

\$112,688,302.00
CONNECTOR 2000 ASSOCIATION, INC.
TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011A1, B1 & C1

CLOSING MEMORANDUM

The closing of the exchange of \$112,688,302.00 Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A1, B1, & C1 by the Connector 2000 Association, Inc. (the “*Association*”) occurred on May 31, 2012 at the offices of Haynsworth Sinkler Boyd, P.A., Greenville, South Carolina.

The parties to the transaction and their respective counsel are listed as follows:

ASSOCIATION:	Connector 2000 Association, Inc. Greenville, South Carolina
ASSOCIATION’S COUNSEL:	Haynsworth Sinkler Boyd, P.A. Columbia, South Carolina
TRUSTEE:	U.S. Bank National Association Columbia, South Carolina
TRUSTEE’S COUNSEL:	Holland & Knight, LLP Miami, Florida
BOND COUNSEL:	Haynsworth Sinkler Boyd, P.A. Columbia, South Carolina
FINANCIAL ADVISOR:	Southern Municipal Advisors Greenville, South Carolina

DELIVERY OF
\$112,688,302.00
CONNECTOR 2000 ASSOCIATION, INC.
TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011A1, B1 & C1

All capitalized terms used herein, unless otherwise defined herein, shall have the meanings provided in the Supplemental Indenture, as hereinafter defined.

<u>Index No.</u>	<u>Description of Documents</u>
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A. TRANSCRIPT OF PROCEEDINGS

1. Certificate of the Secretary of Connector 2000 Association, Inc. (the “**Association**”) containing certified copies of Articles of Incorporation, Articles of Amendment, and By-Laws of the Association, Resolution of the Board of Directors of the Association adopted on January 18, 2012 (the “**Bond Resolution**”) and Certificate of Existence issued by the South Carolina Secretary of State and certifying the incumbency of the members of the Board of Directors and the officers of the Association.
2. Determination Letter of the Internal Revenue Service dated October 20, 1997 determining the Association to be an exempt organization under Section 501(c)(3) of the Code.

B. BASIC DOCUMENTS

3. Copy of Bondholders’ Direction and Consent dated January 5, 2012 (the “**Consent**”).
4. Copy of Debtor’s Motion For An Order (I) Authorizing a Supplement to the Indenture in Aid of Implementation of the Plan; and (II) Approving Bond Exchange Materials and Procedures for Term Bonds (the “**Motion**”) filed by the Association in the United States Bankruptcy Court for the District of South Carolina (the “**Court**”) on February 7, 2012.
5. Copy of Court Order (the “**Exchange Order**”) entered April 10, 2012 (I) Authorizing A Supplement To The Indenture In Aid Of Implementation Of The Plan; And (II) Approving Bond Exchange Materials And Procedures For Term Bonds.
6. Executed counterpart of First Supplemental Indenture of Trust, dated as of May 1, 2012 and effective as of April 21, 2011 between the Association and U.S. Bank National Association, as trustee (the “**Trustee**”) (the “**Supplemental Indenture**”).

7. Copy of Exchange Memorandum dated April 10, 2012 (the “***Exchange Memorandum***”).
8. UCC-3 amendment to UCC-1 Financing Statement.
9. Specimen copies of the Series 2011A1 Bonds, the Series 2011B1 Bonds and the Series 2011C1 Bonds.

C. CLOSING DOCUMENTS

10. DTC Letter of Representations.
11. Copy of Trustee’s Notice to Bondholders #2 dated February 8, 2012.
12. Copy of Trustee’s Notice to Bondholders #3 dated April 17, 2012.
13. Copy of Trustee’s Notice to Bondholders #4 dated May 22, 2012.
14. Verification Report of Causey Demgen & Moore.
15. Closing and Tax Certificate of the Association.
16. Authentication Order of the Association.
17. Closing Certificate of the Trustee.
18. Accreted Value Tables.

D. LEGAL OPINIONS

19. Opinion of Counsel to the Association

E. OTHER DOCUMENTS

20. Affidavits of Publication.

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

I, the **SECRETARY OF STATE OF SOUTH CAROLINA**, DO HEREBY CERTIFY:

That the attached is a true, correct, and verbatim copy of the Transcript of Proceedings incident to the issuance by Connector 2000 Association, Inc. (the "**Association**") of its (i) Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A1 (the "**Series 2011A1 Bonds**"), (ii) Senior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011B1 (the "**Series 2011B1 Bonds**"), and (iii) Junior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011C1 (the "**Series 2011C1 Bonds**" and, together with the Series 2011A1 Bonds and the Series 2011B1 Bonds, the "**By-lot Bonds**") as the same was this day filed in my office and indexed in a special book kept for that purpose.

WITNESS MY HAND this 31st day of May, 2012.

Mark Hammond

SECRETARY OF STATE OF THE STATE OF SOUTH CAROLINA



TRANSCRIPT OF PROCEEDINGS

CONNECTOR 2000 ASSOCIATION, INC. TOLL ROAD REVENUE BONDS (SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA), SERIES 2011A1, B1 & C1

Introduction

This Transcript is a certified copy of the Record of Proceedings taken in connection with the issuance by Connector 2000 Association, Inc. (the “**Association**”) of its (i) Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A1 (the “**Series 2011A1 Bonds**”), (ii) Senior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011B1 (the “**Series 2011B1 Bonds**”) and (iii) Junior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011C1 (the “**Series 2011C1 Bonds**”) (the “**Series 2011C1 Bonds**” and, together with the Series 2011A1 Bonds and the Series 2011B1 Bonds, the “**By-lot Bonds**”).

The By-lot Bonds are being issued by the Association on behalf of the State of South Carolina Department of Transportation (“**SCDOT**”) in exchange for an equivalent principal amount of (x) Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A (the “**Series 2011A Bonds**”), (y) Senior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011B (the “**Series 2011B Bonds**”) and (z) Junior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011C (the “**Series 2011C Bonds**” and, together with the Series 2011A Bonds and the Series 2011B Bonds, the “**Pro-rata Bonds**”).

Section 11-15-20, Code of Laws of South Carolina 1976, as amended, prescribes that whenever a State agency proposes to issue a bond, the governing board shall make a full record of proceedings relating to the issuance of such bond and shall, prior to delivery thereof, file a copy of such record in the Office of the Secretary of the State of South Carolina. The Secretary of State is required to file and index this record in a special book furnished therefor.

The record here reflects the action taken by the Board of Directors of the Association as the “Governing Board” of the Association in effecting the issuance of the Bonds.

The Table of Contents is not part of the Transcript, but was prepared for the convenience of those called upon to examine this record.

TABLE OF CONTENTS

1. Certificate of the Secretary of Connector 2000 Association, Inc. (the “***Association***”) containing certified copies of Articles of Incorporation, Articles of Amendment, and By-Laws of the Association, Resolution of the Board of Directors of the Association adopted on January 18, 2012 (the “***Bond Resolution***”) and Certificate of Existence issued by the South Carolina Secretary of State
2. Determination Letter of the Internal Revenue Service dated October 20, 1997 determining the Association to be an exempt organization under Section 501(c)(3) of the Code.

SECRETARY'S CERTIFICATE

I, the undersigned, Secretary of Connector 2000 Association, Inc., a South Carolina nonprofit corporation (the "**Association**"), **DO HEREBY CERTIFY**, that attached hereto are true, complete and correct copies of the following documents:

- A. The Articles of Incorporation of the Association filed with the Secretary of State of the State of South Carolina on January 12, 1996;
- B. The Articles of Amendment of the Association filed with the Secretary of State of the State of South Carolina on March 5, 1997;
- C. The By-Laws of the Association adopted by the Board of Directors of the Association (the "**Board**") on March 28, 1996 as amended to date;
- D. Resolution of the Board of Directors of the Association adopted on January 18, 2012 (the "**Bond Resolution**"); and
- E. A Certificate of Existence of the Association.

I FURTHER CERTIFY that the forgoing documents have not been rescinded, modified or further amended and remain in full force and effect as of the date hereof.

I FURTHER CERTIFY that at the time of adoption of the Bond Resolution the persons listed on the attached schedule constituted the nine members of the Board of Directors of the Association, each of whom were duly appointed, approved by resolution of the South Carolina Department of Transportation Commission, to serve until the scheduled date of expiration of their respective terms set forth below or such later date upon which their successors are appointed and qualified and the persons listed on such schedule were and are the officers of the Association duly appointed by the Board.

IN WITNESS WHEREOF, I have hereunto set my Hand and affixed the Seal of the Association, on May 30, 2012.

(SEAL)



Secretary of Connector 2000 Association, Inc.

Name of Director	Expiration of Term
Terry A. Bragg	April 30, 2014
Jody Bryson	April 30, 2012
Ralph W. Callahan	April 30, 2013
William L. Carpenter	April 30, 2014
Eddie Case	April 30, 2012
James C. Gill	April 30, 2012
Larry Kendall	April 30, 2015
J. Ronald Lawson	April 30, 2013
Seabrook Marchant	April 30, 2013

The executive officers of the Association are set forth below:

Officers: Chairman of the Board and President: William L. Carpenter
 Vice Chairman: Larry Kendall
 Corporate Secretary: Seabrook Marchant
 Executive Vice President and General Manager: Pete Femia
 Treasurer: James C. Gill

As established by the Board of Directors of the Association at its annual meeting on October 19, 2011.

CERTIFIED TO BE A TRUE AND CORRECT COPY
AS TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE

MAY 30 2012

Mark H. Miles
SECRETARY OF STATE OF SOUTH CAROLINA

STATE OF SOUTH CAROLINA
SECRETARY OF STATE
JIM MILES
NONPROFIT CORPORATION
ARTICLES OF INCORPORATION

J. Miles											
SECRETARY OF STATE											
FILED											
JAN 12 1996											
AM						PM					
7	8	9	10	11	12	1	2	3	4	5	6

1. The name of the nonprofit corporation is: Connector 2000 Association, Inc.
2. The initial registered office of the nonprofit corporation is: 712 North Main Street,
Greenville, Greenville County, South Carolina 29609.

The name of the registered agent of the nonprofit corporation at that office is: Timothy A. Brett.

3. Check (a), (b), or (c) whichever is applicable. Check only one box.
 - a. ☒ The nonprofit corporation is a public benefit corporation.
 - b. ☐ The nonprofit corporation is a religious corporation.
 - c. ☐ The nonprofit corporation is a mutual benefit corporation.
4. Check (a) or (b), whichever is applicable:
 - a. ☐ This corporation will have members.
 - b. ☒ This corporation will not have members.
5. The address of the principal office of the nonprofit corporation is: 712 North Main Street,
Greenville, Greenville County, South Carolina 29609.
6. If this nonprofit corporation is either a public benefit or religious corporation (box "a" or "b" of ¶3 is checked) and intends to operate within the meaning of Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, complete "a" and "b" below.

If this nonprofit corporation is a public benefit or religious corporation and does not intend to operate within the meaning of Section 501(c)(3) of the Internal Revenue Code, complete "c" below.

