occurred prior to the adoption of the most recent guidance on business combinations which now requires these to be recorded at fair value on the date of the acquisition.

The Company accrued contingent payment obligations outstanding under the previous business combination accounting pronouncement of $254 and $255 (on an undiscounted basis), as of December 31, 2013 and 2012, respectively. Such contingent payments have been accounted for as additional purchase price as all performance criteria have been achieved for the respective year. Additionally. The Company has recorded a contingency obligation for acquisitions subsequent to the adoption of the most recent guidance on business combinations, in the amount of $1,537 and $3,324, as of December 31, 2013 and 2012, as of December 31,2013 and 2012, respectively.

Note N. Management Contracts and Related Arrangements with Affiliates

Closing Agreements

In connection with the Central Merger, on February 28, 2012, the Company entered into initial Closing Agreements (the "Initial Closing Agreements") with each of Lubert-Adler Real Estate Fund V, L.P. and Lubert-Adler Real Estate Parallel Fund V, L.P. (collectively, "Lubert-Adler Entities"); each of Kohlberg Investors V, L.P., Kohlberg TE Investors V, L.P., Kohlberg Partners V, L.P., Kohlberg Offshore Investors V, L.P., and KOCO Investors V, L.P. (collectively, the "Kohlberg Entities"); and each of Versa Capital Fund I, L.P. and Versa Capital Fund I Parallel, L.P. (collectively, the "Versa Entities"). As of the most recent filings with the Securities and Exchange Commission, the Lubert-Adler Entities collectively own approximately 6.1% of our common stock, the Kohlberg Entities collectively own approximately 16.6% of our common stock, and the Versa Entities collectively own approximately 5.1% of our common stock. In addition, Paul Halpern, one of the Company's directors, is affiliated with the Versa Entities; and Jonathan P. Ward and Gordon H. Woodward, both directors, are affiliated with the Kohlberg Entities.

Under the Initial Closing Agreements, the Lubert-Adler, Kohlberg and Versa Entities (collectively, the "Central Stockholders") agreed, among other things, to vote their shares of our common stock in accordance with the Board's recommendations or, in specified cases, in proportion to the votes made by the Company other stockholders, until October 2, 2015.

Additionally, the Initial Closing Agreements provide that each Central Stockholder will be subject to a four-year "standstill period" following the closing of the Merger, during which each such Central Stockholder will not, among other things, (i) acquire any additional voting securities of the Company, (ii) seek or propose a merger, acquisition, tender offer or other extraordinary transaction with respect to the Company, (iii) call a meeting of Company stockholders or initiate a stockholder proposal, or (iv) form a "group" with any person with respect to Company securities.

The Initial Closing Agreements also impose certain restrictive covenants on some of the Central Stockholders, including, among others, (i) non-compete covenants, (ii) non-solicitation covenants, (iii) confidentiality obligations and (iv) non-disparagement requirements.

The foregoing description of the Initial Closing Agreements does not purport to be complete and is qualified in its entirety by reference to the Closing Agreements, copies of which are attached to the Company's Current Report on Form 8-K filed on February 29, 2012 as Exhibits 10.2 through 10.4 and incorporated by reference herein.

In connection with the Central Merger, on October 2, 2012, the Company entered into Additional Closing Agreements (the "Additional Closing Agreements") with the Central Stockholders. Pursuant to the terms of the Additional Closing Agreements, the Kohlberg, Lubert-Adler and Versa Entities have each agreed that, until October 2, 2015 and for so long as it owns in the aggregate (together with its affiliates, all other Central stockholders and their respective affiliates and any other persons with which any of the foregoing form a "group") beneficially or of record more than 10% of Company issued and outstanding common stock, to cause the shares of our common stock held by them to be counted as

Note N. Management Contracts and Related Arrangements with Affiliates (Continued)

present at any meeting of Company stockholders and to vote, in person or by proxy, all of such shares of Company common stock as follows:

Until October 2, 2014:

- with respect to the election of directors to the Company's Board, "for" any nominees recommended by the Board; and
- with respect to all other matters submitted for a vote of Company stockholders, in accordance with the recommendation of the Board with respect to such matters.

From October 3, 2014 until October 2, 2015:

- with respect to the election of directors to the Board, "for" any nominees recommended by our Board; and
- with respect to all other matters submitted for a vote of Company stockholders, in proportion to the votes cast by all of the Company's other stockholders.

The Additional Closing Agreements also provide that the Kohlberg, Lubert-Adler and Versa Entities will be subject to a four-year standstill period following the Closing Date, during which time, such Central Stockholder will not, among other things, (i) acquire or agree to acquire any additional voting securities of the Company, (ii) seek or propose a merger, acquisition, tender offer or other extraordinary transaction with or involving the Company or any of its subsidiaries or their respective securities or assets, (iii) call a meeting of the stockholders of the Company or initiate a stockholder proposal or (iv) form a "group" (as defined in Section 13(d)(3) of the Securities Exchange Act of 1934) with any person (other than an affiliate of such Central Stockholder) with respect to the acquisition or voting of any of the Company's voting securities.

The Additional Closing Agreements impose certain restrictive covenants on the Kohlberg and Versa Entities, including (i) confidentiality obligations with respect to the Company confidential information and (ii) non-disparagement requirements. The Lubert-Adler Entity is subject to confidentiality obligations with respect to its confidential information pursuant to the terms of its Additional Closing Agreement.

The foregoing description of the Additional Closing Agreements does not purport to be complete and is qualified in its entirety by reference to the Additional Closing Agreements, copies of which are attached as Exhibits 10.2 through 10.8 to the Company's Current Report on Form 8-K filed with the SEC on October 2, 2012.

Agreements Related to Myron C. Warshauer

Myron C. Warshauer, one of the Company's directors, was our chief executive officer until October 15, 2001, when his employment period terminated under the employment agreement with him dated as of March 30, 1998. This agreement, which was amended on July 7, 2003 and May 10, 2004, requires the Company to pay Mr. Warshauer various post-employment benefits. Mr. Warshauer

Note N. Management Contracts and Related Arrangements with Affiliates (Continued)

received payments of $506, which included payments for health and dental insurance, office space and secretarial coverage. This agreement also restricts Mr. Warshauer from competing with us.

In addition, the Company entered into a consulting agreement with Shoreline Enterprises, LLC, which is solely owned by Myron C. Warshauer, dated October 16, 2001, as amended on May 10, 2004. Pursuant to this agreement, Mr. Warshauer provides consulting services under the title of Vice Chairman (Emeritus), which title and role is not that of an officer, director, employee or agent of the Company. Under this agreement, the Company paid Shoreline $178 and $183 for the years ended December 31, 2013 and 2012, respectively.

Both of these agreements terminate on December 5, 2014 and permit Mr. Warshauer to provide the Company with consulting services to the extent and manner as he determines.

Related Arrangements with Affiliates

In 2013 and 2012 the Company provided property management services for twelve separate retail shopping centers and commercial office buildings in which D&E Parking, Inc. has an ownership interest. Edward Simmons, an executive officer of SP Plus, has an ownership interest in D&E. In consideration of the property management services the Company provided for these twelve properties, the Company recorded net management fees totaling $285 and $625 for the years ended December 31, 2013 and 2012, respectively.

Note O. Legal Proceedings

The Company is are subject to litigation in the normal course of its business. The outcomes of legal proceedings and claims brought against it and other loss contingencies are subject to significant uncertainty. The Company accrues a charge against income when its management determines that it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. In addition, the Company accrues for the authoritative judgments or assertions made against it by government agencies at the time of their rendering regardless of its intent to appeal. In addition, the Company is from time-to-time party to litigation administrative proceedings and union grievances that arise in the normal course of business, and occasionally pays non-material amounts to resolve claims or alleged violations of regulatory requirements. There are no "normal course" matters that separately or in the aggregate, would, in the opinion of management, have a material adverse effect on its operation, financial condition or cash flow.

