Corporation Counsel
City of Chicago
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Finance and Economic Development Division

City of Chicago
Department of Finance
121 North LaSalle Street, Room 700
Chicago, Illinois 60602
Attention: Chief Financial Officer

April 22, 2016

RE: Concessionaire's Financial Reports due under the Chicago Metered Parking System Concession Agreement

Ladies and Gentlemen:

Reference is made to the Amended and Restated Chicago Metered Parking System Concession Agreement dated June 5, 2013 (the ***Concession Agreement***) between the City of Chicago (the ***City***) and Chicago Parking Meters, LLC (***CPM***). Capitalized terms not otherwise defined herein have the meanings provided for in the Concession Agreement.

Reference is also made to Section 8.1(c) of the Concession Agreement pursuant to which the Concessionaire's audited financial reports shall be delivered to the City following the end of each calendar year, along with a certification from the Concessionaire's chief financial officer. Enclosed herewith are CPM's audited balance sheet, statement of income, changes in equity and cash flows for the calendar year ended December 31, 2015, along with the notes thereto and the report from CPM's independent certified public accountants (the ***Financial Statements***).

I, in my capacity as Chief Financial Officer of CPM, certify that the enclosed Financial Statements fairly present the financial condition and the results of operations, changes in equity and cash flows of CPM as of and for the calendar year ending December 31, 2015, all in accordance with generally accepted accounting principles in the United States consistently applied.

Sincerely,

Jean Ratty Chidley
Chief Financial Officer

CHICAGO PARKING METERS, LLC
(A Delaware Limited Liability Company)

Financial Statements

December 31, 2015 and 2014

(With Independent Auditors' Report Thereon)

CHICAGO PARKING METERS, LLC
(A Delaware Limited Liability Company)

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KPMG LLP
Aon Center
Suite 5500
200 East Randolph Street
Chicago, IL 60601-6436

Independent Auditors' Report

The Board of Directors
Chicago Parking Meters, LLC:

Report on the Financial Statements

We have audited the accompanying financial statements of Chicago Parking Meters, LLC, which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of income, changes in 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 U.S. generally accepted accounting principles; 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.

Auditors' 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 auditors' 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 entity'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 entity'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 Chicago Parking Meters, LLC as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Chicago, Illinois
April 22, 2016

CHICAGO PARKING METERS, LLC
(A Delaware Limited Liability Company)

Balance Sheets

December 31, 2015 and 2014

Assets	**2015**	**2014**
Current assets:		
Cash and cash equivalents	$ 10,787,867	7,885,665
Accounts receivable	2,676,562	1,599,511
Other current assets	1,044,502	1,182,091
Total current assets	14,508,931	10,667,267
Fixed assets (net of accumulated depreciation of $38,910,590 and $31,660,761, respectively)	8,074,203	13,474,122
Intangible assets (net of accumulated amortization of $105,073,389 and $89,789,987, respectively)	1,041,181,797	1,056,465,199
Deferred financing costs, net	7,178,112	8,476,863
Prepaid rent	1,718,389	2,208,312
Total assets	$ 1,072,661,432	1,091,291,763
Liabilities and Members' Equity		
Liabilities:		
Current liabilities:		
Accounts payable	$ 1,127,391	1,474,643
Due to affiliate	342,223	301,142
Other current liabilities	7,286,700	3,106,677
Total current liabilities	8,756,314	4,882,462
Other liabilities:		
Long-term debt	800,000,000	800,000,000
Total other liabilities	800,000,000	800,000,000
Total liabilities	808,756,314	804,882,462
Members' equity	263,905,118	286,409,301
Total liabilities and members' equity	$ 1,072,661,432	1,091,291,763

See accompanying notes to financial statements.

