

Millennium Parking Garages LLC

c/o Next Parking
5215 Old Orchard Road, Suite 880
Skokie, IL 60017

June 29, 2020

VIA CERTIFIED MAIL

Corporation Counsel
City of Chicago
6th Floor, City Hall
121 North LaSalle Street
Chicago, Illinois 60602
Attn: Finance and Economic Development
Division

City of Chicago
Department of Finance
121 N. LaSalle Street
7th Floor
Chicago, Illinois 60602
Attn: Chief Financial Officer

Re: Chicago Downtown Public Parking System Concession and Lease Agreement dated as of November 3, 2006 (as amended, the "Concession Agreement") by and between The City of Chicago (the "City") and Millennium Parking Garages LLC ("Concessionaire")

Dear Sir or Madam:

Capitalized terms used herein have the meaning given them in the Concession Agreement unless otherwise defined. In accordance with section 8.1(c) of the Concession Agreement, enclosed are the Concessionaire's audited Financial Statements As of and for the Years Ended December 31, 2019 and December 31, 2018. Such financial statements fairly present the financial condition and the results of operations, changes in equity and cash flows of the Concessionaire as at the respective dates of and for the periods referred to in such financial statements, all in accordance with generally accepted accounting principles in the United States consistently applied.

Very truly yours,

Millennium Parking Garages LLC

By: 
Jack Ramirez
Treasurer

cc: Rick West (w/encl.) (via email)



Millennium Parking Garages LLC

Financial Statements
As of and for the Years Ended
December 31, 2019 and 2018

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.



Millennium Parking Garages LLC

Financial Statements

As of and for the Years Ended December 31, 2019 and 2018

Millennium Parking Garages LLC

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Independent Auditor's Report

Board of Directors
Millennium Parking Garages LLC
Chicago, Illinois

We have audited the accompanying financial statements of Millennium Parking Garages LLC (the Company), which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of operations and members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Millennium Parking Garages LLC as of December 31, 2019 and 2018 and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter - COVID-19

As more fully described in Note 10 of the financial statements, the Company has been impacted by the outbreak of a novel coronavirus (COVID-19), which was declared a global pandemic by the World Health Organization in March 2020. Our opinion is not modified with respect to this matter.

BDO USA, LLP

June 25, 2020

Financial Statements

Millennium Parking Garages LLC

Balance Sheets

<i>December 31,</i>	2019	2018
Assets		
Current Assets		
Cash	\$ 240,509	\$ 1,998,967
Accounts receivable	1,340,012	1,114,420
Prepaid expenses	920,025	124,130
Total Current Assets	2,500,546	3,237,517
Restricted Cash	5,483,952	3,444,997
Property and Equipment, Net	230,065,602	233,411,403
Intangible Asset, Net	121,862,889	123,281,601
Total Assets	\$ 359,912,989	\$ 363,375,518
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable and accrued expenses	\$ 1,137,752	\$ 1,004,267
Accrued interest	-	12,601
Accrued construction costs	375,000	375,000
Deferred revenue	483,173	431,246
Total Current Liabilities	1,995,925	1,823,114
Long-Term Debt , net of deferred loan costs of \$1,608,427 and \$1,773,184 at December 31, 2019 and 2018, respectively	207,817,660	206,102,903
Total Liabilities	209,813,585	207,926,017
Members' Equity	150,099,404	155,449,501
Total Liabilities and Members' Equity	\$ 359,912,989	\$ 363,375,518

See accompanying notes to financial statements.