In determining the appropriate accounting for loss contingencies, the Company considers the likelihood of loss or impairment of an asset or the incurrence of a liability, as well as its ability to reasonably estimate the amount of loss. The Company regularly evaluates current information available to its to determine whether an accrual should be established or adjusted. Estimating the probability that a loss will occur and estimating the amount of a loss or a range of loss involves significant judgment.

Note P. Goodwill

The amounts for goodwill and changes to carrying value by operating segment are as follows:

	Region One	Region Two	Region Three	Region Four	Region Five	Total
Balance as of December 31, 2011	$ 65,697	$ 3,760	$37,097	$22,577	$ 3,286	$132,417
Goodwill acquired during the period	127,782	28,485	28,893	40,044	81,395	306,599
Contingent payments for businesses acquired	279	—	53	—	—	332
Foreign currency translation	—	—	138	—	—	138
Balance as of December 31, 2012	$193,758	$32,245	$66,181	$62,621	$84,681	$439,486
Contingent payments related to acquisitions	$ 342	$ —	$ —	$ —	$ —	$ 342
Foreign currency translation	—	—	(325)	—	—	(325)
Balance as of December 31, 2013	$194,100	$32,245	$65,856	$62,621	$84,681	$439,503

Note Q. Bradley Agreement

The Company entered into a 25-year agreement with the State of Connecticut (“State”) that expires on April 6, 2025, under which it operates the surface parking and 3,500 garage parking spaces at Bradley International Airport (“Bradley”) located in the Hartford, Connecticut metropolitan area.

The parking garage was financed through the issuance of State of Connecticut special facility revenue bonds and provides that the Company deposits, with the trustee for the bondholders, all gross revenues collected from operations of the surface and garage parking. From these gross revenues, the trustee pays debt service on the special facility revenue bonds outstanding, operating and capital maintenance expense 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 increase from approximately $3,600 in contract year 2002 to approximately $4,500 in contract year 2025. Annual guaranteed minimum payments to the State increase from approximately $8,300 in contract year 2002 to approximately $13,200 in contract year 2024. The annual minimum guaranteed payment to the State by the trustee for the twelve months ended December 31, 2013 and 2012 was $10,593 and $10,375, respectively. All of the cash flow from the parking facilities are pledged to the security of the special facility revenue bonds and are collected and deposited with the bond trustee. Each month the bond trustee makes certain required monthly distributions, which are characterized as “Guaranteed Payments.” To the extent the monthly gross receipts generated by the parking facilities are not sufficient for the trustee to make the required Guaranteed Payments, the Company is obligated to deliver the deficiency amount to the trustee, with such deficiency payments representing interest bearing advances to the trustee. The Company does not directly guarantee the payment of any principal or interest on any debt obligations of the State of Connecticut or the trustee.

The following is the list of Guaranteed Payments:

- Garage and surface operating expenses,

Note Q. Bradley Agreement (Continued)

- Principal and interest on the special facility revenue bonds,
- Trustee expenses,
- Major maintenance and capital improvement deposits; and
- State minimum guarantee.

To the extent sufficient funds, the trustee is then directed to reimburse the Company for deficiency payments up to the amount of the calculated surplus, with the Company having the right to be repaid the principal amount of any and all deficiency payments, together with actual interest and premium, not to exceed 10% of the initial deficiency payment. The Company calculates and records interest and premium income along with deficiency principal repayments as a reduction of cost of parking services in the period the associated deficiency repayment is received from the trustee. The Company believes these advances to be fully recoverable as the Bradley Agreement places no time restriction on the Company's right to reimbursement. The reimbursement of principal, interest and premium will be recognized when received.

The total deficiency payments, net of reimbursements, as of December 31, 2013 and 2012 are as follows:

	December 31,	
	2013	2012
Balance at beginning of year	$14,598	$13,407
Deficiency payments made	924	1,658
Deficiency repayment received	(873)	(467)
Balance at end of year	$14,649	$14,598

In the year ended December 31, 2013, the Company made deficiency payments (net of repayments received) of $51 and received interest of $477 and premium of $69, with the net of these amounts recorded as reduction in cost of parking services. In the year ended December 31, 2012, the Company made deficiency payments (net of repayments received) of $1,191 and received interest of $85, with the net of these amounts recorded as additional cost of parking services. In addition, the Company has accrued $100 of estimated deficiency payments as of December 31, 2013, as these expected deficiency payments have met the criteria of being both probable and estimable. There were no amounts of expected deficiency payments accrued as of December 31, 2012.

In addition to the recovery of certain general and administrative expenses incurred, the Bradley Agreement provides for an annual management fee payment, which is based on operating profit tiers. The annual management fee is further apportioned 60% to the Company and 40% to an un-affiliated entity and the annual management fee will be paid to the extent funds are available for the trustee to make distribution, and are paid after Guaranteed Payments (as defined in the Bradley Agreement) repayment of all deficiency payments, including interest and premium. Cumulative management fees of approximately $13,733 and $12,733 have not been recognized as of December 31, 2013 and 2012, respectively, and no management fees were recognized as revenue during 2013, 2012 or 2011.

Note R. Domestic and Foreign Operations

Business Unit Segment Information

Segment information is presented in accordance with a "management approach," which designates the internal reporting used by the chief operating decision maker for making decisions and assessing performance as the source of the Company's reportable segments. The Company's segments are organized in a manner consistent with which separate financial information is available and evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and in assessing the Company's overall performance.

An operating segment is defined as a component of an enterprise that engages in business activities from which it may earn revenue and incur expenses, and about which separate financial information is regularly evaluated by the chief operating decision maker. The chief operating decision maker is the Company's president and chief executive officer. Each of the operating segments is directly responsible for revenue and expenses related to their operations including direct regional administrative costs. Finance, information technology, human resources, and legal are shared functions that are not allocated back to the four operating segments. The chief operating decision maker assesses the performance of each operating segment using information about its revenue and operating income (loss) before interest, taxes, and depreciation and amortization, but does not evaluate segments using discrete asset information. There are no inter-segment transactions and the Company does not allocate interest and other income, interest expense, depreciation and amortization or taxes to operating segments. The accounting policies for segment reporting are the same as for the Company as a whole.

The chief operating decision maker does not evaluate segments using discrete asset information. The business is managed based on regions administered by executive vice presidents. On November 1, 2013, the Company changed its internal reporting segment information reported to its CODM. The Company now reports Ontario, Manitoba and Quebec in Region One and Missouri, Nebraska, North Carolina and South Carolina in Region Five. All periods presented have been restated to reflect the new internal reporting to the CODM.

Region One encompasses operations in Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Virginia, West Virginia, Wisconsin and the three Canadian provinces of Manitoba, Ontario, and Quebec.

Region Two encompasses event planning and transportation, and its technology-based parking and traffic management systems.

Region Three encompasses operations in Arizona, California, Colorado, Hawaii, New Mexico, Oregon, Utah, Washington and the Canadian province of Alberta.

Region Four encompasses all major airport and transportation operations nationwide.

Region Five encompasses Alabama, Florida, Georgia, Louisiana, Mississippi, Missouri, Nebraska, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, and Texas.

Other consists of ancillary revenue that is not specifically identifiable to a region and insurance reserve adjustments related to prior years.