CHICAGO PARKING METERS, LLC
(A Delaware Limited Liability Company)

Statements of Income

Years ended December 31, 2015 and 2014

		2015	2014
Income:			
Parking meter revenues	$	121,653,886	130,508,353
Total income		121,653,886	130,508,353
Cost of goods sold:			
Credit card and other fees		5,805,997	5,208,750
Total cost of goods sold		5,805,997	5,208,750
Gross profit		115,847,889	125,299,603
Expenses:			
Administrative management costs		2,628,626	2,555,531
General administrative costs		3,019,275	4,065,151
Operating expenses		8,268,765	9,136,232
Amortization of intangible assets		15,283,402	15,283,402
Depreciation		7,249,829	7,412,215
Management fees – affiliate		3,246,374	3,301,083
Total expenses		39,696,271	41,753,614
Net operating income		76,151,618	83,545,989
Other income (expense):			
Interest expense		(43,855,820)	(38,699,060)
Other income		19	12
Total other expense		(43,855,801)	(38,699,048)
Net income	$	32,295,817	44,846,941

See accompanying notes to financial statements.

CHICAGO PARKING METERS, LLC
(A Delaware Limited Liability Company)

Statements of Changes in Members' Equity

Years ended December 31, 2015 and 2014

		Deeside Investments Inc.	MS Infrastructure Investors LP	North Haven Infrastructure Partners LP	North Haven Infrastructure Partners A Sub LP	Total
Members' equity – January 1, 2014	$	253,470,796	3,275,613	57,260,528	190,778,138	504,785,075
Distributions		(131,483,231)	(1,716,993)	(30,016,482)	(100,006,009)	(263,222,715)
Net income		22,513,719	291,091	5,088,497	16,953,634	44,846,941
Members' equity – December 31, 2014		144,501,284	1,849,711	32,332,543	107,725,763	286,409,301
Distributions		(27,494,949)	(355,770)	(6,221,820)	(20,727,461)	(54,800,000)
Net income		16,265,361	208,941	3,652,446	12,169,069	32,295,817
Members' equity – December 31, 2015	$	133,271,696	1,702,882	29,763,169	99,167,371	263,905,118

See accompanying notes to financial statements.

CHICAGO PARKING METERS, LLC
(A Delaware Limited Liability Company)

Statements of Cash Flows

Years ended December 31, 2015 and 2014

		2015	2014
Cash flows from operating activities:			
Net income	$	32,295,817	44,846,941
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation		7,249,829	7,412,215
Amortization of intangible assets		15,283,402	15,283,402
Amortization of deferred financing costs		1,298,751	1,170,929
Changes in assets and liabilities:			
Accounts receivable		(1,077,051)	240,630
Prepaid rent		489,923	506,322
Other current assets		137,589	(101,808)
Due to affiliate		41,081	(15,019)
Accounts payable		(179,146)	27,818
Other current liabilities		4,180,023	2,813,675
Net cash provided by operating activities		59,720,218	72,185,105
Cash flows from investing activities:			
Purchase of fixed assets		(2,018,016)	(2,131,313)
Cash used in investing activities		(2,018,016)	(2,131,313)
Cash flows from financing activities:			
Long-term debt proceeds		—	200,000,000
Payment of debt issuance costs		—	(2,359,799)
Distributions to members		(54,800,000)	(263,222,715)
Net cash used in financing activities		(54,800,000)	(65,582,514)
Net cash increase for period		2,902,202	4,471,278
Cash and cash equivalents at beginning of year		7,885,665	3,414,387
Cash and cash equivalents at end of year	$	10,787,867	7,885,665
Supplemental disclosure of cash flow information:			
Cash paid for interest	$	42,561,151	37,537,798
Noncash activity:			
Capital expenditures incurred but not yet paid	$	36,646	204,752

See accompanying notes to financial statements.

(1) Organization

Chicago Parking Meters, LLC (the Company) was formed on November 18, 2008, for the purpose of owning the concession right for the Chicago Metered Parking System (the System) in Chicago, Illinois. On December 4, 2008 and February 3, 2009, the Company entered into a concession agreement (as amended and restated on June 5, 2013) and a side letter (collectively, the Agreements), respectively, pursuant to which, effective February 13, 2009 (the Concession Start Date), it leased the System for a 75-year term from the City of Chicago (the City) for a purchase price of $1,151,355,186. The Company has an exclusive right and franchise during the lease term to operate and collect revenues from the System (Rights).