- a. ☒ The purposes for which the corporation is organized are exclusively religious, charitable, scientific, literary, and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue law. Notwithstanding any other provision of these articles, this corporation shall not carry on any activities not permitted to be carried on by an organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue law.

b. ☒ Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government or to a state or local government for a public purpose. Any such asset not so disposed of shall be disposed of by the court of common pleas of the county in which the principal office of the corporation is then located exclusively for such purposes, or to such organization or organizations as said court shall determine, which are organized and operated exclusively for such purposes.

c. ☐ Upon dissolution of the corporation consistent with law, the remaining assets of the corporation shall be distributed to:

one or more public benefit corporations or one or more entities described in Section 501(c)(3) of the Internal Revenue Code or any successor provision, to the United States, to the State of South Carolina, to a political subdivision of the United States or the State of South Carolina, for a public purpose.

7. If the corporation is a mutual benefit corporation (box "c" of ¶ 3. is checked), complete either (a) or (b), whichever is applicable, to describe how the [remaining] assets of the corporation will be distributed upon dissolution of the corporation.

a. ☐ Upon dissolution of the mutual benefit corporation the [remaining] assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefiting or serving.

b. ☐ Upon dissolution of the mutual benefit corporation the [remaining] assets, consistent with law, shall be distributed to: _____

8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows (See § 33-31-202(c) of the 1976 South Carolina Code, the applicable comments thereto, and the instructions to this form): **Purpose:** The purpose of the corporation is to construct and operate a highway in Greenville County, South Carolina in order to promote the economic development, safety and welfare of the citizens of Greenville County, South Carolina and surrounding communities and for the general benefit of all citizens of the State of South Carolina. Specific objectives of the organization include:

(a) Construction of a highway meeting federal interstate highway standards and located in Greenville County, South Carolina connecting Interstate 85 and Interstate 385 by a route through the southern part of Greenville County;

(b) Operating and maintaining the highway through the use of tolls from vehicular traffic as authorized by South Carolina law to promote the economic development, safety and welfare of the citizens of the Greenville, South Carolina area; and

(c) Upon payment of the bonds issued to finance the costs of construction and initial costs of operation of the highway, to convey and transfer the highway and the operation and maintenance responsibility therefor to the State of South Carolina for the benefit of all citizens of the State of South Carolina.

9. The name and address (with zip code) of each incorporator is as follows (only one is required):

Name

Address (with zip code)

Richard L. Few, Jr. 100 East Coffee Street, Greenville, South Carolina 29601

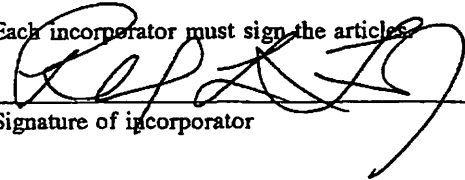
10. Each original director of the nonprofit corporation must sign the articles but only if the directors are named in these articles:

(only if named in articles) Signature of director

(only if named in articles) Signature of director

(only if named in articles) Signature of director

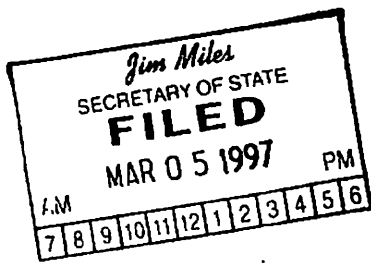
11. Each incorporator must sign the articles.



Signature of incorporator

Signature of incorporator

Signature of incorporator



STATE OF SOUTH CAROLINA
SECRETARY OF STATE
JIM MILES
NONPROFIT Corporation
ARTICLES OF AMENDMENT

CERTIFIED TO BE A TRUE AND CORRECT COPY
AS TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE
MAY 30 2012
Mark [Signature]
SECRETARY OF STATE OF SOUTH CAROLINA

Pursuant to the provisions of § 33-31-1005 of the 1976 South Carolina Code, as amended, the applicant delivers to the Secretary of State these Articles of Amendment.

1. The name of the nonprofit Corporation is Connector 2000 Association, Inc.
2. Specify (a) the text of every amendment adopted, and (b) list when each amendment was adopted:

The Corporation adopted the following amendment to its Articles of Incorporation on March 4, 1997;

Article 6 of the Articles of Incorporation shall be amended to read as follows:

The Corporation is not a Corporation organized for profit. The Corporation is organized and shall be operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding section of any future federal tax code. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its directors, officers, employees, agents or other private shareholders or persons except that the Corporation shall be authorized to pay reasonable compensation for services rendered and to make reasonable payments in furtherance of its charitable purposes. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of these articles, the Corporation shall not carry on any activities not permitted to be carried on (i) by a Corporation exempt from federal income tax under Section 501(c)(3) of the Internal Code of 1986 or the corresponding section of any future federal tax code or (ii) by a Corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 or the corresponding section of any future federal tax code. Upon the dissolution of the Corporation, all of the Corporation's assets shall be distributed (1) to the South Carolina Department of Transportation or its successor agency (the "SCDOT") for a public purpose or (2) at the direction of the SCDOT, to another agency or political subdivision of the State of South Carolina for a public purpose or (3) at the direction of the SCDOT for one or more exempt purposes within the meaning of Section 501(c)(3) of the

Internal Revenue Code or the corresponding section of any future federal tax code. The provisions of this Article 6 shall supersede any contrary provisions of these Articles of Incorporation.

Article 8 of the Articles of Incorporation shall be amended to read as follows:

The optional provisions which the nonprofit Corporation elects to include in the articles of incorporation are as follows:

(a) Subject to the provisions of Article 6 of these Articles of Incorporation, the purpose of the Corporation is to assist the SCDOT in the financing, acquisition, construction and operation of turnpikes, highway projects and other transportation facilities, and to do all things necessary or convenient to the provision of turnpikes, highway projects and other transportation facilities, their economic and beneficial financing, use and maintenance in the State of South Carolina in order to promote the health, safety and general welfare of the residents of the State, to increase their commerce and industry, to promote their economic development and to advance the efficiency of the citizens of the State and surrounding areas. Specific objectives of the Corporation include the financing of turnpikes, highway projects and other transportation facilities through the sale of revenue indebtedness of the Corporation issued on behalf of the SCDOT ("Project Debt") which Project Debt shall not constitute an indebtedness of nor a charge against the full faith, credit or taxing powers of the State or any of its agencies (including, without limitation, SCDOT) or any political subdivision of the State. Upon the retirement or defeasance of any Project Debt issued to provide a turnpike, highway project or other transportation facility, all property provided by such Project Debt, and any additions thereto, will be conveyed by the Corporation to the SCDOT for a public purpose or upon the direction of SCDOT, to another agency or political subdivision of the State for a public purpose.

(b) No director of the Corporation shall be deemed qualified as a director until the election or appointment of such director has been approved by SCDOT. SCDOT has the power to remove any director for cause and to appoint a successor for the remainder of the removed director's term. No amendment shall be made to the provisions of this paragraph (b) of Article 8 without the approval of SCDOT.

3. [X] By checking this paragraph #3 the applicant represents that (a) approval of the amendment by the members was not required, and (b) that the amendment was approved by a sufficient vote of the board or directors or the incorporators. (Do not check this paragraph #3 if member vote was required or if the required vote of directors or incorporators was not obtained.)

4. If the approval of the members was required to adopt the amendment(s), provide the following information:
- (a) Designation (Classes of Membership)

 - (b) Number of memberships outstanding

 - (c) Number of votes entitled to be cast by each class entitled to vote separately on the amendment: _____
 - (d) Number of votes of each class indisputably voting on the amendment: _____
 - (e) Complete one of the following as appropriate:
 - (i) Total number of votes cast for and against the amendment by each class entitled to vote separately: _____
 - (ii) Total number of undisputed votes cast for the amendment by each class which was sufficient for approval for that class:

5. [] By checking this paragraph #5 the applicant represents that approval of the amendment by some person or persons other than the members, the board, or the incorporators is required pursuant to Section 33-31-1030 of the 1976 South Carolina Code, as amended, and that the approval was obtained. (Do not mark paragraph #5 if either of these statements is not true.)
6. If the amendment provides for an exchange, reclassification, or cancellation of memberships, provisions for implementing the amendment must be set forth here if provisions are not contained in the amendment itself: _____
7. [] If this Corporation is converting from either a public benefit or religious Corporation into a mutual benefit Corporation, mark this paragraph #7 which

certifies that a notice, including a copy of the proposed amendment, was delivered to the South Carolina Attorney General at least twenty days before the consummation of the amendment.

Date: March 4, 1997

By: Richard L. Few, Sr.
(Signature of Officer)

Richard L. Few, Sr., President
(Type or Print Name & Office)

BYLAWS OF CONNECTOR 2000 ASSOCIATION, INC.

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BYLAWS OF CONNECTOR 2000 ASSOCIATION, INC.

Article I: Name, Form of Organization, and Purposes

Section 1.1 Name. The name of the corporation is Connector 2000 Association, Inc.

Section 1.2 Nonprofit and Tax-exempt Status. The corporation is organized as a nonprofit corporation under the South Carolina Nonprofit Corporation Act and as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The corporation is a public benefit corporation and shall have perpetual duration and succession.

Section 1.3 No Members. The corporation shall have no members.

Section 1.4 Purposes. The purposes for which the corporation is organized are those purposes in its articles of incorporation.

Article II: Offices

Section 2.1 Principal and Other Offices. The principal office of the corporation shall be located at 712 North Main Street, Greenville, South Carolina 29609. The corporation may change its principal office to another location within the State of South Carolina by filing a Notice of Change of Principal Office with the South Carolina Secretary of State. The corporation shall maintain at its principal office a copy of the corporate records specified in Section 9.5 of Article IX. The corporation may have offices at such other places within the State of South Carolina as the Board of Directors from time to time may determine, or as the affairs of the corporation may require.

Section 2.2 Registered Office and Agent. The registered office of the corporation required by law to be maintained in the State of South Carolina may, but need not, be identical with the principal office. The corporation shall maintain a registered agent whose office is identical with the registered office. The corporation may change its registered office or registered agent from time to time in the manner required by law.

Article III: Board of Directors

Section 3.1 General Powers and Authority of the Board. All corporate powers shall be exercised by or under the authority of, and the affairs of the corporation managed under the direction of, the Board of Directors.

Section 3.2 Composition, Number, Term, and Qualifications. The authorized number of directors of the corporation shall be not less than three (3) nor more than eleven (11), as the Board of Directors shall determine from time to time. Each director shall serve for a term of four (4) years and until his or her successor is elected and qualified, or until such

director's earlier death, resignation, incapacity to serve, or removal. Directors must be individual residents of the State of South Carolina.

Section 3.3 Election of Directors. (a) The initial Board of Directors shall consist of five members listed below:

Ralph W. Callahan
Henderson Advertising
60 Pointe Circle
Greenville, SC 29615

William L. Carpenter
213 Hidden Hills Drive
Greenville, SC 29605

Richard L. Few, Sr.
106 Raven Road
Greenville, SC 29615

Thomas J. Warwick
Prudential Insurance
2615 Wade Hampton Blvd.
Greenville, SC 29615

Mack I. Whittle, Jr.
Carolina First Bank
P.O. Box 1029
Greenville, SC 29602

Such persons shall serve as members of the Board of Directors for a period of four (4) years from the date of organization of the Corporation or until their earlier death, resignation or removal as provided herein.

(b) Except as provided in Section 3.6 below relating to vacancies, subsequent members of the Board of Directors shall be elected by the Board of Directors at its annual meeting. The Nominating Committee shall present a slate of nominees for election as directors. Nominations may also be made by directors from the floor. Those persons who receive a plurality of the votes cast shall be deemed to have been elected, subject to approval by the South Carolina Department of Transportation ("SCDOT") pursuant to Section 3.9 hereof. If any director then holding office so demands, the election of directors shall be by secret ballot.