Note R. Domestic and Foreign Operations (Continued)

The following is a summary of revenues (excluding reimbursed management contract revenue) and gross profit by operating segment for the years ended December 31, 2013, 2012 and 2011 (in thousands):

	Year Ended December 31,					
	2013	Gross Margin	2012	Gross Margin	2011	Gross Margin
Revenues(a):						
Region One						
Lease contracts	$ 299,280		$134,851		$ 73,657	
Management contracts	109,846		69,144		53,647	
Total Region One	409,126		203,995		127,304	
Region Two						
Lease contracts	4,418		1,425		—	
Management contracts	31,213		21,599		9,178	
Total Region Two	35,631		23,024		9,178	
Region Three						
Lease contracts	46,281		27,116		17,373	
Management contracts	63,673		51,313		46,103	
Total Region Three	109,954		78,429		63,476	
Region Four						
Lease contracts	43,532		42,986		39,522	
Management contracts	99,841		61,454		47,491	
Total Region Four	143,373		104,440		87,013	
Region Five						
Lease contracts	94,663		44,070		16,939	
Management contracts	42,410		26,796		16,297	
Total Region Five	137,073		70,866		33,236	
Other						
Lease contracts	1,400		(93)		18	
Management contracts	364		195		1,010	
Total Other	1,764		102		1,028	
Reimbursed management contract revenue	629,878		473,082		408,427	
Total revenues	$1,466,799		$953,938		$729,662	
Gross Profit						
Region One						
Lease contracts	$ 12,291	4%	$ 5,617	4%	$ 5,366	7%
Management contracts	50,987	46%	32,612	47%	28,308	53%
Total Region One	63,278		38,229		33,674	

Note R. Domestic and Foreign Operations (Continued)

	Year Ended December 31,					
	2013	Gross Margin	2012	Gross Margin	2011	Gross Margin
Region Two						
Lease contracts	162	4%	51	4%	—	0%
Management contracts	9,810	31%	3,772	17%	1,928	21%
Total Region Two	9,972		3,823		1,928	
Region Three						
Lease contracts	3,643	8%	2,245	8%	1,667	10%
Management contracts	26,001	41%	20,760	40%	20,664	45%
Total Region Three	29,643		23,005		22,331	
Region Four						
Lease contracts	3,024	7%	2,918	7%	2,743	7%
Management contracts	26,534	27%	16,820	27%	14,813	31%
Total Region Four	29,558		19,738		17,556	
Region Five						
Lease contracts	15,626	17%	5,242	12%	1,150	7%
Management contracts	20,737	49%	10,249	38%	8,108	50%
Total Region Five	36,362		15,491		9,258	
Other						
Lease contracts	(1,261)	N/A	2,502	N/A	135	N/A
Management contracts	4,547	N/A	4,338	N/A	2,673	N/A
Total Other	3,287		6,840		2,808	
Total gross profit	172,101		107,126		87,555	
General and administrative expenses	98,931		86,540		48,297	
General and administrative expense percentage of gross profit	57%		81%		55%	
Depreciation and amortization	31,193		13,513		6,618	
Operating income	41,977		7,073		32,640	
Other expenses (income):						
Interest expense	19,034		8,616		4,691	
Interest income	(643)		(297)		(227)	
	18,391		8,319		4,464	
Income before income taxes	23,586		(1,246)		28,176	
Income tax (benefit) expense	8,821		(3,620)		10,700	
Net income	14,765		2,374		17,476	
Less: Net income attributable to noncontrolling interest	2,676		1,034		378	
Net income attributable to SP Plus Corporation	$ 12,089		$ 1,340		$ 17,098	

(a) Excludes reimbursed management contract revenue.

Note S. Stock-Based Compensation

The Company measures stock-based compensation expense at the grant date, based on the estimated fair value of the award, and the expense is recognized over the requisite employee service period (generally the vesting period) for awards expected to vest (considering estimated forfeitures).

The Company has an amended and restated long-term incentive plan (the "Plan") that was adopted in conjunction with its initial public offering in 2004. On February 27, 2008, the Board of Directors approved an amendment to the Plan, subject to stockholder approval, that increased the maximum number of shares of common stock available for awards under the Plan from 2,000,000 to 2,175,000 and extended the Plan's termination date. Company stockholders approved this Plan amendment on April 22, 2008, and the Plan now terminates twenty years from the date of such approval, or April 22, 2028. On March 13, 2013, the Board approved an amendment to the Plan, subject to stockholder approval, that increased the number of shares of common stock available for awards under the Plan from 2,175,000 to 2,975,000. Company stockholders approved this Plan amendment on April 24, 2013. Forfeited and expired options under the Plan become generally available for reissuance. Our shareholders approved this Plan amendment on April 24, 2013. At December 31, 2013, 605,025 shares remained available for award under the Plan.

Stock Options and Grants

The Company uses the Black-Scholes option pricing model to estimate the fair value of each option grant as of the date of grant. The volatilities are based on the 90 day historical volatility of Company common stock as the grant date. The risk free interest rate is based on zero-coupon U.S. government issues with a remaining term equal to the expected life of the option.

There were no options granted during the years ended December 31, 2013, 2012 and 2011. The Company recognized no stock-based compensation expense related to stock options for the years ended December 31, 2013, 2012 and 2011 as all options previously granted are fully vested.

On April 24, 2013, the Company authorized vested stock grants to certain directors totaling 21,949 shares. The total value of the grant was $465 and is included in general and administrative expenses.

On April 25, 2012, the Company authorized vested stock grants to certain directors totaling 12,995 shares. The total value of the grant, based on the fair value of the stock on the grant date was $245, which was fully expensed at the grant date and is included in general and administrative expenses.

On April 29, 2011, the Company authorized vested stock grants to certain directors totaling 14,009 shares. The total value of the grant, based on the market value of the underlying common stock at the date of grant was $245, which was fully expensed in the year the award was granted and is included in general and administrative expenses.

The Company recognized $465, $245 and $245 of stock based compensation expense for the years ended December 31, 2013, 2012 and 2011, respectively, which are included in general and administrative expense. As of December 31, 2013, there was no unrecognized compensation costs related to unvested options.

Note S. Stock-Based Compensation (Continued)

The following table summarizes the transactions pursuant to the Company's stock option plans for the last three years ended December 31.

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2011	88,124	$6.44		
Granted	—	n/a		
Exercised	(81,023)	$6.49		
Expired	—	n/a		
Outstanding at December 31, 2012	7,101	$5.75		
Granted	—	n/a		
Exercised	—	n/a		
Expired	—	n/a		
Vested and Exercisable at December 31, 2013	7,101	$5.75	1.4	$144

At December 31, 2013, 2012 and 2011, options to purchase 7,101, 7,101 and 88,124 shares of common stock, respectively, were exercisable at weighted average exercise prices of $5.75, $5.75 and $6.44 per share, respectively. The total intrinsic value of options exercised during the years ended December 31, 2013, 2012, and 2011 was $0, $1,025, and $994, respectively.

There were no nonvested options as of December 31, 2013, 2012 and 2011.

Restricted Stock Units

In March 2008, the Company's Board of Directors authorized a one-time grant of 750,000 restricted stock units that subsequently were awarded to members of the senior management team on July 1, 2008. In November 2008, an additional 5,000 restricted stock units were also awarded. The restricted stock units vest in one-third installments on each of the tenth, eleventh and twelfth anniversaries of the grant date. The restricted stock unit agreements are designed to reward performance over a decade or longer.

