KKR

August 15, 2010

Don Devendorf
Vice President
Morgan Stanley
1585 West Broadway, Floor 33
New York, NY 10036

Dear Mr. Devendorf:

On behalf of KKR Parking Partners I L.P. and an entity to be formed and controlled by an affiliate of Kohlberg Kravis Roberts & Co. L.P. ("KKR"), we are pleased to submit this indicative offer to enter into the City of Indianapolis (the "City") Parking Meter Concession Agreement (the "Concession," attached hereto). We expect that a binding offer reflecting the terms below and subject to the terms and conditions to be described in the revised City of Indianapolis Parking Meter Concession Agreement Bid Form will be forthcoming by end of day Monday.

KKR appreciates the opportunity to participate in the Concession process and believes that, with our operating partner Duncan Solutions, we have designed an exceptional parking management program for the City. As a result of that design, we hope to have valued the City's parking program higher than any other respondent. With KKR's financial strength and banking relationships, we were able to translate that value into a large upfront payment which we understood to be the City's desire for this Concession.

Nonetheless, if the City prefers a different financial model which spreads the value of the parking program over the full concession term, KKR can certainly meet this goal. Therefore, we have outlined below an alternate proposal which restructures the value imbedded in our upfront payment into a smaller, but still substantial, upfront payment, and a significant ongoing revenue stream. Furthermore, we believe KKR is uniquely positioned to restructure this ongoing payment stream to the City into a second large upfront payment at a future point if the City so desires.

We would welcome the opportunity to partner with the City in support of its continued growth, while serving the needs of its residents, businesses and other key stakeholders. Key highlights of our offer include:

- **Compelling Valuation**: We are pleased to offer a large up front cash payment and significant revenue sharing with the City as follows:
    1. an upfront cash payment of $27,500,000; and
    2. sharing of 50% of revenue above a $3,750,000 threshold, such threshold growing at 3% per annum.

- **World Class Operating and Technology Capabilities**: KKR places a strong emphasis on operational management. In addition to our investment professionals, KKR Capstone (our proprietary resource of nearly 60 operating professionals dedicated to our portfolio companies) and the industry experience of our Senior Advisors are powerful tools for driving unparalleled operational performance in our companies. In addition, our operating partner Duncan Solutions has roughly 70 years experience in the parking business and brings together each of the relevant disciplines to

optimize on-street parking in terms of motorist convenience, economic development, enforcement fairness and efficiency, and program management. Overall, Duncan serves more than 2,000 cities globally with a wide range of parking equipment and services. Furthermore, Duncan's Pay by Space meter technology was chosen by the citizens of the City in a 2006 pilot program as their technology of choice.

- **Extensive Stakeholder Relations Experience**: KKR has developed significant stakeholder relations expertise through its long-standing investment experience with complex transactions involving highly regulated, public-facing assets, particularly involving infrastructure. In these situations, KKR has worked to construct innovative regulatory, environmental, and other solutions to better serve customers and communities, and ultimately to create value for all constituencies. We have formalized our approach to stakeholder relations by establishing a dedicated seven person Global Public Affairs group and multiple external advisors to build on KKR's commitment in this area. This group has been and will continue to be actively involved in our activities with respect to the Concession.

- **Certainty and Speed of Closing**: The transaction will be financed with cash equity and third-party debt financing. We have full Investment Committee approval to enter into the Concession immediately upon submission of our biding bid. In addition, Duncan Solutions has already substantially completed transition planning and is standing by to initiate a smooth and speedy transition immediately upon execution of the attached Concession.

- **Responsible Investor**: KKR has a 34 year history and established reputation as a reliable counterparty, having completed over 175 transactions representing a total value in excess of $430 billion. We are also uniquely qualified, given our long-term mindset and extensive experience in the infrastructure sector.

This letter is intended as an indication of interest for discussion purposes only and is not intended to be and does not constitute a legally binding obligation of any party hereto, with no legally binding obligations created unless and until the revised City of Indianapolis Parking Meter Concession Agreement Bid Form is submitted (and no oral contracts will be deemed to exist).

In summary, we continue to be very excited about partnering with the City and believe that we are able to offer a compelling bid with high up front value and a significant ongoing value for the City. In addition, we expect and look forward to being a very constructive partner with the City in furthering its goals of continuing growth while serving the needs and desires of its residents, businesses and other interested parties. If you would like to discuss any aspect of our offer, please feel free to contact me at (212) 230-9466 (marc.lipschultz@kkr.com) or Raj Agrawal at (650) 233-6586 (raj.agrawal@kkr.com).

Very truly yours,

KOHLBERG KRAVIS ROBERTS & CO. L.P.

Marc S. Lipschultz

Title: Member