Section 3.4 Resignation of Directors. A director may resign by delivering written notice to the Board of Directors, president, or secretary of the corporation. A resignation is effective when the notice is received unless the notice specifies a later effective date. If a resignation is made effective at a later date, the Board of Directors may fill the pending vacancy before the effective date if the board provides that the successor does not take office until the effective date.

Section 3.5 Removal of Directors. Any member of the Board of Directors may be removed at any time without cause by the vote of two-thirds (2/3) of the directors then in office. In addition, SCDOT has the power to remove any director for cause and to appoint a successor for the remainder of the removed director's term at any time and from time to time.

Section 3.6 Vacancies. If a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of directors, the Board of Directors may fill the vacancy provided that if the directors remaining in office constitute fewer than a quorum of the board, they may fill the vacancy only by the affirmative vote of a majority of all the directors remaining in office or by the sole remaining director, subject in any case to approval by SCDOT. A director elected to fill a vacancy shall hold office until the first to occur of next annual meeting of the Board of Directors, the end of the unexpired term that such director is filling, such director's death, resignation, removal or disqualification, or such director's successor is elected and qualifies.

Section 3.7 Chairman and Vice Chairman. The members of the Board of Directors shall select one member as chairman and another as vice-chairman. The chairman of the Board of Directors shall preside at all meetings of the Board of Directors and perform such other duties as may be prescribed from time to time by the board. The vice chairman of the Board of Directors, in the absence of the chairman, or in the event of the death, disability, inability or refusal to act of the chairman, shall preside at all meetings of the board.

Section 3.8 No Compensation. The Board of Directors shall not permit compensation of directors for their services as such but shall be reimbursed for their reasonable expenses incurred in connection with carrying out the business of the corporation.

Section 3.9 Approval of Directors by SCDOT. None of the initial directors and no director subsequently elected (pursuant to Section 3.3(b) or Section 3.6) shall be deemed qualified as a director until the election or appointment of such director has been approved by SCDOT. If SCDOT refuses to approve a director, another director shall be elected pursuant to the foregoing provisions of this Article III, subject again to the approval of SCDOT.

Article IV: Meetings of Directors

Section 4.1 Place of Meetings. All meetings of the Board of Directors shall be held in Greenville County, South Carolina or at such other place as the Board of Directors may determine from time to time.

Section 4.2 Annual Meeting. The annual meeting of the Board of Directors, for the purpose of electing directors, appointing officers, approving a budget for the year, and transacting other business, shall be held at 7:00 p.m. on the fourth Monday of January of each year, or at such other time as the Board of Directors may determine.

Section 4.3 Regular Meetings. Regular meetings of the Board of Directors may be held from time to time between annual meetings at such times and at such places as the Board of Directors may select. Notice of the time and place of such regular meetings shall be given as prescribed below.

Section 4.4 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the president or not less than twenty percent (20%) of the directors then in office.

Section 4.5 Notice of Meetings. Regular meetings of the Board of Directors may be held without notice if the date, time and place of the meeting previously has been fixed by the board; otherwise, regular meetings must be preceded by at least two (2) days notice to each director of the date, time and place, but not the purpose, of the meeting. Special meetings of the Board of Directors must be preceded by at least two (2) days' notice to each director of the date, time, place and purpose of the meeting. Notice required by the foregoing provisions may be oral or written and may be communicated in person; by telephone, facsimile transmission or other form of wire or wireless communication; or by mail or private carrier. However, any board action to remove a director or to approve a matter that would require approval by the members if the corporation had members, shall not be valid unless each director is given at least seven (7) days' written notice that the matter will be voted upon at a directors' meeting or unless notice is waived pursuant to Section 4.6 below. Oral notice is effective when communicated, if communicated in a comprehensible manner. Written notice, if in a comprehensible form, is effective at the earliest of the following: (a) when received; (b) five (5) days after its deposit in the United States mail, as evidenced by the postmark, if mailed correctly addressed and with first-class postage affixed; (c) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; or (d) seven (7) days after its deposit in the United States mail, as evidenced by the postmark, if mailed correctly addressed and with other than first class, registered or certified postage affixed. Written notice is correctly addressed to a director if addressed to the director's address shown in the corporation's current list of directors.

Section 4.6 Waiver of Notice. A director may at any time waive any notice required by law or these bylaws. Except as hereinafter provided in this section, the waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or the corporate records. A director's attendance at or participation in a meeting waives any required notice of the meeting unless the director upon arriving at the meeting or prior to the vote on a matter not noticed in conformity with law or these bylaws objects to lack of notice and does not thereafter vote for or assent to the objected to action.

Section 4.7 Quorum. A quorum of the Board of Directors consists of a majority of the directors in office immediately before a meeting begins; provided, that in no event shall a quorum consist of fewer than two (2) directors.

Section 4.8 Manner of Acting. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board of Directors, unless the vote of a greater number of directors is required by law or these bylaws.

Section 4.9 Presumption of Assent. A director of the corporation who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless: (a) such director objects at the beginning of the meeting (or promptly upon arrival) to holding it or transacting business at the meeting; (b) such director's dissent or abstention from the action taken is

entered in the minutes of the meeting; (c) such director votes against the action and the vote is entered in the minutes of the meeting; or (d) such director delivers written notice of dissent or abstention to the presiding officer of the meeting before adjournment or to the corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

Section 4.10 Meeting Via Communications Equipment. The Board of Directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 4.11 Action Without Meeting. Action required or permitted by law or these bylaws to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is taken by all of the duly elected and qualified directors of the corporation. The action must be evidenced by one or more written consents describing the action taken, signed by each director, and included in the minutes filed with the corporate records reflecting the action taken. Action taken under this section is effective when the last director signs the consent, unless the consent specifies a different effective date. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

Section 4.12 Director Conflict of Interest Transactions. A conflict of interest transaction is a transaction with the corporation in which a director of the corporation has a direct or indirect interest. For purposes of this section, a director has an indirect interest in a transaction if: (a) another entity in which the director has a material interest or in which the director is a general partner is a party to the transaction or (b) another entity of which the director is a director, officer, or trustee is a party to the transaction. A conflict of interest transaction is not voidable or the basis for imposing liability on the director if the transaction was fair at the time it was entered into or is approved in advance as hereinafter provided. A transaction in which a director has a conflict of interest may be authorized, approved or ratified by the vote of the Board of Directors or a committee of the board if: (a) the material facts of the transaction and the director's interest are disclosed or known to the board or committee of the board and (b) the directors authorizing, approving or ratifying the transaction in good faith reasonably believe that the transaction is fair to the corporation. For purposes of this section, a conflict of interest transaction is authorized, approved or ratified if it receives the affirmative vote of a majority of the directors on the board or on the committee, who have no direct or indirect interest in the transaction, but a transaction may not be authorized, approved or ratified under this section by a single director. If a majority of the directors on the board who have no direct or indirect interest in the transaction vote to authorize, approve or ratify the transaction, a quorum is present for the purpose of taking action under this section. The interested director shall excuse himself from the portion of the meeting during which the transaction is discussed and voted upon. Notwithstanding the preceding sentence, the presence of, or a vote cast by, a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under this section if the transaction is otherwise authorized, approved or ratified as herein above provided.

Section 4.13 Adjournments. A meeting of the Board of Directors, whether or not a quorum is present, may be adjourned by a majority of the directors present to reconvene at

a specific time and place. It shall not be necessary to give notice of the reconvened meeting or of the business to be transacted, other than by announcement at the meeting which was adjourned. At any such reconvened meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting which was adjourned.

Section 4.14 Proxies. Except where prescribed by applicable law, a director may vote in person or by proxy executed in writing by the director or by his or her attorney-in-fact. A proxy shall not be valid after eleven (11) months from the date of its execution, unless a longer period is expressly stated therein.

Article V: Officers

Section 5.1 Number. The officers of the corporation shall consist of a president, vice president, secretary, treasurer, and such assistant secretaries, treasurers and other officers as are appointed by the Board of Directors from time to time. No more than two (2) of the four (4) principal offices may be held by the same person; provided, however, the offices of president and secretary shall be held by separate persons. The officers shall receive reasonable compensation for services rendered to the corporation as determined by the Board of Directors.

Section 5.2 Appointment and Term. The principal officers of the corporation shall be appointed by the Board of Directors at its annual meeting. The Nominating Committee shall present a slate of nominees for appointment. Nominations may also be made from the floor. Each officer shall hold office at the pleasure of the Board of Directors, or until such officer's death, resignation, or removal by the Board of Directors. The Board of Directors may appoint assistant secretaries, assistant treasurers, and other officers at such time or times as the need may arise. A vacancy occurring in a position of officer of the corporation may be filled at any time by the Board of Directors.

Section 5.3 Resignation and Removal. An officer may resign at any time by delivering notice to the corporation. A resignation is effective when the notice is effective unless the notice specifies a future effective date. If a resignation is made effective at a future date and the Board of Directors accepts the future effective date, the Board of Directors may fill the pending vacancy before the effective date if the board provides that the successor does not take office until the effective date. The Board of Directors may remove any officer at any time with or without cause.

Section 5.4 Contract Rights of Officers. The appointment of an officer does not itself create contract rights. An officer's removal does not affect the officer's contract rights, if any, with the corporation. An officer's resignation does not affect the corporation's contract rights, if any, with the officer.

Section 5.5 President. The president shall be the chief executive officer of the corporation and, subject to the control of the Board of Directors, shall supervise and control the management of the corporation in accordance with these bylaws. The president may sign, either alone or with the secretary or any other proper officer of the corporation so authorized

by resolution of the Board of Directors, any deeds, leases, notes, mortgages, bonds, contracts, or other instruments which lawfully may be executed on behalf of the corporation, except where the signing and execution thereof expressly shall be delegated by the Board of Directors to some other officer or agent of the corporation, or where required by law to be otherwise signed and executed. The president shall, in general, perform all duties incident to the office of president and such other duties as may be prescribed from time to time by the Board of Directors.

Section 5.6 Vice President. In the absence of the president, or in the event of the death, inability or refusal to act of the president, the vice president, unless otherwise determined by the Board of Directors, shall perform the duties of the president and, when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice president shall perform such other duties as may be assigned from time to time by the president or the Board of Directors.

Section 5.7 Secretary. The secretary shall: (a) cause to be prepared minutes of all meetings of the Board of Directors and of the Executive Committee; (b) authenticate records of the corporation when requested to do so; (c) give all notices required by law and by these bylaws; (d) have general charge of the corporate books and records and of the corporate seal, and affix the corporate seal to any lawfully executed instrument requiring it; (e) sign such instruments as may require such signature; (f) cause such corporate reports as may be required by state law to be prepared and filed in a timely manner; and (g) in general, perform all duties incident to the office of secretary and such other duties as may be assigned from time to time by the president or the Board of Directors.

Section 5.8 Assistant Secretaries. In the absence of the secretary or in the event of the death, inability, or refusal of the secretary to act, the assistant secretaries, in the order of their length of service as assistant secretaries, unless otherwise determined by the Board of Directors, shall perform the duties of the secretary and, when so acting, shall have all the powers of and be subject to all the restrictions upon the secretary. They shall perform such other duties as may be assigned to them by the secretary, the president, or the Board of Directors.