In October 2012, the Company's Board of Directors authorized a one-time grant of 191,895 restricted stock units that were awarded to the senior management team. The restricted stock units vest in one-third installments on each of the first, second and third anniversaries of the Grant Date. The restricted stock unit agreements are designed to reward performance over a three-year period. Additionally in October 2012, as part of employment agreements, 30,529 restricted stock units were awarded and shall become vested on the third anniversary of the Grant Date.

In December 2013, the Company authorized a one-time grant of 68,044 restricted stock units to executives that joined the Company in connection with the Central Merger. These restricted stock units vest on December 3, 2018. The restricted stock unit agreements are designed to reward performance over a five-year period. Additionally, the Company authorized a one-time grant of 4,247 restricted stock units to an executive which vest in June 2016.

Note S. Stock-Based Compensation (Continued)

The fair value of restricted stock units is determined using the market value of Company common stock on the date of the grant, and compensation expense is recognized over the vesting period. In accordance with the guidance related to share-based payments, the Company estimate forfeitures at the time of the grant and revise those estimates in subsequent periods if actual forfeitures differ from those estimates. The Company uses historical data to estimate pre-vesting forfeitures and record stock-based compensation expense only for those awards that are expected to vest.

A summary of the status of the restricted stock units as of December 31, 2013, and changes during the year ended December 31, 2013, 2012 and 2011, is presented below:

Nonvested Shares	Shares	Weighted Average Grant-Date Fair Value
Nonvested at December 31, 2011	669,000	$18.27
Issued	222,425	23.19
Vested	(154,800)	18.25
Forfeited	(13,200)	18.25
Nonvested at December 31, 2012	723,425	19.78
Issued	72,291	20.40
Vested	(90,965)	21.84
Forfeited	—	n/a
Nonvested at December 31, 2013	704,751	$20.00

The Company recognized $3,762, $1,858 and $2,206 of stock based compensation expense related to the restricted stock units for the year ended December 31, 2013, 2012 and 2011, respectively, which is included in general and administrative expense. As of December 2013, there was $7,289 of unrecognized stock-based compensation costs, net of estimated forfeitures, related to the restricted stock units that are expected to be recognized over a weighted average period of approximately 4.0 years. As of December 31, 2012, there was $9,065 of unrecognized stock-based compensation cost, net of estimated forfeitures, related to the restricted stock units that are expected to be recognized over a weighted average period of approximately 4.0 years. As of December 31, 2011, there was $6,062 of unrecognized stock-based compensation costs, net of estimated forfeitures, related to the restricted stock units that are expected to be recognized over a weighted average period of approximately 6.7 years.

Note T. Unaudited Quarterly Results

The following table sets forth the Company's unaudited quarterly consolidated statement of income data for the years ended December 31, 2013 and December 31, 2012. The unaudited quarterly information has been prepared on the same basis as the annual financial information and, in management's opinion, includes all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the information for the quarters presented. Historically, the Company's operating results have varied from quarter to quarter and are expected to continue to fluctuate in the future. These fluctuations have been due to a number of factors, including: general economic conditions in its markets; acquisitions; additions of contracts; expiration and termination of contracts;

Note T. Unaudited Quarterly Results (Continued)

conversion of lease contracts to management contracts; conversion of management contracts to lease contracts and changes in terms of contracts that are retained and timing of general and administrative expenditures. The operating results for any historical quarter are not necessarily indicative of results for any future period.

	2013 Quarters Ended				2012 Quarters Ended			
	March 31	June 30	September 30	December 31	March 31	June 30	September 30	December 31(1)
		(Unaudited)				(Unaudited)		
Parking services revenue:								
Lease contracts	$ 121,085	$ 123,232	$ 122,771	$ 122,487	$ 37,544	$ 42,414	$ 42,969	$ 127,428
Management contracts	90,095	88,659	77,681	90,911	47,964	44,372	49,226	88,939
Reimbursed management contract revenue	159,477	158,402	154,858	157,141	103,937	104,160	100,958	164,027
Total revenue	370,657	370,293	355,310	370,539	189,445	190,946	193,153	380,394
Cost of parking services:								
Lease contracts	112.118	112,014	115,696	116,262	35,387	38,000	40,108	118,286
Management contracts	58,737	53,833	44,680	51,480	29,271	24,071	30,713	57,894
Reimbursed management contract revenue	159,477	158,402	154,858	157,141	103,937	104,160	100,958	164,027
Total cost of parking services	330,332	324,249	315,234	324,883	168,595	166,231	171,779	340,207
Gross profit:								
Lease contracts	8,967	11,218	7,075	6,225	2,157	4,414	2,861	9,142
Management contracts	31,358	34,826	33,001	39,431	18,693	20,301	18,513	31,045
Total gross profit	40,325	46,044	40,076	45,656	20,850	24,715	21,374	40,187
General and administrative expenses	27,948	26,868	20,494	23,621	15,045	14,868	13,846	42,781
Depreciation and amortization	7,493	8.252	7,959	7,489	1,728	1,807	1,723	8,255
Operating income	4,884	10,924	11,623	14,546	4,077	8,040	5,805	(10,849)
Other expense (income):								
Interest expense	4,840	4,763	4,818	4,613	1,130	1,132	1,093	5,261
Interest income	(111)	(128)	(108)	(296)	(70)	(50)	(61)	(116)
Total other expenses (income)	4,729	4,635	4,710	4,317	1,060	1,082	1,032	5,145
Income before income taxes	155	6,289	6,913	10,229	3,017	6,958	4,773	(15,994)
Income tax expense (reversal)	(154)	2,065	2,448	4,462	1,215	2,801	2,504	(10,140)
Net income (loss)	309	4,224	4,465	5,767	1,802	4,157	2,269	(5,854)
Less: Net income (loss) attributable to noncontrolling interest	569	780	721	606	72	85	75	802
Net income attributable to SP Plus Corporation	$ (260)	$ 3,444	$ 3,744	$ 5,161	$ 1,730	$ 4,072	$ 2,194	$ (6,656)
Common stock data:								
Common stock data:								
Net income per common share:								
Basic	$ (0.01)	$ 0.16	$ 0.17	$ 0.24	$ 0.11	$ 0.26	$ 0.14	$ (0.30)
Diluted	$ (0.01)	$ 0.15	$ 0.17	$ 0.23	$ 0.11	$ 0.26	$ 0.14	$ (0.30)
Weighted average shares outstanding:								
Basic(2)	21,870.771	21,889.777	21,911.574	21,938,377	15,563,914	15,665,263	15,668,129	21,836,583
Diluted(2)	21,870.771	22,221.102	22,285.723	22,319,723	15,820,118	15,900,659	15,928,685	21,836,583

(1) The Company began including Central operations within its consolidated operating results on October 2, 2012, the date of the Central Merger.

(2) On October 2, 2012, and in conjunction with the Central Merger the Company issued 6,161,332 shares of common stock.

Note U. Stock Repurchases

In June 2011, the Board of Directors authorized the Company to repurchase shares of Company common stock, on the open market, up to $20,000 in aggregate and cancelled a prior authorization from 2008.

No share repurchases were made by the Company in 2013 and 2012.

As of December 31, 2013, $12,467 remained available for stock repurchases under the June 2011 authorization by the Board of Directors.

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.