Millennium Parking Garages LLC

Statements of Operations and Members' Equity

<i>Year ended December 31,</i>	2019	2018
Revenue		
Transient parking	\$ 22,549,984	\$ 22,648,918
Monthly parking	10,643,728	10,102,448
Other	1,636,594	1,413,469
Total Revenue	34,830,306	34,164,835
Cost of Parking		
Parking taxes	7,443,843	7,461,838
Credit card fees	595,230	625,789
Total Cost of Parking	8,039,073	8,087,627
Gross Profit	26,791,233	26,077,208
Operating Expenses		
Operations	5,794,015	5,672,019
Salaries and benefits	2,158,858	2,000,872
Management fees	412,080	500,000
General and administrative	1,376,375	1,329,096
Depreciation and amortization	8,910,625	8,686,050
Total Operating Expenses	18,651,953	18,188,037
Net Operating Income	8,139,280	7,889,171
Other Expense		
Interest expense	8,489,377	8,402,421
Net Loss	(350,097)	(513,250)
Members' Distributions	5,000,000	11,640,000
Members' Equity, beginning of year	155,449,501	167,602,751
Members' Equity, end of year	\$ 150,099,404	\$ 155,449,501

See accompanying notes to financial statements.

Millennium Parking Garages LLC

Statements of Cash Flows

<i>Year ended December 31,</i>	2019	2018
Cash Flows from Operating Activities		
Net loss	\$ (350,097)	\$ (513,250)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization of long-lived assets	8,910,625	8,686,050
Amortization of deferred financing fees	164,757	124,569
Changes in operating assets and liabilities:		
Accounts receivable	(225,592)	740,762
Prepaid expenses	(795,895)	233,904
Accounts payable and accrued expenses	133,485	(166,698)
Accrued interest payable	(12,601)	12,601
Deferred revenue	51,927	37,584
Net Cash Provided by Operating Activities	7,876,609	9,155,522
Cash Flows Used in Investing Activities		
Additions to property and equipment	(4,146,112)	(3,127,956)
Cash Flows from Financing Activities		
Members' distributions	(5,000,000)	(11,640,000)
Proceeds from long-term debt	1,550,000	3,000,000
Net Cash Used in Financing Activities	(3,450,000)	(8,640,000)
Net Increase (Decrease) in Cash and Restricted Cash	280,497	(2,612,434)
Cash and Restricted Cash, beginning of year	5,443,964	8,056,398
Cash and Restricted Cash, end of year	\$ 5,724,461	\$ 5,443,964
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	\$ 8,337,221	\$ 8,265,248
Supplemental Disclosure of Non-Cash Financing Activities		
Additions to property and equipment of \$71,776 are included in accounts payable and accrued expenses at December 31, 2017.		

See accompanying notes to financial statements.

Millennium Parking Garages LLC

Notes to Financial Statements

1. Description of Business

Millennium Parking Garages LLC (the Company) is a Delaware Limited Liability Company that was formed on January 14, 2016 for the purpose of owning a concessionaire interest in, and operating, underground parking facilities which comprise the Chicago Downtown Parking System (the System) in Chicago, Illinois. There was no activity in the Company prior to the transaction date, as defined below.

On November 3, 2006, Chicago Loop Parking, LLC (CLP) entered into a concession and lease agreement (the C&L Agreement) pursuant to which it leased the System for a 99-year term from the City of Chicago. On January 31, 2014, LMG2, LLC (LMG2) was assigned CLP's assets, including the concessionaire interest in the System, and assumed certain of CLP's existing loan and other obligations through an Assignment in Lieu of Foreclosure Agreement (the Assignment).

On January 24, 2016 (Transaction Date), the Company entered into an agreement with LMG2 to purchase substantially all of its assets, including its right, title and interest in the C & L Agreement for \$370,000,000, subject to certain adjustments, which purchase (the Transaction) closed on May 18, 2016 (the transaction date or the Commencement of Operations). As a result of the Transaction, the Company has an exclusive right during the remainder of the 99-year lease term to use, possess, operate, manage, maintain, rehabilitate, and charge and collect parking fee revenues and other revenues in connection with using the assets of the System for parking garage purposes.

Except as provided in the Delaware Limited Liability Company Act and the Limited Liability Company Agreement, no member shall be personally liable for any debt, obligation or liability of the Company solely by reason of being a member of a limited liability company. The Company will continue in effect in perpetuity unless terminated earlier by the members in accordance with the Company's Limited Liability Agreement.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). These financial statements present the activities and balances of the Company for the years ended December 31, 2019 and 2018.