Section 5.9 Treasurer. The treasurer shall: (a) have custody of all funds and securities belonging to the corporation and receive, deposit, or disburse the same under the direction of the Board of Directors; (b) keep full and accurate accounts of the finances of the corporation in books especially provided for that purpose; (c) cause such returns, reports, and/or schedules as may be required by the Internal Revenue Service and the state taxing authorities to be prepared and filed in a timely manner; (d) cause a true balance sheet (statement of the assets, liabilities and fund balance) of the corporation as of the close of each fiscal year and true statements of activity (support and revenue, expenses, and changes in fund balance), functional expenses, and cash flows for such fiscal year, all in reasonable detail, to be prepared and submitted to the Board of Directors; and (e) in general, perform all duties incident to the office of treasurer and such other duties as may be assigned from time to time by the president or the Board of Directors.

Section 5.10 Assistant Treasurers. In the absence of the treasurer or in the event of the death, inability or refusal of the treasurer to act, the assistant treasurers, in the order of their service as assistant treasurers, unless otherwise determined by the Board of Directors, shall perform the duties of the treasurer and, when so acting, shall have all the powers of and be subject to all the restrictions upon the treasurer. They shall perform such other duties as may be assigned to them by the treasurer, the president, or the Board of Directors.

Section 5.11 Executive Director. The Board of Directors may appoint an executive director, who shall be the chief operating officer of the corporation and, subject to the control of the Board of Directors, have overall responsibility for the routine management of the affairs of the corporation. The executive director shall report to the Board of Directors and shall work closely with the president of the corporation. Duties of the executive director shall include: (a) coordinating the activities of the operating committees; (b) representing the corporation in the community; (c) overseeing the building projects of the corporation; (d) supervising the administrative functions of the corporation; and (e) in general, performing such other duties as may be assigned from time to time by the president or the Board of Directors. The Board of Directors may approve reasonable compensation and benefits for the executive director. The executive director may not be elected to serve on the Board of Directors.

Article VI: Committees

Section 6.1 Board Committees in General. The Board of Directors may create one or more committees of the board, in addition to the Executive Committee and the Nominating Committee established by these bylaws. Committees of the board shall be composed solely of individuals currently serving as duly elected and qualified directors of the corporation. Each committee of the board shall have two or more directors, who shall be appointed by and serve at the pleasure of the board. The creation of a committee of the board and appointment of members to it must be approved by a majority of all the directors in office when the action is taken. The provisions of Article IV of these bylaws, which govern meetings of the Board of Directors, shall apply to committees of the board and their members as well, except that no committee of the board shall be required to have an annual meeting or scheduled regular meetings. To the extent specified or authorized by the Board of Directors or in these bylaws, each committee of the board may exercise the authority of the board. A committee of the board may not, however: (a) authorize distributions; (b) approve or recommend dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the corporation's assets; (c) elect, appoint, or remove directors or fill vacancies on the board or on any committee of the board; or (d) adopt, amend, or repeal the articles of incorporation or any bylaws.

Section 6.2 Executive Committee. The Executive Committee, which is a committee of the board, shall consist of the chairman and president of the corporation and up to two (2) additional directors appointed by the chairman, to serve in such capacity until the next annual meeting of the Board of Directors, provided that the appointment of additional directors must be approved by a majority of all the directors in office when such action is taken. The chairman of the Board of Directors shall serve as the chairman of the Executive

Committee and shall preside at all of its meetings. Except to the extent prohibited or limited by Section 6.1 above or by resolution of the Board of Directors, the Executive Committee may exercise the authority of the Board of Directors at such times as the board is not in session.

Section 6.3 Nominating Committee. The Nominating Committee shall consist of three (3) members. Retiring and former directors of the corporation shall be encouraged to consider serving on this committee. The committee members shall be appointed by the Board of Directors on an annual basis, to serve until the next annual meeting of the board. A vacancy on this committee may be filled by the Board of Directors at any time. Members of the Nominating Committee may be appointed to successive terms. The committee shall be responsible for identifying and recruiting prospective directors of the corporation and shall present a slate of nominees for election as directors. The committee shall also present a slate of nominees for appointment as principal officers of the corporation and may make recommendations for chairmen of the operating committees. The Nominating Committee shall solicit the consent of SCDOT to the slate of nominees to the Board of Directors.

Section 6.4 Nonboard Committees in General. The Board of Directors may create one or more non-board committees, in addition to the Executive Committee and the Nominating Committee established by these bylaws, and delegate nonboard functions to such committees. Nonboard committees may include both directors and individuals who are not directors of the corporation. Nonboard committees may not exercise the authority of the board.

Article VII: Contracts, Checks, Deposits and Funds

Section 7.1 Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name and on behalf of the corporation. Such authority must be in writing and may be general or confined to specific instances.

Section 7.2 Checks, Drafts, Notes, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents, of the corporation and in such other manner as may from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the treasurer or an assistant treasurer and countersigned by the president or the vice-president of the corporation.

Section 7.3 Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Section 7.4 Gifts. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the corporation.

Article VIII: Indemnification

Section 8.1 Indemnification and Advance of Expenses. Each person who is or was a director, officer, employee or agent of the corporation, and each person who at its request is serving or has served as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (hereinafter referred to individually as the "Indemnatee"), shall be indemnified by the corporation to the full extent set forth in Sections 33-31-851 through 33-31-858 of the South Carolina Non-Profit Corporation Act, as amended from time to time, against expenses (including without limitation attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with any threatened, pending or completed action, suit or proceeding in which the Indemnatee may be involved by reason of his being or having been a director, officer, employee or agent of the corporation or of such other enterprise. Such indemnification shall be made only in accordance with the laws of the State of South Carolina and subject to the conditions prescribed therein, including without limitation, any condition that the Indemnatee have met applicable standards of conduct. The indemnification and advancement of expenses provided for herein shall continue as to the heirs, executors and administrators of any Indemnatee.

Section 8.2 Nonexclusivity. The indemnification and advancement of expenses provided by these bylaws shall not be deemed exclusive of any other rights, in respect to indemnification or otherwise, to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, resolution or agreement meeting the qualifications set forth in Section 33-31-853 of the South Carolina Non-Profit Corporation Act, as amended from time to time, and subject to any limitations set forth in such Section. The corporation shall have the express authority to enter into such agreements as the Board of Directors may deem appropriate from time to time for the indemnification of any Indemnatee with respect to his service as described in Section 1 of this Article VIII and to provide for the advance of expenses as provided herein in this Article VIII. The failure or omission of the corporation to enter into any such agreement with any such person shall in no way limit or affect the rights of such person to indemnification pursuant to this Article VIII or otherwise.

Section 8.3 Insurance. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or who is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under South Carolina law.

Section 8.4 Miscellaneous. For purposes of this Article VIII, references to "the Corporation" shall include, in addition to the surviving or new corporation, any merging or consolidating corporation (including any merging or consolidating corporation of a merging or consolidating corporation) absorbed in a merger or consolidation so that any person who is or was a director, officer, employee or agent of such merging or consolidating corporation, or is or was serving at the request of such merging or consolidating corporation as a director,

officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving corporation as he would if he had served the resulting or surviving corporation in the same capacity. If any provision of this Article VIII shall be determined to be invalid, illegal or unenforceable in any respect, for any reason, the validity, legality and enforceability of any such provision in every other respect and the remaining provisions of this Article VIII shall not in any way be impaired. No amendment, modification or rescission of this Article VIII shall be effective as to any person with respect to any action taken or omitted by such person prior to such amendment, modification or rescission.

Article IX: General Provisions

Section 9.1 Corporate Seal. The corporation may have a corporate seal in such form as the Board of Directors may from time to time determine.

Section 9.2 Amendments.

(a) Except as otherwise provided in the Articles of Incorporation, the Articles of Incorporation may be amended or restated by the Board of Directors. These bylaws may be amended or repealed and new bylaws may be adopted by the Board of Directors. The corporation shall provide at least seven (7) days' written notice of any meeting of directors at which an amendment is to be approved, unless notice is waived pursuant to Section 4.6 above. The notice must state that the purpose, or one of the purposes, of the meeting is to consider a proposed amendment to the Articles of Incorporation or the bylaws and contain or be accompanied by a copy or summary of the amendment or state the general nature of the amendment. Any amendment must be approved by two-thirds of the directors in office at the time the amendment is adopted.

(b) No amendment to the provisions of these bylaws concerning the powers of SCDOT to approve directors or to remove a director for cause (and appoint a successor director) shall be effective until the amendment is approved by SCDOT.

Section 9.3 Fiscal Year. The fiscal year of the corporation shall be the calendar year, beginning on January 1 and ending on December 31 of each year.

Section 9.4 Financial Reports. The books of the corporation shall be closed as of the end of each fiscal year and financial statements shall be prepared and submitted to the Board of Directors (see Section 5.9 regarding duties of the treasurer). At the discretion of the Board of Directors, the corporation may engage an independent certified public accountant to audit or review the financial statements.

Section 9.5 Corporate Minutes and Records. The corporation shall keep as permanent records minutes of all meetings of its Board of Directors, a record of all actions taken by the directors without a meeting, and a record of all actions taken by the Executive Committee and any other committees of the Board of Directors. The corporation shall maintain its records in written form or in another form capable of conversion into written form within a

reasonable time. The corporation shall keep a copy of the following records at its principal office: (a) its articles of incorporation or restated articles of incorporation and all amendments to them currently in effect; (b) its bylaws or restated bylaws and all amendments to them currently in effect; and (c) a list of the names and business or home addresses of its current directors and officers. The minutes and records described above shall be made available for inspection by current directors of the corporation during normal business hours. In addition, to the extent required by applicable law, the corporation shall make available for inspection during regular business hours, by any individual, copies of: (i) any application filed with and any letter or other document issued by the Internal Revenue Service with respect to the tax-exempt status of the corporation; and (ii) the annual returns filed with the Internal Revenue Service for the three most recent years (to the extent the corporation is required to file such returns), provided that the names and addresses of contributors to the corporation may be kept confidential.

Section 9.6 Investments. The corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgement of the Board of Directors, without being restricted to the class of investments which a director or trustee is or may hereafter be permitted by law to make or any similar restriction; provided, that no action shall be taken by or on behalf of the corporation if such action is a forbidden activity or would result in the denial of tax exempt status under Section 501(c)(3) of the Internal Revenue Code, as amended.

Section 9.7 Checks and Drafts. All checks, drafts or other orders for the payment of money issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors, provided that any check, draft or other order for the payment of an amount in excess of Two Thousand Dollars (\$2,000.00) shall require two (2) authorized signatures.

Section 9.8 Prohibited Activities. The corporation is organized as a nonprofit corporation exclusively for charitable, religious, educational, and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, as amended. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in its articles of incorporation. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in, any political campaign on behalf of or in opposition to any candidate for public office. Anything contained in these bylaws to the contrary notwithstanding, the corporation shall not carry on or otherwise engage in any activities not permitted to be carried on or engaged in by: (i) a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, as amended, or any corresponding section of any future tax code; (ii) a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, as amended, or any corresponding section of any future tax code; or (iii) a corporation organized and existing under the South Carolina Nonprofit Corporation Act.