SP PLUS CORPORATION

By: /s/ JAMES A. WILHELM

James A. Wilhelm
Director, President and Chief Executive Officer
(Principal Executive Officer)

Date: March 13, 2014

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 13, 2014
/s/ CHARLES L. BIGGS Charles L. Biggs	Director	March 13, 2014
/s/ KAREN M. GARRISON Karen M. Garrison	Director	March 13, 2014
/s/ PAUL HALPERN Paul Halpern	Director	March 13, 2014
/s/ ROBERT S. ROATH Robert S. Roath	Director and Non-Executive Chairman	March 13, 2014
/s/ JONATHAN P. WARD Jonathan P. Ward	Director	March 13, 2014
/s/ GORDON H. WOODWARD Gordon H. Woodward	Director	March 13, 2014

Signature	Title	Date
/s/ G MARC BAUMANN G Marc Baumann	Chief Financial Officer, Treasurer & President of Urban Operations (Principal Financial Officer)	March 13, 2014
/s/ DANIEL R. MEYER Daniel R. Meyer	Senior Vice President, Corporate Controller and Assistant Treasurer (Principal Accounting Officer and Duly Authorized Officer)	March 13, 2014

SP PLUS CORPORATION
SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS

Description	Balance at Beginning of Year	Acquired through Central Merger	Additions Charged to Costs and Expenses	Reductions(1)	Balance at End of Year
			(In thousands)		
Allowance for doubtful accounts					
Year ended December 31, 2013	$ 506	$ —	$ 574	$ (385)	$ 695
Year ended December 31, 2012	485	—	492	(471)	506
Year ended December 31, 2011	$ 321	$ —	$ 441	$ (277)	$ 485
Tax valuation account					
Year ended December 31, 2013	$25,299	$ —	$2,074	$(6,034)	$21,339
Year ended December 31, 2012	318	24,981	—	—	25,299
Year ended December 31, 2011	$ 318	$ —	$ —	$ —	$ 318

(1) Represents uncollectible accounts written off, net of recoveries and reversal of provision.

INDEX TO EXHIBITS

Exhibit Number	Description
3.1	Second Amended and Restated Certificate of Incorporation of the Company filed on June 2, 2004 (incorporated by reference to exhibit 3.1 of the Company's Annual Report on Form 10-K filed on March 13, 2009).
3.1.1	Certificate of Amendment of Second Amended and Restated Certificate of Incorporation of the Company effective as of January 7, 2008 (incorporated by reference to exhibit 3.1.1 of the Company's Annual Report on Form 10-K filed on March 13, 2009).
3.1.2	Certificate of Amendment of Second Amended and Restated Certificate of Incorporation of the Company effective as of April 29, 2010 (incorporated by reference to exhibit 3.1.3 of the Company's Quarterly Report on Form 10-Q filed on August 6, 2010).
3.1.3	Certificate of Amendment of Second Amended and Restated Certificate of Incorporation of the Company effective as of May 6, 2010 (incorporated by reference to exhibit 3.1.4 of the Company's Quarterly Report on Form 10-Q filed on August 6, 2010).
3.1.4	Certificate of Ownership and Merger, as filed with the Secretary of State of the State of Delaware on November 25, 2013, effective as of December 2, 2013 (incorporated by reference to exhibit 3.1 of the Company's Current Report on Form 8-K filed on December 2, 2013).
3.2	Fourth Amended and Restated Bylaws of the Company dated January 1, 2010 (incorporated by reference to exhibit 3.1 of the Company's Current Report on Form 8-K filed on January 27, 2010).
4.1	Specimen common stock certificate (incorporated by reference to exhibit 4.1 of Amendment No. 2 to the Company's Registration Statement on Form S-1, File No. 333-112652, filed on May 18, 2004).
10.1^	Credit Agreement, dated as of October 2, 2012, by and among the Company, Bank of America, N.A., as administrative agent, Wells Fargo Bank, N.A. and JP Morgan Chase Bank, N.A., as co-syndication agents, U.S. Bank National Association, First Hawaiian Bank and General Electric Capital Corporation, as co-documentation agents, Merrill Lynch, Pierce, Fenner & Smith Inc., Wells Fargo Securities, LLC and J.P. Morgan Securities LLC, as joint lead arrangers and joint book managers, and the lenders party thereto (incorporated by reference to exhibit 10.3 of the Company's Quarterly Report on Form 10-Q filed for September 30, 2012).
10.1.1	First Amendment, dated as of November 15, 2013, to Credit Agreement, dated as of October 2, 2012, by and among the Company, Bank of America, N.A., as administrative agent, Wells Fargo Bank, N.A. and JP Morgan Chase Bank, N.A., as co-syndication agents, U.S. Bank National Association, First Hawaiian Bank and General Electric Capital Corporation, as co-documentation agents, Merrill Lynch, Pierce, Fenner & Smith Inc., Wells Fargo Securities, LLC and J.P. Morgan Securities LLC, as joint lead arrangers and joint book managers, and the lenders party thereto (incorporated by reference to exhibit 10.1 of the Company's Current Report on Form 8-K filed on November 19, 2013).
10.2	Confirmation of Interest Rate Swap Transaction, dated as of October 25, 2012, between the Company and Bank of America, N.A. (incorporated by reference to exhibit 10.4 of the Company's Quarterly Report on Form 10-Q filed for September 30, 2012).

Exhibit Number	Description
10.3	Confirmation of Interest Rate Swap Transaction, dated as of October 25, 2012, between the Company and JPMorgan Chase Bank, N.A. (incorporated by reference to exhibit 10.5 of the Company's Quarterly Report on Form 10-Q filed for September 30, 2012).
10.4	Confirmation of Interest Rate Swap Transaction, dated as of October 25, 2012, between the Company and PNC Bank, N.A. (incorporated by reference to exhibit 10.6 of the Company's Quarterly Report on Form 10-Q filed for September 30, 2012).
10.5+	Employment Agreement dated as of March 30, 1998 between the Company and Myron C. Warshauer (incorporated by reference to exhibit 10.6 of the Company's Registration Statement on Form S-4, File No. 333-50437, filed on April 17, 1998).
10.5.1+	First Amendment to Employment Agreement dated July 7, 2003 between the Company and Myron C. Warshauer (incorporated by reference to exhibit 10.4.1 of the Company's Annual Report on Form 10-K filed for December 31, 2004).
10.5.2+	Amendment to Employment Agreement dated as of May 10, 2004 between the Company and Myron C. Warshauer (incorporated by reference to exhibit 10.4.2 of the Company's Annual Report on Form 10-K filed for December 31, 2004).
10.6+	Employment Agreement dated as of March 26, 1998 between the Company and Michael K. Wolf (incorporated by reference to exhibit 10.12 of the Company's Registration Statement on Form S-4, File No. 333-50437, filed on April 17, 1998).
10.6.1+	Amendment to Employment Agreement dated as of June 19, 2000 between the Company and Michael K. Wolf (incorporated by reference to exhibit 10.5.1 of the Company's Registration Statement on Form S-1, File No. 333-112652, filed on February 10, 2004).
10.6.2+	Second Amendment to Employment Agreement dated as of December 6, 2000, between the Company and Michael K. Wolf, (incorporated by reference to exhibit 10.22 to the Company's Annual Report on Form 10-K filed for December 31, 2000).
10.6.3+	Third Amendment to Employment Agreement dated April 1, 2002 between the Company and Michael K. Wolf (incorporated by reference to exhibit 10.19.3 to the Company's Annual Report on Form 10-K filed for December 31, 2002).
10.6.4+	Fourth Amendment to Employment Agreement dated December 31, 2003 between the Company and Michael K. Wolf (incorporated by reference to exhibit 10.5.4 of the Company's Registration Statement on Form S-1, File No. 333-112652, filed on February 10, 2004).
10.6.5+	Fifth Amendment to Employment Agreement dated December 18, 2008 between the Company and Michael K. Wolf (incorporated by reference to exhibit 10.5.5 of the Company's Annual Report on Form 10-K filed on March 13, 2009).
10.6.6+	Sixth Amendment to Employment Agreement dated January 28, 2009 between the Company and Michael K. Wolf (incorporated by reference to exhibit 10.3 of the Company's Current Report on Form 8-K filed on February 3, 2009).
10.6.7+	Seventh Amendment to Employment Agreement dated as of April 2, 2012 between the Company and Michael K. Wolf (incorporated by reference to exhibit 10.10 to the Company's Quarterly Report on Form 10-Q filed for June 30, 2012).
10.7+	Amended and Restated Executive Employment Agreement dated as of January 28, 2009 between the Company and James A. Wilhelm (incorporated by reference to exhibit 10.3 of the Company's Current Report of Form 8-K filed on February 3, 2009).