Use of Estimates

The preparation of financial statements in conformity with the U.S. GAAP requires management to make estimates and assumptions 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 reporting period. Actual results could differ from those estimates.

Cash

Cash is maintained at high-quality financial institutions, and at times may exceed federally insured limits. As of December 31, 2019 and 2018, the uninsured balances were \$0 and \$1,748,967, respectively. The Company has never experienced any losses related to these balances.

Millennium Parking Garages LLC

Notes to Financial Statements

The balance in the Company's unrestricted cash account was \$240,509 and \$1,998,967 as of December 31, 2019 and 2018, respectively. A total of \$5,000,000 in excess cash was distributed to the members throughout 2019.

Restricted Cash

Restricted cash represents amounts on deposit in accounts subject to a lien of a collateral agent for the benefit of the Note Purchasers as required by the Note Purchase Agreement described in Note 4. As of December 31, 2019 and 2018, the Company maintained a restricted cash balance of \$150,000 each year, for the payment of debt service and operating costs in accordance with the terms of the Note Purchase Agreement.

Additionally, under terms of the Note Purchase Agreement, cash generated from operations is required to be deposited into restricted cash accounts. These funds are held until the collateral agent approves their release for the payment of current operating expenses, maintenance expenses, interest due under the Agreement, fees and interest due to CIBC Bank USA, or permissive transfers of excess cash flows into an unrestricted cash account. The total balance in the revenue restricted cash accounts was \$4,074,249 and \$3,232,255 as of December 31, 2019 and 2018, respectively. In addition, cash held in the Company's operating accounts is also subject to a lien in favor of the collateral agent. The total balance in this restricted cash account was \$1,259,703 and \$62,742 as of December 31, 2019 and 2018, respectively.

Accounts Receivable

Accounts receivable, consisting primarily of amounts due from certain corporate parking customers and online parking app providers, are reflected at their estimated collectible amounts. An allowance for doubtful accounts is maintained at a level management believes is sufficient to cover potential losses based on historical trends and known current factors impacting the Company's customers. At December 31, 2019 and 2018, management concluded that no allowance for doubtful accounts was required.

Property and Equipment, Net

The initial acquisition of property and equipment was recorded at estimated fair value. Subsequent expenditures for significant betterments and improvements that extend the economic lives of the assets are capitalized at cost. Maintenance and repairs are charged to expense when incurred.

Depreciation and amortization is provided on a straight-line basis over the remaining term of the C&L Agreement for the ground lease, six to 40 years for parking structures and improvements, and five years for furniture, fixtures and equipment. Depreciation and amortization expense approximated \$7,492,000 and \$7,230,500 during the years ended December 31, 2019 and 2018, respectively.

Millennium Parking Garages LLC

Notes to Financial Statements

Property and equipment consist of the following:

<i>December 31,</i>	2019	2018
Construction in process	\$ 2,323,170	\$ 576,590
Ground lease	60,000,000	60,000,000
Parking structures and improvements	187,982,740	185,583,208
Furniture, fixtures, and equipment	5,000,000	5,000,000
Accumulated depreciation	(25,240,308)	(17,748,395)
Property and Equipment, Net	\$ 230,065,602	\$ 233,411,403

Intangible Asset

The interest in the C&L Agreement acquired on May 18, 2016 was recorded at its estimated fair value of \$127,000,000 and is being amortized on a straight-line basis over the 89.5-year remaining term of the C&L Agreement. Amortization expense was \$1,418,712 for each of the years ended December 31, 2019 and 2018.

Long-Lived Assets

The Company evaluates its property and equipment and intangible asset for impairment whenever events or changes in circumstances indicate that the carrying values of such assets may not be recoverable. The assets are considered impaired when the associated estimated future undiscounted operating cash flows are less than the carrying value of such assets. To the extent impairment has occurred, the excess of the carrying value of the asset over its estimated fair value will be charged to operations. As of December 31, 2019 and 2018, management of the Company does not believe that the carrying amounts of its long-lived assets have been impaired.