Section 9.9 No Loans to or Guaranties For Directors. The corporation may not lend money to or guarantee the obligation of a director or officer of the corporation, but the fact that a loan or guaranty is made in violation of this section does not affect the borrower's liability on the loan.

**RESOLUTION OF THE BOARD OF DIRECTORS
OF CONNECTOR 2000 ASSOCIATION, INC.
TAKEN AT ITS ANNUAL MEETING APRIL 20, 2000**

**RESOLUTION AMENDING ARTICLE III SECTION 3.2 OF THE BYLAWS OF CONNECTOR 2000
ASSOCIATION, INC. TO PROVIDE FOR STAGGERED TERMS OF THE BOARD OF DIRECTORS
AND OTHER MATTERS RELATED THERETO**

WHEREAS, Connector 2000 Association, Inc. (the "Association") was incorporated on January 12, 1996 as a South Carolina public benefit non-profit corporation; and

WHEREAS, Section 3.2 of the By Laws of the Association provide that each member of the Board of Directors of the Association shall serve for a term of four (4) years and until his or her successor is elected and qualified; and

WHEREAS, the terms of all of the original members of the Board of Directors of the Association are currently expiring; and

WHEREAS, the Board has determined that the corporate governance of the Association would be improved and continuity of management promoted by staggering the terms of the members of the Board of Directors of the Association; and

WHEREAS, Director Whittle has decided not to stand for reelection to the Board of the Association; and

WHEREAS, a nominating committee of the Board has recommended to the Board that Alice Barron Pearce Stewart be elected a Director of the Association; and

WHEREAS, the members of the Board have agreed to the expiration of their terms set forth below;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of Connector 2000 Association, Inc., in meeting duly assembled as follows:

1. The statements of facts set forth in the recitals of this resolution are adopted as true and correct as of the date hereof.

2. The members of the Board of Directors are set forth on the following page. Opposite the names of each Director is the date of expiration of the term of such Director. Such Director shall serve his or her term until such date or until his or her successor is elected and qualified, or until such Director's earlier death, resignation, incapacity to serve, or removal. Thereafter Directors shall serve staggered terms of four (4) years as originally set forth in Section 3.2 of the By Laws of the Association.

Name of Director	Expiration of Term
Ralph W. Callahan 60 Pointe Circle Greenville, South Carolina 29615	April 30, 2001
William L. Carpenter 213 Hidden Hills Drive Greenville, South Carolina 29605	April 30, 2002
Richard L. Few, Sr. 106 Raven Road Greenville, South Carolina 29615	April 30, 2003
Alice Barron Pearce Stewart 305 Huntington Road Greenville, South Carolina 29615	April 30, 2004
Thomas J. Warwick 2615 Wade Hampton Blvd. Greenville, South Carolina 29615	April 30, 2004

3. Counsel to the Association is directed to forward this Resolution to the South Carolina Department of Transportation for approval.

4. Except as expressly amended by this Resolution, the By-Laws of the Association are hereby ratified and confirmed and continue in full force and effect as of the date hereof.

Passed and approved this 20th day of April, 2000

**RESOLUTION OF THE BOARD OF DIRECTORS OF CONNECTOR 2000
ASSOCIATION, INC. PURSUANT TO ARTICLE III SECTION 3.2 OF THE BYLAWS
OF CONNECTOR 2000 ASSOCIATION INCREASING THE NUMBER OF
DIRECTORS FROM FIVE TO SEVEN, PROVIDING THE TERMS OF SUCH
DIRECTORS AND OTHER MATTERS RELATED THERETO**

WHEREAS, Connector 2000 Association, Inc. (the "Association") was incorporated on January 12, 1996 as a South Carolina public benefit non-profit corporation; and

WHEREAS, Section 3.2 of the By Laws of the Association provide that the authorized number of Directors shall be not less than three (3) and not more than eleven (11) as provided by the Board of Directors from time to time and that each member of the Board of Directors of the Association shall serve for a term of four (4) years and until his successor is elected and qualified; and

WHEREAS, the Board of Directors currently has five (5) members, currently having one vacancy; and

WHEREAS, the members of the Board have agreed to the expiration of their terms set forth below;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of Connector 2000 Association, Inc., in meeting duly assembled as follows:

1. The statements of facts set forth in the recitals of this resolution are adopted as true and correct as of the date hereof.

2. The number of Directors of the Association is hereby increased from five (5) to seven (7). The members of the Board of Directors are set forth below. Opposite the names of each Director is the date of expiration of the term of such Director. Such Director shall serve his term until such date or until his successor is elected and qualified, or until such Director's earlier death, resignation, incapacity to serve, or removal. Thereafter Directors shall serve staggered terms of four (4) years as originally set forth in Section 3.2 of the By Laws of the Association.

Name of Director	Expiration of Term
Terry A. Bragg	April 30, 2006
Ralph W. Callahan	April 30, 2005
William L. Carpenter	April 30, 2006
Richard L. Few, Sr.	April 30, 2007
James C. Gill	April 30, 2004
J. Ronald Lawson	April 30, 2005
Thomas J. Warwick	April 30, 2004

3. Counsel to the Association is directed to forward this Resolution to the South Carolina Department of Transportation for approval.

Passed and approved this 3rd day of December, 2002.

**RESOLUTION OF THE BOARD OF DIRECTORS OF CONNECTOR 2000
ASSOCIATION, INC. PURSUANT TO ARTICLE III SECTION 3.2 OF THE BYLAWS
OF CONNECTOR 2000 ASSOCIATION INCREASING THE NUMBER OF
DIRECTORS FROM SEVEN TO EIGHT, PROVIDING THE TERMS OF SUCH
DIRECTORS AND OTHER MATTERS RELATED THERETO**

WHEREAS, Connector 2000 Association, Inc. (the "Association") was incorporated on January 12, 1996 as a South Carolina public benefit non-profit corporation; and

WHEREAS, Section 3.2 of the By Laws of the Association provide that the authorized number of Directors shall be not less than three (3) and not more than eleven (11) as provided by the Board of Directors from time to time and that each member of the Board of Directors of the Association shall serve for a term of four (4) years and until his successor is elected and qualified; and

WHEREAS, the Board of Directors currently has seven (7) members; and

WHEREAS, the members of the Board have agreed to the expiration of their terms set forth below;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of Connector 2000 Association, Inc., in meeting duly assembled as follows:

1. The statements of facts set forth in the recitals of this resolution are adopted as true and correct as of the date hereof.

2. The number of Directors of the Association is hereby increased from seven (7) to eight. The new Director, Larry Kendall, will have an initial term expiring April 30, 2007. Directors Gill and Warwick have agreed to continue their service to the Association and, effective April 30, 2004, are appointed to an additional 4-year term. The members of the Board of Directors and their respective terms are set forth below which will continue as set forth in Section 3.2 of the By Laws of the Association.

Name of Director	Expiration of Term
Terry A. Bragg	April 30, 2006
Ralph W. Callahan	April 30, 2005
William L. Carpenter	April 30, 2006
Richard L. Few, Sr.	April 30, 2007
James C. Gill	April 30, 2008
Larry Kendall	April 30, 2007
J. Ronald Lawson	April 30, 2005
Thomas J. Warwick	April 30, 2008

3. Counsel to the Association is directed to forward this Resolution to the South Carolina Department of Transportation for approval.

Passed and approved this 15th day of October, 2003.

**RESOLUTION OF THE BOARD OF DIRECTORS OF CONNECTOR 2000
ASSOCIATION, INC. PURSUANT TO ARTICLE III SECTION 3.2 OF THE BYLAWS
OF CONNECTOR 2000 ASSOCIATION INCREASING THE NUMBER OF
DIRECTORS FROM EIGHT TO NINE, PROVIDING THE TERMS OF SUCH
DIRECTORS AND OTHER MATTERS RELATED THERETO**

WHEREAS, Connector 2000 Association, Inc. (the "Association") was incorporated on January 12, 1996 as a South Carolina public benefit non-profit corporation; and

WHEREAS, Section 3.2 of the By Laws of the Association provide that the authorized number of Directors shall be not less than three (3) and not more than eleven (11) as provided by the Board of Directors from time to time and that each member of the Board of Directors of the Association shall serve for a term of four (4) years and until his successor is elected and qualified; and

WHEREAS, the Board of Directors currently has eight (8) members; and

WHEREAS, the members of the Board have agreed to the expiration of their terms set forth below;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of Connector 2000 Association, Inc., in meeting duly assembled as follows:

1. The statements of facts set forth in the recitals of this resolution are adopted as true and correct as of the date hereof.

2. The number of Directors of the Association is hereby increased from eight (8) to nine (9). The new Director, Seabrook Marchant, will have an initial term beginning effective July 1, 2005 and expiring April 30, 2009. Directors Lawson and Callahan have agreed to continue their service to the Association and, effective April 30, 2004, are appointed to an additional 4-year term. The members of the Board of Directors and their respective terms are set forth below which will continue as set forth in Section 3.2 of the By Laws of the Association.

Name of Director	Expiration of Term
Terry A. Bragg	April 30, 2006
William L. Carpenter	April 30, 2006
Larry Kendall	April 30, 2007
Richard L. Few, Sr.	April 30, 2007
Thomas J. Warwick	April 30, 2008
James C. Gill	April 30, 2008
J. Ronald Lawson	April 30, 2009
Ralph W. Callahan	April 30, 2009
Seabrook Marchant	April 30, 2009

3. Counsel to the Association is directed to forward this Resolution to the South Carolina Department of Transportation for approval.

Passed and approved this 20th day of July, 2005.

**RESOLUTION OF THE BOARD OF DIRECTORS
OF CONNECTOR 2000 ASSOCIATION, INC.
AMENDING SECTION 3.2 OF THE BYLAWS OF
CONNECTOR 2000 ASSOCIATION, INC.**

WHEREAS, Connector 2000 Association, Inc. (the "*Association*"), was incorporated on January 12, 1996, as a South Carolina public benefit non-profit corporation; and

WHEREAS, the Bylaws of the Association (the "*Bylaws*") provide, in Section 3.2 thereof, that "Directors must be individual residents of the State of South Carolina"; and

WHEREAS, the Board of Directors of the Association (the "*Board*") has determined that it is in the best interests of the Association that this provision be amended to allow a Director, properly elected under the Bylaws and being an individual resident of the State of South Carolina when first elected, to continue to serve notwithstanding a subsequent change in residency status; and

WHEREAS, Section 9.2(a) of the Bylaws provides that the Board may amend the Bylaws upon giving proper notice and upon approval by two-thirds of the Directors in office at the time the amendment is to be adopted; and

WHEREAS, the Board hereby finds and determines that proper notice of the amendment described herein was timely given, as provided under the laws of the State of South Carolina and in Section 9.2(a) of the Bylaws;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of Connector 2000 Association, Inc., in meeting duly assembled, as follows:

1. The statements of facts set forth in the recitals of this Resolution are adopted as true and correct as of the date hereof.
2. The final sentence of Section 3.2 of the Bylaws is hereby amended and restated in its entirety to read as follows:

Directors must be individual residents of the State of South Carolina when first elected to the Board; provided that a properly elected Director may continue to serve, and may be re-elected to one or more additional terms, despite a subsequent change in residency status.

3. All actions previously taken by the officers, directors, or agents of the Association, its committees, and its advisors in connection with the matters that are the subject of this Resolution are hereby expressly ratified and approved by the Board.
4. This Resolution is effective as of the date hereof, and will continue in full force and effect until repealed by subsequent action of the Board.