Exhibit Number	Description
10.7.1+	First Amendment to Amended and Restated Executive Employment Agreement dated January 25, 2012, between the Company and James A. Wilhelm (incorporated by reference to exhibit 10.6.1 of the Company's Annual Report on Form 10-K filed on March 15, 2012).
10.8+	Deferred Compensation Agreement dated as of August 1, 1999, between the Company and James A. Wilhelm (incorporated by reference to exhibit 10.7 of the Company's Annual Report on Form 10-K filed on March 15, 2012).
10.8.1+	First Amendment to Deferred Compensation Agreement dated January 25, 2012, between the Company and James A. Wilhelm (incorporated by reference to exhibit 10.7.1 of the Company's Annual Report on Form 10-K filed on March 15, 2012).
10.9+	Employment Agreement dated May 18, 1998 between the Company and Robert N. Sacks (incorporated by reference to exhibit 10.24 of the Company's Annual Report on Form 10-K filed for December 31, 2001).
10.9.1+	First Amendment to Employment Agreement dated as of November 7, 2001 between the Company and Robert N. Sacks (incorporated by reference to exhibit 10.25 of the Company's Annual Report on Form 10-K filed for December 31, 2001).
10.9.2+	Second Amendment to Employment Agreement dated as of August 1, 2003 between the Company and Robert N. Sacks (incorporated by reference to exhibit 10.7.2 of the Company's Registration Statement on Form S-1, File No. 333-112652, filed on February 10, 2004).
10.9.3+	Third Amendment to Employment Agreement dated as of April 1, 2005 between the Company and Robert N. Sacks (incorporated by reference to exhibit 10.7.3 of the Company's Annual Report on Form 10-K filed on March 13, 2009).
10.9.4+	Fourth Amendment to Employment Agreement dated as of December 29, 2008 between the Company and Robert N. Sacks (incorporated by reference to exhibit 10.7.4 of the Company's Annual Report on Form 10-K filed on March 13, 2009).
10.9.5+	Fifth Amendment to Employment Agreement dated as of January 28, 2009 between the Company and Robert N. Sacks (incorporated by reference to exhibit 10.7.5 of the Company's Annual Report on Form 10-K filed on March 13, 2009).
10.10+	Amended and Restated Executive Employment Agreement dated as of December 1, 2002 between the Company and John Ricchiuto (incorporated by reference to exhibit 10.22.2 of the Company's Annual Report on Form 10-K filed for December 31, 2002).
10.10.1+	First Amendment to Amended and Restated Executive Employment Agreement dated as of April 11, 2005, between the Company and John Ricchiuto (incorporated by reference to exhibit 10.3 of the Company's Current Report on Form 8-K filed on March 7, 2005).
10.10.2+	Second Amendment to Employment Agreement dated as of December 28, 2008 between the Company and John Ricchiuto (incorporated by reference to exhibit 10.10.2 to the Company's Annual Report on Form 10-K filed for December 31, 2012).
10.10.3+	Third Amendment to Employment Agreement dated as of April 2, 2012 between the Company and John Ricchiuto (incorporated by reference to exhibit 10.8 to the Company's Quarterly Report on Form 10-Q filed for June 30, 2012).
10.11+	Amended and Restated Employment Agreement dated March 1, 2005, between the Company and Steven A. Warshauer (incorporated by reference to exhibit 10.2 to the Company's Current Report on Form 8-K filed on March 7, 2005).

Exhibit Number	Description
10.11.1+	First Amendment to Employment Agreement dated as of December 29, 2008 between the Company and Steven A. Warshauer (incorporated by reference to exhibit 10.11.1 to the Company's Annual Report on Form 10-K filed for December 31, 2012).
10.11.2+	Second Amendment to Employment Agreement dated as of April 2, 2012 between the Company and Steven A. Warshauer (incorporated by reference to exhibit 10.9 to the Company's Quarterly Report on Form 10-Q filed for June 30, 2012).
10.12+	Amended and Restated Executive Employment Agreement dated as of May 18, 2006 between the Company and Edward E. Simmons (incorporated by reference to exhibit 10.1 of the Company's Current Report on Form 8-K filed on May 24, 2006).
10.12.1+	First Amendment to Employment Agreement dated as of December 29, 2008 between the Company and Edward E. Simmons (incorporated by reference to exhibit 10.12.1 to the Company's Annual Report on Form 10-K filed for December 31, 2012).
10.12.2+	Second Amendment to Employment Agreement dated as of April 21, 2011 between the Company and Edward E. Simmons (incorporated by reference to exhibit 10.12.2 to the Company's Annual Report on Form 10-K filed for December 31, 2012).
10.12.3+	Third Amendment to Employment Agreement dated as of April 2, 2012 between the Company and Edward E. Simmons (incorporated by reference to exhibit 10.7 to the Company's Quarterly Report on Form 10-Q filed for June 30, 2012).
10.13+	Amended and Restated Employment Agreement between the Company and G Marc Baumann dated as of October 1, 2001 (incorporated by reference to exhibit 10.27 to the Company's Annual Report on Form 10-K filed for December 31, 2001).
10.13.1+	First Amendment to Amended and Restated Employment Agreement between the Company and G Marc Baumann dated as of December 29, 2008 (incorporated by reference to exhibit 10.11.1 of the Company's Annual Report on Form 10-K filed on March 13, 2009).
10.13.2+	Second Amendment to Amended and Restated Employment Agreement between the Company and G Marc Baumann dated as of January 28, 2009 (incorporated by reference to exhibit 10.2 of the Company's Current Report on Form 8-K filed on February 3, 2009).
10.13.3+	Third Amended and Restated Employment Agreement between the Company and G Marc Baumann dated June 10, 2011 (incorporated by reference to exhibit 10.1 of the Company's Current Report of Form 8-K filed on June 13, 2011).
10.14+	Amended and Restated Executive Employment Agreement dated as of March 1, 2005, between the Company and Thomas L. Hagerman (incorporated by reference to exhibit 10.1 of the Company's Current Report on Form 8-K filed on March 7, 2005).
10.14.1+	First Amendment to Amended and Restated Executive Employment Agreement dated October 1, 2007 between the Company and Thomas Hagerman (incorporated by reference to exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed for September 30, 2007).
10.14.2+	Second Amendment to Employment Agreement dated as of December 29, 2008 between the Company and Thomas L. Hagerman (incorporated by reference to exhibit 10.14.2 to the Company's Annual Report on Form 10-K filed for December 31, 2012).