The members of the Company (Members) are Morgan Stanley Infrastructure Investors LP (MSII), North Haven Infrastructure Partners LP (NHIP) (formerly known as Morgan Stanley Infrastructure Partners LP), North Haven Infrastructure Partners A Sub LP (formerly known as Morgan Stanley Infrastructure Partners A Sub LP), (collectively with MSII and NHIP, the MSIP Partnerships), and Deeside Investments, Inc. (Deeside); the Members own 0.653%, 11.415%, 38.032%, and 49.900%, respectively, of the Company. The General Partner of the MSIP Partnerships (which own 50.100% of the Company in total) is Morgan Stanley Infrastructure GP LP, an affiliate of Morgan Stanley & Co Inc. (Morgan Stanley). Deeside is owned by two infrastructure investors who are not related to the MSIP Partnerships.

The Company’s net income or net loss and each item of income, gain, loss, deduction, or expense included in the determination of such net income or net loss shall generally be allocated among the Members in proportion to each Member’s percentage interest. The Company does not have a defined dissolution date.

(2) Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP).

(a) Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions 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. Significant estimates and assumptions have been made with respect to the initial purchase price allocation and useful lives of assets. Actual results could differ from those estimates.

(b) Acquisition of Parking Meters

The fair values of the assets acquired pursuant to the Agreements were recorded as follows:

Equipment	$	5,100,000
Intangible assets		1,146,255,186
Purchase price	$	1,151,355,186

The Company used an income method, specifically the excess earnings method, to value the Agreements, which are recorded as intangible assets. Under the excess earnings method, the Company examined the expected economic returns contributed by the System's fixed assets and the Rights obtained under the Agreements, and then isolated the excess return, which were attributable to the Rights. The cost approach was used in the valuation of the equipment.

(c) Cash and Cash Equivalents

Cash and cash equivalents include all cash and liquid investments with an initial maturity of three months or less. Throughout the period, the Company may have cash balances in excess of federally insured amounts on deposit with various financial institutions.

Amounts received by parking meters but not yet deposited into the bank account are treated as cash (deposits in transit) and are included in the cash and cash equivalents balance as of December 31, 2015 and 2014.

(d) Cost of Goods Sold

Cost of goods sold consists of interchange, assessment, and processing fees for credit card sales and transaction fees paid to the Company's mobile payment provider.

(e) Fixed Assets

Fixed assets are stated at cost and primarily consist of parking meters. The Company's fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying values of such assets may not be recoverable. The Company's fixed assets are considered impaired when their estimated future undiscounted operating cash flows are less than the carrying values of such assets. To the extent impairment has occurred, the excess of carrying values of the Company's fixed assets over their estimated fair values will be charged to operations. No fixed assets impairment losses were recognized for the years ended December 31, 2015 and 2014.

Depreciation is provided on a straight-line basis over two years for computer software, three years for computer equipment, five years for land improvements, and seven years for equipment including parking meters. Maintenance and repairs are charged to expense when incurred. Expenditures for significant betterments and improvements that extend the economic lives of the fixed assets are capitalized.

(f) Intangible Assets

Intangible assets are stated at cost and consist of the Rights ($1,146,255,186), which are amortized on a straight-line basis over 75 years, resulting in annual amortization of $15,283,402 each year. The Company's definite-lived intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying values of such assets may not be recoverable. The Company's intangible assets are considered impaired when their estimated future undiscounted operating cash flows are less than the carrying values of such assets. To the extent impairment has occurred, the excess of carrying values of the Company's intangible assets over their estimated fair values will be charged to operations. No intangible asset impairment losses were recognized for the years ended December 31, 2015 and 2014.

(g) Leases

Base rent associated with operating leases is recorded monthly on a straight line basis over the term of the respective lease. Leased property and equipment meeting capital lease criteria are capitalized at the lower of the present value of the related lease payments or the fair value of the leased asset at the inception of the lease and are recorded as a component of fixed assets on the accompanying balance sheets. Depreciation is calculated on the straight-line method based on the shorter of the estimated economic useful life of the assets or lease term.