Passed and approved this 20th day of October, 2010.

CERTIFICATE OF THE SECRETARY

I, the undersigned Secretary of the Board of Directors (the "*Board*") of Connector 2000 Association, Inc. (the "*Association*"), do hereby certify that I am a duly qualified and acting officer of the Board, and as such officer I hereby certify that the foregoing is a true and complete copy of the resolution duly adopted by the Board at a meeting thereof duly held on October 20, 2010, for which notice was accomplished in accordance with the requirements of South Carolina law and the Bylaws of the Association, at which a quorum of the Board was present and participated throughout, and that such Resolution has not been repealed, modified, or amended, and remains in full force and effect as of the date hereof.

I further certify that the foregoing resolution was approved by at least two-thirds of the Directors of the Association in office at the time the foregoing resolution was considered

WITNESS my signature this 20 day of October, 2010.

CONNECTOR 2000 ASSOCIATION, INC.


Secretary, Board of Directors

RESOLUTIONS OF THE BOARD OF DIRECTORS OF CONNECTOR 2000 ASSOCIATION, INC. IN CONNECTION WITH A REQUEST BY CERTAIN HOLDERS OF THE TOLL ROAD REVENUE BONDS (SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA), SERIES 2011 FOR CERTAIN AMENDMENTS AND SUPPLEMENTS TO THE FIRST AMENDED AND RESTATED MASTER INDENTURE OF TRUST AND TO EXCHANGE CERTAIN BONDS FOR OUTSTANDING BONDS, AND OTHER MATTERS RELATED THERETO.

WHEREAS, pursuant to the terms of the First Amended Plan for Adjustment of Debts under Chapter 9 as amended (the “**Plan**”) under Case No. 10-04467-dd in the United States Bankruptcy Court for the District of South Carolina (the “**Court**”) and the Confirmation Order of the Court entered April 1, 2011 [Dkt No. 141] (the “**Confirmation Order**”) on the effective date of the Plan (the “**Effective Date**” which occurred on April 21, 2011) the owners of the Association’s outstanding Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina) Series 1998A, Series 1998B and Series 1998C (the “**Series 1998 Bonds**”) received in exchange Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina) Series 2011, issued under the Master Indenture (defined below) as follows: (i) Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A (the “**Series 2011A Bonds**”) in the aggregate Original Principal Amount of \$126,899,826.00; (ii) Senior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011B (the “**Series 2011B Bonds**”) in the aggregate Original Principal Amount of \$21,085,708.00 and (iii) Junior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011C in the aggregate Original Principal Amount of \$2,160,434.00 (the “**Series 2011C Bonds**” and, together with the Series 2011A Bonds and the Series 2011B Bonds, the “**Series 2011 Bonds**”); and the Series 1998 Bonds were cancelled; and

WHEREAS, the Series 2011A Bonds, the Series 2011B Bonds and the Series 2011C Bonds (together, the “**Series 2011 Bonds**”) were issued by the Association pursuant to that certain First Amended and Restated Master Indenture of Trust, (the “**Master Indenture**”), by and between the Association, and U.S. Bank National Association, a national banking association having a corporate trust office in Columbia, South Carolina (in such capacity, together with any successor in such capacity, the “**Trustee**”); and

WHEREAS, the Series 2011A Bonds consist of 11 serial bond maturities maturing January 1 of the years 2012 through 2022 (inclusive) and three term bond maturities (the “**Series 2011A Term Bonds**”), each subject to mandatory pro rata prepayment, maturing January 1, 2032, January 1, 2042 and July 22, 2051; the Series 2011B Bonds consist of two term bond maturities (the “**Series 2011B Term Bonds**”), each subject to mandatory pro rata prepayment, maturing January 1, 2032 and July 22, 2051; and the Series 2011C Bonds consist of a single term bond maturity (the “**Series 2011C Term Bonds**” and, together with the Series 2011A Term Bonds and the Series 2011B Term Bonds, the “**Series 2011 Term Bonds**”) which mature, subject to mandatory pro rata prepayment, on July 22, 2051; and

WHEREAS, the Plan contemplated that the Series 2011 Term Bonds would be issued in authorized denominations of \$1.00 of Maturity Value, discounted to their Original Principal Amounts at the yield on each such Series 2011 Term Bond, subject to annual mandatory sinking fund redemption at their Accreted Value, expressed as a discount to their Maturity Value, and that each beneficial owner of a Series 2011 Term Bond would receive his or her pro-rata portion of the redemption of the Series 2011 Term Bonds; and

WHEREAS, the Plan further contemplated that the Series 2011 Bonds would be issued in “book-entry-only” form and that payments on and transfers of the Series 2011 Bonds would be administered by the Depository Trust Company (“**DTC**”) acting as Securities Depository; and

WHEREAS, after the Plan was approved, the Association with the assistance of the Trustee attempted to cause the Series 2011 Bonds to be qualified for book entry clearing with DTC but were informed that DTC policy requires all distributions of redemption proceeds to the Beneficial Holders of book-entry bonds to be made “by lot” under a lottery system, rather than pro-rata; and

WHEREAS, DTC advised that it had a program (the “**Pro-Rata Paydown Program**”) which allowed pro-rata distribution of payments to beneficial owners that the Association could use to qualify the Series 2011 Bonds for book entry clearing with DTC, which program required the Series 2011 Bonds be issued in authorized denominations of \$1.00 in Original Principal Amount (rather than \$1.00 in Maturity Value) and accrete value from April 1, 2011 at the yield of each Bond to mature in an amount in excess of \$1.00; and

WHEREAS, the Association and Trustee made the changes necessary to the documents to permit the Series 2011 Bonds to be issued in compliance with DTC’s Pro-Rata Paydown Program; however, the amounts and dates of all payments by the Association were not changed and the Master Indenture provided that all bond payments would be paid to the Beneficial Holders of the Series 2011 Bonds pro-rata as previously contemplated; and

WHEREAS, beginning in June 2011, the Association was advised by the Trustee that a number of institutional holders of the Series 2011 Bonds could not trade their obligations in the secondary securities market since the brokers’ and industry pricing systems for trading such bonds were set up on the assumption that zero coupon bonds such as the Series 2011 Bonds would be listed by DTC at a maturity value equal to their authorized denominations (i.e., \$1.00) rather than at a multiple of their authorized denominations (over \$1.00); and

WHEREAS, upon becoming aware of the cause of the problem, the beneficial owners of a majority of the Series 2011 Bonds (the “**Majority Holders**”) requested the Association to permit them to exchange their Series 2011 Term Bonds for new term bonds which provide for the distribution of payments to beneficial owners by lot, in order to allow registration of such new term bonds by DTC at a maturity value equal to their Authorized Denominations, so such new obligations would be listed at a discount for purposes of trading in the secondary market; and

WHEREAS, the Association has been advised that the Series 2011A Bonds maturing January 1 of the years 2012 through 2022 (inclusive) (the “**Series 2011A Serial Bonds**”) are not subject to the secondary trading impediment described above, will not be subject to the exchange and will remain Outstanding under the Master Indenture as originally issued; and

WHEREAS, the Majority Holders have requested the Association file with the Court a Motion substantially in the form attached hereto as **Exhibit “A”** for an Order (I) Authorizing Supplement to the Indenture in Aid of Implementation of the Plan; and (II) Approving Bond Exchange Materials and Procedures for Term Bonds, seeking approval of the foregoing (the “**Motion**”), and to provide notice to parties as further set forth in the Motion; and

WHEREAS, if adopted by the Court, the Order would (I) authorize the execution and delivery by the Association of a First Supplemental Indenture of Trust, substantially in the form attached hereto as

Exhibit “B (the “*First Supplemental Indenture*”); and (II) approve the delivery to the Bondholders of a Memorandum Concerning Mandatory Bond Exchange substantially in the form attached hereto as **Exhibit “C** (the “*Exchange Memorandum*”); and

WHEREAS, if adopted by the Court, the Order would direct the Trustee to cause to be delivered to the beneficial owners of the Series 2011 Term Bonds a notice of mandatory exchange with option to retain (the “*Exchange Notice*”) under which each such beneficial owner’s Series 2011 Term Bonds will be exchanged on a date (the “*Exchange Date*”) for Series 2011 New Term Bonds (as defined below) providing for the distribution of redemption payments made by the Association to the beneficial owners thereof by lot (the “*Exchanging Bondholders*”), provided that each such beneficial owner may instead affirmatively elect to retain such beneficial owner’s Series 2011 Term Bonds and thus to opt out of the exchange and not become an Exchanging Bondholder if such beneficial owner prefers to retain the current Series 2011 Term Bonds with the right to have redemptions of its Term Bonds done on a pro rata basis; and

WHEREAS, the First Supplemental Indenture will be a Court-approved Supplemental Indenture (as defined in the Master Indenture) entered into pursuant to the Order to further implement the Plan and specifically for the purpose of authorizing three Series of Bonds to be exchanged effective as of the Effective Date for the Series 2011 Term Bonds owned by the Exchanging Bondholders consisting of (i) “Connector 2000 Association, Inc. Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A1” (the “*Series 2011A1 Bonds*”), (ii) “Connector 2000 Association, Inc. Senior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011B1” (the “*Series 2011B1 Bonds*”); and (iii) “Connector 2000 Association, Inc. Junior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011C1” (the “*Series 2011C1 Bonds*” and, together with the Series 2011A1 Bonds and the Series 2011B1 Bonds, the “*Series 2011 New Term Bonds*”) and to make certain amendments to the Master Indenture to permit such exchange of the Series 2011 New Term Bonds to be registered at a maturity value equal to their authorized denominations with the Securities Depository as contemplated by the Plan and related Disclosure Statement; and

WHEREAS, the Series 2011 New Term Bonds will be issued to the Exchanging Bondholders in exchange for Series 2011 Bonds of the same Series, with the same maturities, the same yield and in the same Original Principal Amounts; and

WHEREAS, certain holders of Series 2011A Term Bonds, Series 2011B Term Bonds and Series 2011C Term Bonds (collectively, the “*Retained Bonds*”) may elect to opt out of the exchange so that there may remain Series 2011A Term Bonds, the Series 2011B Term Bonds and the Series 2011C Term Bonds unchanged by the First Supplemental Indenture; and

WHEREAS, the consummation of the exchange is subject to the satisfaction of certain conditions described in the Order and the Exchange Memorandum; and

WHEREAS, the Series 2011 New Term Bonds are to be in substantially the forms attached to the First Supplemental Indenture as **Exhibits A, B, and C** with appropriate variations, omissions and insertions as are permitted or required by the First Supplemental Indenture or the Order.

NOW, THEREFOR, BE IT RESOLVED BY BOARD OF DIRECTORS OF CONNECTOR 2000 ASSOCIATION, INC., in meeting duly assembled, as follows:

Section 1. Adoption of Premises; Defined Terms. Each statement of fact set forth in the recitals hereto has been carefully examined and has been found to be in all respects true and correct. Capitalized terms not otherwise defined in this Resolution are intended to have the meaning assigned thereto in the Master Indenture or the First Supplemental Indenture, if defined therein.