Exhibit Number	Description
10.14.3+	Third Amendment to Employment Agreement dated as of April 2, 2012 between the Company and Thomas L. Hagerman (incorporated by reference to exhibit 10.7 to the Company's Quarterly Report on Form 10-Q filed for June 30, 2012).
10.15+	Executive Employment Agreement dated March 15, 2005 between the Company and Gerard M. Klaisle (incorporated by reference to exhibit 10.14 of the Company's Annual Report on Form 10-K filed on March 12, 2010).
10.15.1+	First Amendment to Amended and Restated Executive Employment Agreement dated December 29, 2008 between the Company and Gerard M. Klaisle (incorporated by reference to exhibit 10.14.1 of the Company's Annual Report on Form 10-K filed on March 12, 2010).
10.15.2+	Second Amendment to Amended and Restated Executive Employment Agreement dated July 28, 2011 between the Company and Gerald M. Klaisle (incorporated by reference to exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on November 7, 2011).
10.16+	Employment Agreement, dated as of September 10, 2012, between the Company and William Bodenhamer (incorporated by reference to exhibit 10.7 to the Company's Quarterly Report on Form 10-Q filed for September 30, 2012).
10.17+	Employment Agreement, dated as of September 10, 2012, between the Company and Daniel Huberty (incorporated by reference to exhibit 10.8 to the Company's Quarterly Report on Form 10-Q filed for September 30, 2012).
10.18+	Employment Agreement, dated as of September 10, 2012, between the Company and Rob Toy (incorporated by reference to exhibit 10.9 to the Company's Quarterly Report on Form 10-Q filed for September 30, 2012).
10.19+	Executive Employment Agreement between the Company and Keith B. Evans dated April 22, 2013 (incorporated by reference to exhibit 10.1 of the Company's Current Report on Form 8-K filed on June 6, 2013).
10.20+	Long-Term Incentive Plan dated as of May 1, 2004 (incorporated by reference to exhibit 10.12 of Amendment No. 1 to the Company's Registration Statement on Form S-1, File No. 333-112652, filed on May 10, 2004).
10.20.1+	Long-Term Incentive Plan Amendment effective as of April 22, 2008 (incorporated by reference to Appendix B of the Company's 2008 Proxy on Form DEF 14A, filed on April 1, 2008).
10.21+	Form of Amended and Restated Stock Option Award Agreement between the Company and an optionee (incorporated by reference to exhibit 10.1 of the Company's Current Report on Form 8-K filed on November 21, 2005).
10.21.1+	Form of First Amendment to the Amended and Restated Stock Option Award Agreement between the Company and an optionee (incorporated by reference to exhibit 10.2 of the Company's Current Report on Form 8-K filed on November 21, 2005).
10.22	Consulting Agreement dated as of October 16, 2001 between the Company and Shoreline Enterprises, LLC (incorporated by reference to exhibit 10.36 of the Company's Annual Report on Form 10-K filed for December 31, 2001).

Exhibit Number	Description
10.22.1	Amendment to Consulting Agreement dated as of May 10, 2004 between the Company and Shoreline Enterprises, LLC (incorporated by reference to exhibit 10.14.1 of the Company's Annual Report on Form 10-K filed for December 31, 2004).
10.23*	Office Lease dated as of October 31, 2012 between the Company and Piedmont—Chicago Center Owner, LLC.
10.24*	Office Lease dated as of October 17, 2013 between the Company and Riverview Business Center I & II, LLC
10.25	Form of Property Management Agreement (incorporated by reference to exhibit 10.30 of the Company's Annual Report on Form 10-K filed on March 10, 2006).
10.26	Form of the Company's Restricted Stock Unit Agreement dated as of July 1, 2008 (incorporated by reference to exhibit 10.1 of the Company's Current Report on Form 8-K filed on July 2, 2008).
10.26.1	First Amendment to Form of the Company's Restricted Stock Unit Agreement (incorporated by reference to exhibit 10.1 of the Company's Current Report on Form 8-K as filed on August 6, 2009).
10.26.2	Second Amendment to Form of the Company's Restricted Stock Unit Agreement dated May 27, 2011 (incorporated by reference to exhibit 10.1 of the Company's Current Report on Form 8-K filed on June 2, 2011).
10.27	Guaranty Agreement of APCOA/Standard Parking, Inc. dated as of March 2000 to and for the benefit of the State of Connecticut, Department of Transportation (incorporated by reference to exhibit 10.27 of the Company's Annual Report on Form 10-K filed on March 13, 2009).
10.28	Construction, Financing and Operating Special Facility Lease Agreement dated as of March 2000 between the State of Connecticut Department of Transportation and APCOA Bradley Parking Company, LLC (incorporated by reference to exhibit 10.28 of the Company's Annual Report on Form 10-K filed on March 13, 2009).
10.29	Trust Indenture dated March 1, 2000 between State of Connecticut and First Union National Bank as Trustee (incorporated by reference to exhibit 10.29 of the Company's Annual Report on Form 10-K filed on March 13, 2009).
10.30	Agreement and Plan of Merger, dated February 28, 2012, by and among the Company, Hermitage Merger Sub, Inc., KCPC Holdings, Inc. and Kohlberg CPC Rep., L.L.C. (incorporated by reference to exhibit 10.1 of the Company's Current Report on Form 8-K filed on February 29, 2012). The schedules and exhibits to the Agreement and Plan of Merger have been omitted from this filing pursuant to Item 601(b)(2) of Regulation S-K but will be provided supplementally to the SEC upon request.
10.31	The Closing Agreements, dated February 28, 2012, between the Company and each of Lubert-Adler Real Estate Fund V, L.P. and Lubert-Adler Real Estate Parallel Fund V, L.P. (incorporated by reference to exhibit 10.2 of the Company's Current Report on Form 8-K filed on February 29, 2012).
10.32	The Closing Agreements, dated February 28, 2012, between the Company and each of Kohlberg Investors V, L.P., Kohlberg TE Investors V, L.P., Kohlberg Partners V, L.P., Kohlberg Offshore Investors V, L.P. and KOCO Investors V, L.P. (incorporated by reference to exhibit 10.3 of the Company's Current Report on Form 8-K filed on February 29, 2012).

Exhibit Number	Description
10.33	The Closing Agreements, dated February 28, 2012, between the Company and each of Versa Capital Fund I, L.P. and Versa Capital Fund I Parallel, L.P. (incorporated by reference to exhibit 10.4 of the Company's Current Report on Form 8-K filed on February 29, 2012).
10.34	Asset Preservation Stipulation and Order dated September 26, 2012 among the Company, KCPC Holdings, Inc. and Central Parking Corporation and the Antitrust Division of the United States Department of Justice (incorporated by reference to exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed for September 30, 2012).
10.35	Proposed Final Judgment dated September 26, 2012 among the Company, KCPC Holdings, Inc. and Central Parking Corporation and the Antitrust Division of the United States Department of Justice (incorporated by reference to exhibit 10.2 of the Company's Quarterly Report on Form 10-Q filed for September 30, 2012).
10.36	Closing Agreement, dated as of October 2, 2012, between the Company and Kohlberg CPC Rep, LLC (incorporated by reference to exhibit 10.2 of the Company's Current Report on Form 8-K filed on October 2, 2012).
10.37	Closing Agreement, dated as of October 2, 2012, between the Company and 2929 CPC HoldCo, LLC (incorporated by reference to exhibit 10.3 of the Company's Current Report on Form 8-K filed on October 2, 2012).
10.38	Closing Agreement, dated as of October 2, 2012, between the Company and VCM STAN-CPC Holdings, LLC (incorporated by reference to exhibit 10.4 of the Company's Current Report on Form 8-K filed on October 2, 2012).
10.39	Closing Agreement, dated as of October 2, 2012, between the Company and West-FSI, LLC (incorporated by reference to exhibit 10.5 of the Company's Current Report on Form 8-K filed on October 2, 2012).
10.40	Closing Agreement, dated as of October 2, 2012, between the Company and Sailorshell and Co. (incorporated by reference to exhibit 10.6 of the Company's Current Report on Form 8-K filed on October 2, 2012).
10.41	Closing Agreement, dated as of October 2, 2012, between the Company and CP Klaff Equity LLC (incorporated by reference to exhibit 10.7 of the Company's Current Report on Form 8-K filed on October 2, 2012).
10.42	Closing Agreement, dated as of October 2, 2012, between the Company and Jumpstart Development LLC (Worldwide) (incorporated by reference to exhibit 10.8 of the Company's Current Report on Form 8-K filed on October 2, 2012).
14.1	Code of Ethics (incorporated by reference to exhibit 14.1 of the Company's Annual Report on Form 10-K for December 31, 2002).
21*	Subsidiaries of the Company.
23*	Consent of Independent Registered Public Accounting Firm dated as of March 13, 2014.
31.1*	Section 302 Certification dated March 13, 2014 for James A. Wilhelm, Director, President and Chief Executive Officer (Principal Executive Officer).
31.2*	Section 302 Certification dated March 13, 2014 for G Marc Baumann, Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer).