(h) Revenue Recognition

Parking revenues from transient parking at the Company's parking meters are recognized as cash is received for coin sales and as transactions are authorized for credit card sales. In May 2014, the Company implemented a mobile phone parking application. Parking revenues from customers using the Company's mobile phone parking application are recognized as parking transactions are authorized using customers' prepaid balances. Customers' prepaid balances of $6,951,602 and $2,991,894 are included in cash and cash equivalents and other current liabilities as of December 31, 2015 and 2014, respectively.

The Company is entitled to compensation from the City in accordance with the Agreements in the event that the City implements changes to the System, which reduces the Company's revenues (True-up Revenue). In addition, if the City implements certain changes to the System in accordance with the Agreements that result in an increase to the Company's revenue, the City has a right to a settlement credit, which results in a reduction of the Company's revenue. A settlement credit amount can only be used by the City as an offset against future True-up Revenue owed by the City to the Company, unless the Agreements are terminated prior to February 29, 2084. True-up Revenue and settlement credits are calculated and recognized when earned or incurred at the end of each quarter for the reporting year defined in the Agreements (May 31, August 31, November 30, and February 28). True-up Revenue amounts due from the City are recorded in accounts receivable on the accompanying balance sheets. Settlement credit amounts the City has not utilized to offset future True-up Revenue are recorded as other current liabilities on the accompanying balance sheets. Accounts receivable as of December 31, 2015 and 2014 includes $2,654,465 and $1,593,077, respectively, of True-up Revenue due from the City. No unapplied settlement credits were outstanding as of December 31, 2015 and 2014.

For the years ended December 31, 2015 and 2014, the Company recognized True-up Revenue of $8,637,891 and $6,481,150, respectively. These amounts are recorded in parking meter revenues on the accompanying statements of income.

Based on the Agreements, the Company is entitled to receive exempt parkers annual excess loss revenue (EPAEL), equal to the loss of revenue to the Company due to exempt parkers utilizing the System free of charge that exceeds 6% of the Company's annual parking meter revenue (determined as of the end of February each year). The Company is required to perform surveys to determine the usage of the System by exempt parkers. Additionally, under the Agreements, prior to the Company receiving EPAEL revenue from the City, the City must approve the Company's determination of EPAEL. All revenue recognition criteria have been met prior to the City providing final approval of payment. Based on the annual parking meter revenues for the Agreement's reporting year ended February 28, 2014, the Company has recognized $18,476,590 of EPAEL revenue for the year ended December 31, 2014, which represents revenue from the Agreement's reporting year ended February 28, 2014. The revenue is included in parking meter revenues on the accompanying statements of income.

On January 1, 2014, a new Illinois law, limiting disabled parking exemptions took effect which resulted in significantly lower usage of the System by exempt parkers. Because the usage of the System by exempt parkers was not in excess of 6% of the annual parking meter revenues for the Agreement's reporting year ended February 28, 2015, no EPAEL revenue for the year ended December 31, 2015 has been recognized by the Company.

(i) Income Taxes

No provision has been made for federal or state income taxes, as the liability for such taxes, if any, is that of the Members rather than the Company. No uncertain tax positions were identified as of December 31, 2015 and 2014.

The Company's income tax returns are subject to examination by taxing authorities. As the application of tax laws and regulations related to many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the taxing authorities. The Company has assessed its tax position for all open tax years as of December 31, 2015 (2011-2014). There are no uncertain tax positions which require recognition in accordance with the provisions of FASB Accounting Standards Codification (ASC) 740, *Income Taxes*, as of December 31, 2015 or 2014.

(j) Deferred Financing Costs

Deferred financing costs associated with obtaining debt (note 5) have been capitalized and are amortized over the term of the debt as a component of interest expense.