Section 2. Authorization Of Filing of Motion and Issuance of Series 2011 New Term Bonds. The Association hereby authorizes management and counsel to the Association to file the Motion with the Court and, if approved by the Court, the Board further authorizes to be issued under and secured by the Master Indenture and the First Supplemental Indenture the Series 2011 New Term Bonds having the same yield and maturity and an Original Principal Amount equal to the Original Principal Amount of the Series 2011 Bonds for which they are exchanged. The Maturity Value of the New Term Bonds will be equal to the future value of such Original Principal Amount on the Maturity Date of each such Series 2011 New Term Bond at the yield on such Series 2011 New Term Bond.

Section 3. Form of Series 2011 New Term Bonds. The Series 2011 New Term Bonds shall be in substantially the form set forth in the First Supplemental Indenture now before this meeting and filed with the Board with such changes, insertions and omissions therein as shall be approved by the officials of the Association executing the same, with the advice of counsel, said execution to constitute conclusive evidence of such approval, and all of the terms, provisions and conditions thereof are hereby incorporated by reference as if set out in this Resolution in their entirety.

Section 4. Delivery of the Series 2011 New Term Bonds. The Series 2011 New Term Bonds will be delivered to the Exchanging Bondholders in exchange therefor as provided in the Order.

Section 5. Series 2011 New Term Bonds Constitute Limited Obligation of Association. The Series 2011 New Term Bonds shall be non-recourse special, limited obligations of the Association payable solely from the Trust Estate (as defined in the Master Indenture) in accordance with the Master Indenture and the First Supplemental Indenture.

THE SERIES 2011 NEW TERM BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE STATE OR THE SCDOT WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OR AN OBLIGATION (LEGAL, MORAL OR OTHERWISE) OF THE STATE, THE SCDOT OR ANY AGENCY, DEPARTMENT OR POLITICAL SUBDIVISION OF THE STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF GREENVILLE, SOUTH CAROLINA OR THE CITY OF GREENVILLE, SOUTH CAROLINA) OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE STATE, THE SCDOT OR ANY AGENCY, DEPARTMENT OR POLITICAL SUBDIVISION OF THE STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF GREENVILLE, SOUTH CAROLINA OR THE CITY OF GREENVILLE, SOUTH CAROLINA).

Section 6. Execution of Series 2011 New Term Bonds. The Chairman or, in the absence of the Chairman, the Vice Chairman, of the Board is hereby authorized, empowered and directed to execute and deliver the Series 2011 New Term Bonds, and the Secretary or any Assistant Secretary of the Association is hereby authorized and directed to affix the corporate seal of the Association to the Series 2011 New Term Bonds and to attest the same. Each Series 2011 New Term Bond shall be executed in the

name of the Association with the manual or facsimile signature of the Chairman or Vice Chairman of the Board and shall have the seal of the Association impressed or imprinted thereon, which seal shall be attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Association. In case the officers whose signatures appear on the Series 2011 New Term Bonds shall cease to be such officers before the delivery of the Series 2011 New Term Bonds, such signatures shall nevertheless be valid and sufficient for all purposes, the same as if such officers had remained in office until delivery.

Section 7. Approval of Form of First Supplemental Indenture; Execution of First Supplemental Indenture. The First Supplemental Indenture as submitted herewith is hereby approved. The Chairman or, in the absence of the Chairman, the Vice Chairman, of the Board is hereby authorized and directed to execute and deliver the First Supplemental Indenture to the Trustee, with such changes, insertions and omissions as may be approved by said Chairman or Vice Chairman, with the advice of counsel, said execution being conclusive evidence of such approval; and the Secretary or Assistant Secretary of the Association is hereby authorized and directed to affix the corporate seal of the Association to the First Supplemental Indenture and to attest the same.

Section 8. Ratification of Master Indenture. The Master Indenture is hereby ratified, confirmed and approved and will continue in full force and effect as amended by the First Supplemental Indenture.

Section 9. Approval of Exchange Memorandum. The Exchange Memorandum as submitted herewith is hereby approved with such changes, insertions and omissions as may be approved by management, with the advice of counsel.

Section 10. Approval of Engagement of Solicitation Agent. The engagement of Epiq Systems as the Solicitation Agent of the Association in connection with the solicitation of the exchange offer is hereby ratified and approved.

Section 11. Execution and Delivery of Additional Instruments. The Chairman or Vice Chairman of the Board and the Secretary or Assistant Secretary of the Association, and any other proper officer of the Association, be and each of them is hereby authorized and directed to execute and deliver any and all documents, certificates and instruments and to do and to cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Bond Resolution or for the Series 2011 New Term Bonds to qualify as Tax-Exempt Bonds under the Master Indenture.

Section 12. Receipt and Use of Revenues and Transferred Funds. The Trustee is hereby authorized to receive and receipt for the Revenues as provided in the Master Indenture as supplemented by the First Supplemental Indenture. The Trustee is hereby further authorized to transfer the funds as provided in the Order.

Section 13. Findings of Fact. The Association hereby finds and determines that the issuance of the Series 2011 New Term Bonds, and the execution and delivery of the First Supplemental Indenture, the delivery of the Exchange Memorandum, the entry of the Order and any other documents delivered pursuant to the authority of this Bond Resolution (collectively, the “**Association Documents**”) are in furtherance of the charitable purpose for which the Association was formed and constitutes a paramount public purpose. The refinancing of the Southern Connector Project by the Association will lessen the burdens on governmental entities of the State, improve the public safety and welfare, and promote economic and industrial development in Greenville County, South Carolina and the entire State.

Section 14. No Personal Liability. No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the Association contained in this Bond Resolution, the Series 2011 New Term Bonds or any other Association Document, against any Board member of the Association, or any officer or employee of the Association, as such, in his or her individual capacity, past, present or future, either directly or through the Association, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Bond Resolution, the Series 2011 New Term Bonds and the Association Documents are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any Board member, officer or employee as such, past, present or future, of the Association, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the Association and the Trustee or any bondholder or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such Board member, officer and employee is, by the adoption of this Bond Resolution and the execution of the Series 2011 New Term Bonds, and as a condition of, and as a part of the consideration for, the adoption of this Bond Resolution and the execution and exchange of the Series 2011 New Term Bonds for the Series 2011 Bonds, expressly waived and released. The immunity of members, officers and employees of the Association under the provisions contained in this Section 14 shall survive the termination of this Bond Resolution.

Section 15. General Authority. The Directors of the Association and its appropriate officers, attorneys, agents and employees are hereby authorized to do all acts and things required by this Bond Resolution, the Series 2011 New Term Bonds, the Order or the Association Documents, or consistent with the requirements hereof or for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Bond Resolution or therein, and each such Director, officer, attorney and employee is hereby authorized and directed to execute and deliver any and all papers, certifications, tax representations, documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereby and thereby, and all other acts of any such Director, officer, attorney or employee previously undertaken in connection with such matters consistent herewith and is hereby ratified and approved.

Section 16. Law and Place of Enforcement of the Resolution. This Bond Resolution shall be construed and interpreted in accordance with the laws of the State of South Carolina.

Section 17. Adoption of Seal. The seal impressed on the signature page of this Bond Resolution is hereby adopted as the official seal of the Association.

Section 18. Effective Date. This Bond Resolution shall become effective immediately upon its adoption by the Board.

Section 19. Severability. The provisions of this Bond Resolution are intended to be and are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereunder.

Section 20. Repeal of Inconsistent Resolutions, etc. All orders, resolutions, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed. This Resolution shall take effect and be in full force from and after the date of adoption hereof but the consummation of the exchange will be conditioned upon the entry of the Order by the Court.

Passed and approved this 18th day of January, 2012.

CONNECTOR 2000 ASSOCIATION, INC.

By: William L. Carpenter
Chairman, Board of Directors

(SEAL)

ATTEST:

Seabrook W. McPherson
(Assistant) Secretary

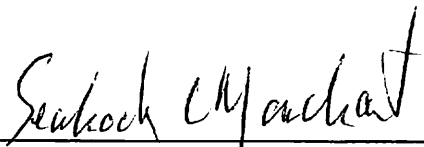
CERTIFICATE AS TO EXCERPTS OF MINUTES

I, the undersigned (Assistant) Secretary of Connector 2000 Association, Inc. (the "*Association*") do hereby certify:

1. I am the duly qualified (Assistant) Secretary of the Association.
2. Attached hereto as Exhibit A are excerpts of the minutes of a regular meeting of the Board of Directors of the Association (the "*Board*") held on January 18, 2012.
3. The above-referenced meeting was duly called and a quorum was present and acting throughout.
4. Although the Association is not subject to the South Carolina Freedom of Information Act, written public notice of the meeting was given by posting a copy of the notice, containing the date, time and place of such meetings, at the Association's offices. The agenda for the said meeting was posted on the door of the Association's offices at least twenty-four (24) hours prior to said meeting. An effort was made on behalf of the Association to notify local news media and such other news media as may request official notification of the time, date, place and agenda of meetings of the Association. The efforts were noted in the minutes of such meeting.
5. I have compared the exhibit with the official minute records of the meetings on the specified date in my custody in my official capacity as the (Assistant) Secretary of the Association and the excerpt is a true, correct and complete transcript from the original minute records.

WITNESS my official signature and the seal of the Association this 26 day of Jan, 2012.

(SEAL)



(Assistant) Secretary, Connector 2000 Association, Inc.

(Attach copies of minutes as Exhibit)

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
CONNECTOR 2000 ASSOCIATION, INC.**

January 18, 2012

The Board of Directors (the “**Board**”) of Connector 2000 Association, Inc. a South Carolina non-profit corporation (the “**Association**”) held a regular meeting pursuant to notice duly given as required by Section 4.5 of the By-Laws and the South Carolina Non-Profit Corporation Act (the “**Act**”) on Wednesday, January 18, 2012 beginning at 10:00 a.m. at its offices located at the West Toll Plaza, 3050 Southern Connector, Piedmont, South Carolina 29673. Present at the meeting were Chairman Bill Carpenter, as well as Directors Bragg, Case, Callahan, Gill, and Lawson. Director Callahan was in attendance by telephone. Chairman Carpenter determined a quorum to be present as required by Section 4.7 of the By-Laws.

By invitation of the Board, also present at the meeting were: Peter Femia, Executive Vice President and General Manager of the Association; Eric Amstutz, Wyche, P.A.; Michael Cawley, Southern Municipal Advisors (by telephone); Andy White, John Van Duys, and Stan McGuffin (by telephone), Haynsworth Sinkler Boyd, P.A.; Roger Clinkscales, Bradshaw Gordon and Clinkscales; Tim Brett, Brett Inc; and Marge Dorey, South Carolina Department of Transportation. The Board appointed Melodie L. Watson, Haynsworth Sinkler Boyd, P.A. its Assistant Secretary for the purpose of preparing minutes of the meeting.

Freedom Of Information Act Statement. The General Manager of the Association advised the Board that, in compliance with the requirements of Section 30-4-80 Code of Laws of South Carolina, 1976, as amended, he provided notice of the meeting to the *Greenville News*, the *Greenville Journal* and to all other persons or organizations, local news media, and other news media as may have requested notification of the times, dates, places and agenda of all public meetings of the Board at least 24 hours prior to the commencement of the meeting and posted the agenda of the meeting on the bulletin board and the main entry door to the executive office building of the Association at which the meeting is taking place.

Approval Of Board Minutes. Chairman Carpenter asked if there were any additions or corrections to the minutes of the quarterly meeting of the Board held in October 2011. Hearing none, Director Lawson moved for the minutes to be approved as submitted. The motion was seconded by Director Gill and passed unanimously.