Deferred Loan Costs

Costs incurred in obtaining the Company's long-term debt are recorded as a reduction of long-term debt and amortized over the initial term of the related loan. The amortization of loan costs, which is included in interest expense on the statements of operations, was \$164,757 and \$124,569 for the years ended December 31, 2019 and 2018.

Deferred loan costs, net of accumulated amortization of \$427,044 and \$262,287 totaled \$1,648,615 and \$1,773,184 at December 31, 2019 and 2018, respectively.

Advertising Costs

Advertising costs are charged to operations when incurred and approximated \$510,400 and \$416,700 for the years ended December 31, 2019 and 2018, respectively, and are included in general and administrative expenses in the statements of operations.

Income Taxes

No liability or provision has been made for federal or state income taxes in the financial statements as the liability for such taxes, if any, is that of the ultimate owners of the Company.

Millennium Parking Garages LLC

Notes to Financial Statements

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2014-09 (ASU 2014-19), *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 prescribes authoritative guidance to change the criteria for revenue recognition and requires entities to recognize revenue when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services.

Effective January 1, 2019, the Company adopted the new revenue recognition guidance under the modified retrospective method. Under the modified retrospective method, any prior year impact is recorded through an adjustment to beginning member's equity. Given the nature of the Company's revenue transactions, ASU 2014-09 had an immaterial impact on the Company's revenue, results of operations and financial position for the year ended December 31, 2019. The Company updated its revenue recognition policy to reflect the requirements of ASU 2014-09 and included additional disclosures regarding the Company's revenue transactions. Refer to the Company's revenue recognition policy in Note 3.

In February 2016, the FASB issued ASU 2016-02, *Leases*. ASU 2016-02 established a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classifications affecting the pattern of expense recognition in the income statement. ASU 2016-02 is effective for the Company for the fiscal year beginning January 1, 2022. The Company is currently evaluating the potential impact of the adoption of ASU 2016-02 on their financial statements and related disclosures.

3. Revenue Recognition

Revenue primarily consists of transient and monthly revenue and revenue from leased spaces in the garage system. These services each represent individual performance obligations and, in exchange for these services, the Company receives fixed amounts based on published rates or negotiated contracts.

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer or client, and is the unit of account in Topic 606. The contract transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. All of the Company's contracts have a single performance obligation that is not separately identifiable from other promises in the contract and therefore not distinct, comprising the promise to provide a bundle of monthly performance obligations or services for transient or monthly parkers. The contract price is generally deemed to be the transaction price.

Payment is due in full at the time the services are rendered for transient parkers. The time between completion of the performance obligation and collection of cash is typically not more than 30 - 60 days. In certain contractual arrangements, such as monthly parker contracts, cash is collected in advance of the Company commencing its performance obligations under the contractual arrangement.

Parking revenues from transient parking and monthly parking customers are recognized as the service is provided. A contract for transient parking is the ticket issued upon entry to the garage, while a contract for monthly parking is the executed contract that the customer and the garage agrees to prior to the following month's services to be provided. To the extent that the Company

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has received cash from customers in advance of the applicable parking periods, the Company classifies such amounts as deferred revenue. Recoveries from customers for parking taxes are recognized as income in the same period as the related costs and approximated \$7,444,000 and \$7,462,000 during the years ended December 31, 2019 and 2018, respectively.

Other revenue includes rent under the long-term sublease agreement described in Note 8, as well as other space leases and parking fees paid by valet services. Rent is recognized as revenue on a monthly basis based on the terms of the underlying contracts for those rentals that are not subject to a long-term sublease obligation to the Company. For rentals associated with the long-term sublease obligation, the Company recognizes monthly revenue, including minimum rent escalations, on a straight-line basis over the remaining term of the sublease agreement. Rent collected in excess of revenue recognized on a straight-line basis is recorded as deferred revenue. Rental revenue is outside of the scope of ASC 606 and is instead accounted for under lease accounting guidance.

4. Note Purchase Agreement

On November 22, 2016, the Company entered into a Note Purchase Agreement with certain Note Purchasers, pursuant to which the Note Purchasers extended debt to the Company of \$205,000,000.