Exhibit Number	Description
31.3*	Section 302 Certification dated March 13, 2014 for Daniel R. Meyer, Senior Vice President Corporate Controller and Assistant Treasurer (Principal Accounting Officer and Duly Authorized Officer).
32*	Certification pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated March 13, 2014.
101.INS**	XBRL Instance Document.
101.SCH**	XBRL Taxonomy Extension Schema.
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF**	XBRL Taxonomy Extension Definition Linkbase.
101.LAB**	XBRL Taxonomy Extension Label Linkbase.
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase.

* Filed herewith.

** Furnished herewith.

\+ Management contract or compensation plan, contract or agreement.

^ Confidential treatment requested as to certain portions.

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-150379) pertaining to the 2005 Long-Term Incentive Plan and on Form S-3 (No. 333-187680) and related Prospectus of SP Plus Corporation (formerly known as Standard Parking Corporation) for the registration of 6,162,332 shares of its common stock, of our reports dated March 13, 2014 with respect to the consolidated financial statements and schedule of SP Plus Corporation and the effectiveness of internal control over financial reporting of SP Plus Corporation included in this Annual Report (Form 10-K) for the year ended December 31, 2013.

/s/ ERNST & YOUNG LLP

Chicago, Illinois
March 13, 2014

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, James A. Wilhelm, certify that:

1. I have reviewed this Form 10-K of SP Plus Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ JAMES A. WILHELM

James A. Wilhelm
Director, President and Chief Executive Officer
(Principal Executive Officer)

Date: March 13, 2014

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, G Marc Baumann, certify that:

1. I have reviewed this Form 10-K of SP Plus Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ G MARC BAUMANN

G Marc Baumann
Chief Financial Officer, Treasurer & President of Urban Operations (Principal Financial Officer)

Date: March 13, 2014

Exhibit 31.3

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Daniel R. Meyer, certify that:

1. I have reviewed this Form 10-K of SP Plus Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ DANIEL R. MEYER

Daniel R. Meyer
Senior Vice President, Corporate Controller and Assistant Treasurer (Principal Accounting Officer and Duly Authorized Officer)

Date: March 13, 2014

Exhibit 32

**Certification pursuant to 18 U.S.C. Section 1350,
as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Form 10-K of SP Plus Corporation (the "Company") for the year ended December 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) the Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities and Exchange Act of 1934, as amended; and

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ JAMES A. WILHELM

Name: James A. Wilhelm,
Title: *Director, President and Chief Executive Officer (Principal Executive Officer)*

Date: March 13, 2014

/s/ G MARC BAUMANN

Name: G Marc Baumann,
Title: *Chief Financial Officer, Treasurer & President of Urban Operations (Principal Financial Officer)*

Date: March 13, 2014

/s/ DANIEL R. MEYER

Name: Daniel R. Meyer,
Title: *Senior Vice President, Corporate Controller and Assistant Treasurer (Principal Accounting Officer and Duly Authorized Officer)*

Date: March 13, 2014

This certification shall not be deemed "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934, or the Exchange Act, or otherwise subject to the liability of Section 18 of the Exchange Act. Such certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Effective as of March 14, 2014

Directors

Robert S. Roath,
Non Executive Chairman (c)(b)
Chief Financial Officer,
RJR Nabisco, Inc. (retired)

James A. Wilhelm, Director
Chief Executive Officer,
SP Plus Corporation

Charles L. Biggs, Director (a)(b)(c)
Senior Partner,
Deloitte Consulting (retired)

Karen M. Garrison, Director (b)(a)(c)
President,
Pitney Bowes Business Services
(retired)

Paul Halpern, Director (a)
Chief Investment Officer,
Versa Capital Management, LLC

Jonathan P. Ward, Director (c)
Operating Partner,
Kohlberg & Company, L.L.C.

Myron C. Warshauer, Director
President and Chief Executive Officer,
The Myron C. Warshauer
Development Company, Inc

Gordon H. Woodward, Director (b)
Chief Investment Officer,
Kohlberg & Company, L.L.C.

(a) Audit Committee
Chair: Charles L. Biggs
(b) Nominating and Corporate Governance Committee
Chair: Karen M. Garrison
(c) Compensation Committee
Chair: Robert S. Roath

Executive Officers

James A. Wilhelm
Chief Executive Officer & Director

G Marc Baumann
President & Chief Operating Officer

William H. Bodenhamer, Jr.
Executive Vice President,
Hospitality Division

Keith B. Evans
Executive Vice President,
Strategy & Process

Thomas L. Hagerman
Executive Vice President,
Chief Business Development Officer

Daniel G. Huberty
Executive Vice President,
Operations

Vance C. Johnston
Executive Vice President,
Chief Financial Officer & Treasurer

Gerard M. Klaisle
Executive Vice President,
Chief Human Resources Officer

John (Jack) Ricchiuto
Executive Vice President,
Operations (Airport Division)

Robert N. Sacks
Executive Vice President,
General Counsel & Secretary

Edward E. Simmons
Executive Vice President,
Operations

Robert M. Toy
Executive Vice President,
Operations

Steven A. Warshauer
Executive Vice President,
Operations

Michael K. Wolf
Executive Vice President,
Chief Administrative Officer,
Assistant Secretary & Associate
General Counsel

Stockholder Information

Corporate Address
SP Plus Corporation
200 East Randolph Street
Suite 7700
Chicago, IL 60601

Telephone: (312) 274-2000
www.spplus.com

Investor Relations Contact
Vance C. Johnston
Executive Vice President,
Chief Financial Officer and Treasurer

Telephone: (312) 521-8409
Investor_Relations@spplus.com

Independent Auditor
Ernst & Young LLP
155 North Wacker Drive
Chicago, Illinois 60606

Transfer Agent
Continental Stock Transfer &
Trust Company
17 Battery Park
New York, NY 10004
Telephone: (212) 509-4000

Stock Listing
The NASDAQ Select Global Market
Trading Symbol: SP

Stock Price Information
The table below shows the reported high and low sales price of common stock during the periods indicated in 2013. The closing price of a common share at December 31, 2013 was $26.04.

	HIGH	LOW
First Quarter	$22.60	$19.34
Second Quarter	$23.26	$20.00
Third Quarter	$26.92	$21.40
Fourth Quarter	$28.09	$21.97

Annual Meeting of Shareholders
The Annual Stockholders Meeting will be held on April 22, 2014 at 2:30 p.m., local time, at The Radisson Blu Aqua, 221 North Columbus Drive, Chicago, IL 60601.

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