(k) Recently Issued or Adopted Accounting Standards

In January 2016, the FASB issued Accounting Standard Update (ASU) 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, which amends the guidance on the classification and measurement of financial instruments. The guidance amends certain disclosure requirements associated with the fair value of financial instruments. ASU 2016-01 is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2017 for Public Business Entities (PBEs). However, non-PBEs are permitted to early adopt if their financial statements have not yet been issued or have not been made available for issuance as of January 2016. The Company early adopted this standard for the year ended December 31, 2015 and elected not to provide the disclosures of fair value of financial instruments.

(3) Operating Agreement

The System is managed by LAZ Parking Chicago, LLC (LAZ) pursuant to the terms of a management agreement. LAZ is paid a management fee equal to 0.5% of net operating income (Base Management Fee) over the entire term of the management agreement, as defined in the Operations and Maintenance Agreement between LAZ and the Company (the LAZ Agreement), and is reduced by $12,939 each month beginning in April 2012. The Base Management Fees incurred for the years ended December 31, 2015 and 2014 were $347,098 and $392,087, respectively, and are recorded in administrative management costs on the accompanying statements of income.

(4) Transactions with Related Parties

The Company is managed by AMI Group, LLC, f/k/a Chicago Parking Services, LLC (AMI), an entity which is also owned by the MSIP Partnerships. AMI charges the Company for the costs of its services plus a fee equal to 10% of such costs. The Company incurred costs and fees totaling $3,246,374 and $3,301,083 during the years ended December 31, 2015 and 2014, respectively, and owed AMI $342,223 and $301,142 at December 31, 2015 and 2014, respectively. This amount is included as due to affiliate on the accompanying balance sheets.

On July 17, 2009, the Company entered into a sublease (the Sublease) with Chicago Loop Parking, LLC (Loop), a company wholly owned by the MSIP Partnerships, in which the Company rents a warehouse with related office space on 17,417 square feet of the Loop’s property (the Rental Space) for a ten-year period beginning with the Company’s initial occupancy of the Rental Space on November 1, 2009 (the Commencement Date). The construction of the Rental Space was paid by Loop. Effective January 31, 2014, Loop assigned its interest in the Sublease to a third party. The Sublease is for a ten-year term subject to two extension options of five years each. Rent payments are as follows: (i) $2,500,000 in sublease rent was paid by the Company upon execution of the Sublease, (ii) $481,390 of annual base rent is payable by the Company in monthly installments starting on the Commencement Date, (iii) $2,500,000 of additional sublease rent was paid by the Company on the first anniversary of the Commencement Date, and (iv) starting on the first anniversary of the Commencement Date, the annual base rent (including base rent during the extended lease term, if the options are exercised) increases in accordance with the U.S. Consumer Price Index, but in no event by less than 3%.

Rent expense for the years ended December 31, 2015 and 2014 was $1,052,954. Rent paid by the Company and deferred until future periods is $1,718,389 and $2,208,312 as of December 31, 2015 and 2014, respectively, and is included as prepaid rent on the accompanying balance sheets.

Minimum future rentals under the noncancelable operating lease as of December 31, 2015 are as follows:

2016	$	579,922
2017		597,320
2018		615,240
2019		525,453
	$	2,317,935

(5) Long-Term Debt

On November 9, 2010, the Company issued $600,000,000 of debt through a Senior Secured Notes (the 2020 Notes) offering. The 2020 Notes bear interest at 5.489%, and require payments of interest semiannually on June 30 and December 30, commencing on December 30, 2010. The 2020 Notes mature on December 30, 2020. As of the date of this report, the Company is in compliance with all covenants under this offering.

On July 17, 2014, the Company issued $200,000,000 of debt through a Senior Secured Notes (the 2024 Notes) offering. The 2024 Notes bear interest at 4.52%, and require payments of interest semiannually on June 30 and December 30, commencing on December 30, 2015. The 2024 Notes mature on July 15, 2024. An affiliate of one of the Deeside investors purchased $65,000,000 of the 2024 Notes. As of the date of this report, the Company is in compliance with all covenants under this offering.