Under the Note Purchase Agreement, the Company issued \$73,000,000 of Senior Secured Notes, Series A, due on November 22, 2028; \$45,000,000 of Senior Secured Notes, Series B, due on November 22, 2032; \$45,000,000 of Senior Secured Notes, Series C, due on November 22, 2036; and \$42,000,000 of Senior Secured Notes, Series D, due on November 22, 2046. The Senior Secured Notes are due upon maturity but can be prepaid, subject to certain terms and conditions, as defined in the Note Purchase Agreement.

The Series A Notes bear interest at a fixed rate of 3.57% per annum; the Series B Notes bear interest at a fixed rate of 3.84% per annum; the Series C Notes bear interest at a fixed rate of 4.08% per annum; and the Series D Notes bear interest at a fixed rate of 4.54% per annum. Interest is payable quarterly on the Notes. Interest expense was \$8,076,900 for each of the years ended December 31, 2019 and 2018, respectively.

National Australia Bank Limited acts as collateral agent for the Note Purchasers pursuant to the terms of the Note Purchase Agreement and related documents. The obligations of the Company under the Note Purchase Agreement are secured by the Company's rights, title, and interests in, to, and under the C&L Agreement, the leasehold interests in the System and the improvements thereto.

There are restrictive covenants associated with the Note Purchase Agreement that require a minimum debt service coverage ratio for the trailing 12 months, which is based on Net Cash Flows (defined as the sum of project revenues deposited into the revenue account, less the sum of operating expenses and major maintenance expenditures paid) divided by required debt service. As of December 31, 2019 and 2018, the Company was in compliance with all covenants in the Note Purchase Agreement.

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5. CIBC Loan Agreement

On February 20, 2018, the Company entered into an agreement with CIBC Bank USA for a revolving credit facility and a letter of credit facility (used solely to support the Debt Service Reserve required under the Note Purchase Agreement). The maximum borrowings under the revolving credit facility are \$4,850,000. The revolving loans are charged interest at three-month LIBOR, 1.90% and 2.80% at December 31, 2019 and 2018, respectively, plus 2.00%, with an effective rate of 3.90% at December 31, 2019. A non-use fee is charged at 0.25%.

The outstanding loan balance as of December 31, 2019 and 2018 was \$4,550,000 and \$3,000,000, respectively. Interest expense was \$153,048 and \$110,879 for the years ended December 31, 2019 and 2018, respectively.

The maximum amount of letters of credit that can be issued under the letter of credit facility per this agreement is \$4,150,000. The Company was charged a fee for each issued letter of credit at 2.25%. A non-use fee of 0.25% was charged in 2018, based on lack of letter of credit activity.

As of December 31, 2019, the Company issued \$4,150,000 in letters of credit. Letter of credit fees incurred were \$94,672 and \$77,472 in 2019 and 2018, respectively.

6. Operations and Maintenance Agreement

The parking facilities are managed by SP Plus Corporation (SP+) under the terms of an operation and maintenance agreement (the SP+ O&M Agreement). Under the SP+ O&M Agreement, SP+ is paid a fee of \$17,000 per month plus an incentive fee based on certain metrics. The Company paid SP+ approximately \$204,000 in management fees during each of the years ended December 31, 2019 and 2018. No incentive fee was earned in either year.

7. Asset Management Agreement

On May 18, 2016, the Company entered into a services agreement with NEXT Parking, LLC (NEXT) for the provision of executive and facilities management services through May 31, 2021. The asset management agreement may be extended beyond or terminated earlier than May 31, 2021 by either party. Through April 30, 2018, NEXT received a base management fee equal to \$40,000 per month and an incentive management fee equal to 8% of the amount by which net operating income (NOI), as defined, exceeded the NOI provided in the annual operating budget, subject to reduction for certain defined qualitative measures. The incentive fee may not exceed \$75,000 in a single operating year. No incentive fee was earned in 2019 or 2018.