The 2020 Notes and 2024 Notes are secured by a first priority lien on substantially all of the Company's tangible and intangible assets, including, without limitation, those assets related to the operation, maintenance, and rehabilitation of the System, the Company's interests in the Agreements, and a lien on substantially all of the Company's accounts, including the liquidity reserve account. In addition, the 2020 Notes and 2024 Notes are secured by a first priority security interest in all the limited liability company interests.

Pursuant to the terms of the 2020 Notes and 2024 Notes, the Company is required to maintain a $25,000,000 liquidity reserve deposit account or letter of credit of equal amount. The Company has obtained a $25,000,000 letter of credit to satisfy this requirement. There have been no drawdowns on the $25,000,000 letter of credit.

(6) Leases

The Company entered into a vehicle lease agreement with Enterprise Fleet Management on August 27, 2009 with a lease term of 60 months. At the expiration of the lease term, the Company shall receive title to the applicable vehicles. This lease agreement is accounted for as a capital lease in the financial statements. Property under capital leases are included in fixed assets as follows:

	December 31	
	2015	**2014**
Asset class:		
Vehicles	$ 750,786	750,786
Less accumulated amortization	(750,786)	(750,786)
Total	$ —	—

The Company paid for the full cost of the lease upfront at the execution date.

(7) Commitments and Contingencies

Litigation

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 the disclosure of 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 materially adverse effect on the Company's financial position, results of operations, or liquidity.

A complaint was filed on August 19, 2009 (and subsequently amended on September 17, 2009, April 30, 2010, November 5, 2010, September 16, 2011, October 29, 2011, and November 18, 2011) by the Independent Voters of Illinois Independent Precinct Organization and a private citizen of the State against the Comptroller of the City and the Comptroller of the State (the Secretary of State was named in the original complaint, but has since been dismissed as a party). The Company was named as a defendant beginning with the fourth amended complaint filed on September 16, 2011. The amended complaint alleges that the City, through the Agreements, has, among other things, illegally or unconstitutionally (i) required the expenditure of public funds for purely private benefit and (ii) delegated the City's police powers. The plaintiffs seek (i) a finding and declaration that the provisions of the Agreements related to the foregoing allegations are illegal and unconstitutional and (ii) injunctive relief preventing the City from expending funds to enforce the City's obligations under the Agreements. The Company and the City have contested each claim. In addition, the plaintiffs seek an order that the Company reimburse the City for amounts previously provided to it by the City pursuant to the Agreements. The Company has contested this claim. In accordance with the court's scheduling order, on February 7, 2012, the plaintiffs moved for summary judgment in their favor on their outstanding claims. On March 22, 2012, the Company and the City each filed cross motions for summary judgment, seeking dismissal of the action, and also filed their respective responses to the plaintiffs' motion for summary judgment. The plaintiffs filed their summary judgment responses and reply on July 11, 2012 and the Company and the City filed their summary judgment replies on August 9, 2012 and August 10, 2012, respectively. Oral argument for the summary judgment motions was heard on November 7, 2012 and on November 13, 2012 the judge ruled in favor of the Company's motion for summary judgment and denied the plaintiff's motion for summary judgment. The plaintiff filed a notice of appeal in December 2012, and the Illinois Appellate Court heard oral arguments on May 29, 2014. The appellate court unanimously affirmed the lower court's ruling in the Company's favor in a written opinion issued on June 20, 2014. On August 8, 2014, the plaintiff's filed a petition with the Illinois Supreme Court asking for leave to appeal the case to that court. On September 24, 2014, the Illinois Supreme Court denied the plaintiff's motion for review. On October 24, 2014, the plaintiff's filed a motion with the Illinois Supreme Court to reconsider their petition for review. On November 12, 2014, the Illinois Supreme Court denied the plaintiff's motion to reconsider. The Company does not believe that there is any basis for further appeal.

(8) Subsequent Events

The Company has evaluated events subsequent to December 31, 2015 through April 22, 2016, the date of the financial statement issuance, for disclosure.