On May 1, 2018, the Company entered into a second amended and restated services agreement with NEXT for the provision of executive and facilities management services through May 31, 2021. Under the amended agreement, NEXT receives a base management fee equal to \$17,000 per month and no incentive management fee. The Base Management Fee shall be increased by 3% over the Base Management fee payable during the immediately preceding Operating Year. NEXT receives reimbursement for the costs relating to the employment of an On-Site Manager and Facilities Manager. Asset management fees approximated \$208,000 and \$296,000 in 2019 and 2018, respectively.

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8. Sublease Agreement

CLP entered into a sublease agreement (the Sublease) with Chicago Parking Meters, LLC (Meters), under which Meters rents a warehouse and related office space on the System's property. As a result of the assignment of interest in the C&L Agreement, as described in Note 1, the Sublease was also assigned to the Company at the transaction date. The Sublease was for a ten-year period ending November 1, 2019 and provided for two extension options of five years each, the first of which was exercised during 2019. Annual base rent payable under the Sublease is \$481,000, which is payable in monthly installments. The annual base rent (including base rent during the extension periods if the options are exercised) increases in accordance with the United States Consumer Price Index, but in no event by less than 3%. Rental income from Meters is included in other revenue on the statements of operations and members' equity and approximated \$573,000 and \$617,000 during the years ended December 31, 2019 and 2018, respectively.

9. Contingencies

The Company may be subject to litigation in the normal course of business. Management uses guidance from legal counsel relating to the potential outcome of any litigation when determining the need to record liabilities for potential losses and disclose pending legal claims. In management's opinion, the liabilities, if any, that may ultimately result from such legal actions are not expected to have a material effect on the Company's financial position, results of operations, or liquidity.

10. Subsequent Events

The Company has evaluated subsequent events through June 25, 2020, the date the financial statements were approved for issuance by the Company. Based on the evaluation performed, there were no material subsequent events that required recognition of additional disclosure in these financial statements, other than as described below.

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide.

The State of Illinois declared a stay-at-home order beginning March 21, 2020, which closed all bars and restaurants, stores, tourist attractions, and non-essential businesses. The Company has been identified by the State of Illinois as an essential business and therefore has been able to continue operations. As of the date of this report, the Company has had the following impact on operations related to COVID-19:

The Company experienced a significant decrease in demand after the stay-at-home order due to the closure of businesses and tourist attractions downtown, but has been able to generate a consistent amount of transient parking revenue due to certain essential businesses remaining open located near the garages. In addition, the Company has continued to earn revenue related to monthly and fleet parking contracts.

The Company has experienced a gradual increase in parking volume and revenue as restrictions related to the stay-at-home order have been eased. This was largely driven by the City of Chicago

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gradually entering into additional phases of its re-opening plan, which has allowed for non-essential businesses to begin re-opening.

On June 22, 2020, CIBC Bank and the Company's current holders under the Note Purchase Agreement have provided for debt covenant waivers for the Note Purchase Agreement and the CIBC Loan Agreement, including the minimum debt service coverage ratio covenant effective for the quarters ending June 30, 2020 through December 31, 2020. Under the waiver agreements, the Company is subject to minimum liquidity requirements during the waiver period and in the event of certain downgrades in the Company's debt rating, 1.25% in incremental interest would be charged on the outstanding notes during the covenant waiver period.

On June 22, 2020, the Company's owner, Millennium Parking Holdings LLC, arranged \$8,000,000 in additional funding via a third-party lender. This debt contains a minimum debt service coverage ratio that combines the results of the Company and Holdings. This \$8,000,000 funding, which has been injected into the Company, is treated as an equity contribution to the Company to support working capital needs and assist in the payment of mandatory debt service. This contribution was approved by the Company's board of directors.

The Company cannot reasonably estimate the length or severity of this pandemic, and its potential impact on its financial position, results of operations, and cash flows for the year ending December 31, 2020.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) was signed into law which provides certain tax benefits, loan programs, and grants to companies. The Company is continuing to evaluate the impact of the CARES Act and does not expect a material impact on its financial condition, results of operations, or liquidity.