Evaluation of General Manager. Chairman Carpenter reported on his meeting with the Executive Committee to evaluate the performance and compensation of the General Manager, Peter Femia. In meeting with the Executive Committee, Chairman Carpenter stated the board discussed past performance and future goals of the Association and confirmed their satisfaction of Mr. Femia as General Manager. As a result, Mr. Femia’s contract was renewed for the next five years. Mr. Andy White stated Mr. Femia’s new contract as General Manager of the Association was drafted to end the prior employment contract as of December 31, 2011 with the new contract to begin on January 1, 2012 and end on December 31, 2017.

End of Year Financial Performance. Mr. Cawley provided an update on the end of year bond payment, stating there were sufficient net revenues to fund all of the obligations of the Association. After having met all of the Association’s obligations, there was approximately \$29,000 placed in the extraordinary pre-payment fund.

Mr. Van Duys added that the \$29,000 in the extraordinary redemption fund was in addition to \$11,500 that needed to be deposited into the Debt Service Reserve Fund due to a decline in the market value of the reserve fund investments.

Mr. Cawley reminded the Association of its obligation to maintain the Debt Service Reserve Fund in an amount equal to approximately \$2.34 Million. At the end of 2011, most of the balance in the Debt Service Reserve Fund was invested in a Fannie Mae Pass-through Security which had a fair market value that was approximately \$11,500 short of the required balance. After the year-end disbursement to the Senior Bonds Debt Service Fund and the First and Second R&R Fund Deposit, the Association replenished the Debt Service Reserve Fund to increase the value of the investments therein to \$2.34 million by taking the deficiency of \$11,500 from the Association's toll revenues.

Fannie Mae Investment. Mr. Cawley then discussed the possibility of liquidating the Fannie Mae Pass-through Security. Mr. Cawley stated that as of January 9, 2012 (a more current evaluation was not available from the Trustee) the value in the Debt Service Reserve Fund was approximately \$2,032,500, which is \$1,500 short of the required amount. Mr. Cawley suggests liquidating the Fannie Mae Pass-through Security, assuming it is within \$1,500 of the requirement, and investing the funds in a cash equivalent, which in all probability would allow the Association in December 2012 to meet its requirement and not have the need to take money out of the revenue stream to replenish the Debt Service Reserve Fund. The down side to liquidating the investment would be the loss of the above-market interest rate paid on this investment and the value of the Fannie Mae Pass-through Security may increase over the upcoming year, which would make the investment valued over the Association's requirement of \$2.34 Million. However, Mr. Cawley recommended that the Association not speculate on the value of this long-term investment by liquidating the Fannie Mae investment; thus assuring the Association has the cash in the Debt Service Reserve Fund at the end of the year, without having to fund a shortfall.

Mr. Cawley informed the Board the Association earns 5.25% on the Fannie Mae Pass-through Security, but the principal on which that 5.25% is earned decreases monthly from pre-payments of pooled mortgages. The maturity date on the investment is 2032, but the actual repayment date will be much sooner. The current unit value of the investment is \$1.262 Million. By the end of next year, with approximately 4% of the investment principal in Fannie Mae paying off each month, the principal unit value will be \$770,000. By the end of 2013, if the 4% prepayment trend continues, the investment will be down to \$_____ Million. The board felt this was an aggressive pay down of the principal and questioned the maturity date of 2032, but Mr. Van Duys advised that the pre-payment was the pass-through of mortgage refinancings which have been accelerating given how low mortgage rates are currently. Mr. Cawley is of the belief that the benefit of assuring the obligation is met far outweighs the perceived interest Association is receiving.

Mr. Van Duys made clear that ½ of the Reserve Fund is in the long term 5.25% Fannie Mae Pass-through Security that has volatility if the interest rates fluctuate. The alternative to bearing the risk of volatility is to sell the investment for its current worth and invest in short-term instruments with less volatility in principal. The trade-off would be the Association receiving a much lower interest rate. It is also unclear how long the Association would be able to stay with the Fannie Mae Pass-through Security given the monthly pre-payments.

Mr. Femia concurred with the recommendation to liquidate the investment and offered it would be an assurance to know the exact amount of cash in the Debt Service Reserve Fund to meet the requirement at the end of 2012 and each year thereafter rather than waiting for the market to determine a fair value of the investment and possibly have the Association make up the difference.

There being no further questions concerning the issue, Mr. Van Duys advised there was no need for a vote as the Association has the power under the Trust Indenture to direct the Trustee as to the investments making up the Reserve Fund and Mr. Femia, as the Association Representative under the Indenture, has the power to liquidate the investment without a vote. Mr. Femia requested a formal approval from the board to liquidate the investment. Having requested a formal approval of the liquidation of the Fannie Mae investment, all Directors in attendance granted approval for Mr. Femia to proceed with liquidating the investment.

Public Relations. Mr. Tim Brett provided several articles recently appearing in the local media related to the Association. Most articles were associated with the recent rate increase, but overall, Mr. Brett stated the increase was fairly covered by the media and seems to have been generally accepted by the media and general public.

Mr. Brett recommended the Association consider discussions with local entities, such as Greenville Pickens Area Transportation Committee (GPATC), concerning the construction of a loop around Greenville incorporating the Southern Connector to Hwy 290 in Spartanburg. A discussion was had concerning the necessities needed for such construction and the potential pitfalls of accomplishing the construction. It was decided that Mr. Brett would begin coordinating with Director Bragg in formulating discussion points to present to GPATC and Spartanburg representatives, which would include the possibility of having surveys and possibly plans to determine the benefit and cost of such a venture.

Director Gill questioned the marketing potential of using an article handed out by Mr. Brett appearing on the news media site, WYFF4, quoting an individual who is saving time and gas by using the Southern Connector. Mr. Brett advised the potential is better served by advertising this by way of billboards, etc. rather than local media sources.

Operations. Mr. Femia addressed matters affecting operations:

1. Mr. Femia informed the Board that reaction to the rate increase of January 2, 2012 has not currently resulted in a decrease in traffic on the Southern Connector. In fact, the transactions and revenues indicate an increase in the use of the Southern Connector over January 2011; however, this cannot be a clear indication of current status, as there was a snowstorm in January 2011 that could be affecting the current comparison. In addition, Mr. Femia advised the last rate increase in 2005 was not reflected in the numbers until March of that year; thus, the Association will need to wait until March to have a clear indication of how the toll increase has affected transactions on the Connector.
2. A pressing issue involving severe erosion at the base of the bridge spanning Ranch Road, on the northbound side of the Connector was discussed. Terratec, the company that repaired the Grove Creek and Reedy River bridges began repairs in late October but ran into trouble when the concrete embankment below the bridge gave way. Bids

for repairs to the embankment should be received by January 20, 2012, with final repairs to the embankment and bridge being completed by early February. Director Gill questioned Terratec's liability carrier being responsible for the repair of the embankment giving way, but Mr. Femia denies liability by Terratec stating he was onsite and involved in the repairs.

3. Mr. Femia was pleased to announce that sticker tags were available and being installed. All Palmetto Pass customers were contacted and informed to obtain the new sticker by April 1, 2012 for free or pay \$5.00 after April 1, 2012. The stickers are also being offered to new customers for free if they open an account by April 1, 2012.

A discussion followed concerning increasing traffic by offering free stickers to all. It was determined that Mr. Brett will attempt to find a sponsor for offering free tags by April 1, 2012 (the date the \$5.00 fee will be imposed). If a sponsor is not found to offer the stickers for free, then Mr. Brett will inquire of a media release of the benefit of obtaining the sticker for \$5.00 versus the cost of \$25.00 paid by the Association.

Hard case passes are still available to public agencies that regularly switch out vehicles such as the Greenville County Sheriff's Department, EMS and other similar agencies. Customers expecting to use the Hilton Head Cross Island Expressway will also keep hard tags.

4. A security deposit of \$25.00 is now being required of all account holders, regardless of whether those holders are using a credit card or cash for payment. This is as a result of patrons securing the account with a credit card, but not renewing the deposit when the card expires.
5. Traffic use by trucking companies continues to increase due to the "toll amnesty" offered by the Association. 21 companies have now opened Palmetto Pass accounts. The amnesty is offered to trucking companies that have incurred toll violations on the Connector if they open a Palmetto Pass account. Mr. Femia has been in contact with Wal-Mart in hopes of having Wal-Mart begin using the Connector as well.
6. The road sign between mile markers 8 and 9 on the northbound side of the Connector that broke loose from one of its footings after being hit during mowing by the SCDOT has now been replaced. Total cost of the repair was \$618. The SCDOT agreed the sign was in need of repair.

Transactions and Revenues. Mr. Femia then discussed the transactions for the last quarter of 2011. An Operations Update Summary was provided to all in attendance. Transactions and revenues in comparison to the same quarter in 2010 were as follows:

- October transactions increased by 0.3% and revenues by 1.7%.
- November transactions decreased by 0.06% and revenues decreased by 1.63%.
- December transactions increased by 4.8% and revenues by 5.3%.
- Total transactions during 2011 increased by 7.6%.
- Total revenue during 2011 increased by 7.9%.

Mr. Femia provided charts with his report:

1. 2005-2011 Transaction Comparison;
2. 2005-2011 Toll Revenue Comparison; and
3. 2005-2011 ETC Revenue Comparison.

Mr. Van Duys requested clarification on the Cross Island Parkway Pal Passes and whether the same was included in the 11,244 active accounts. It was explained by Mr. Femia that the Cross Island Passes are one account and are included in the 11,244 active accounts. Further, that the Connector passes were also for use on the Cross Island Parkway and vice versa. Marge Dorey with the SCDOT offered that the Parkway and Connector passes are interchangeable and the Parkway has the approximate same number of Connector passes in their database.

Budget. Mr. Femia advised that the Association was 0.52% or \$14,729 under budgeted for 2011. This makes 10 consecutive years in which the Association has kept its O&M costs under budget.

Bondholders Exchange Resolution. Mr. Van Duys provided the Board with a hard copy of a Resolution previously delivered to the Board electronically concerning a mandatory exchange of bonds with right to retain as requested by the bondholders. This was the completion of months of work to address the impediment to the trading of the 2011 Bonds received in consummation of the Connector bankruptcy resulting from the operational requirements of DTC. The exchange had been the subject of numerous prior briefings by counsel and staff to the Board at prior meetings and by correspondence Mr. Van Duys offered an executive summary of the Resolution and the circumstances that led to the need for the exchange authorized by the Resolution. The Resolution authorizes Mr. Femia to file a motion with the bankruptcy court seeking an order authorizing an exchange of new “by-lot” bond for the existing “pro-rata” bonds. The motion contains copies of a First Supplement to the Amended and Restated Master Indenture, the forms of the new by-lot bonds, and a draft of the exchange memo to be sent to bondholders explaining the exchange. If the Bankruptcy Court approves the order, a notice will be sent to Bondholders and the Bondholders will receive the by-lot bonds issued under the First Supplement unless they affirmatively elect to retain their pro-rata bonds. The Resolution authorizes (i) the filing of the Motion, (ii) the conduct of the exchange offer, and (iii) the execution and delivery of the by-lot bonds and the First Supplement. No further action by the Board will be necessary to complete the exchange and no future exchanges will be allowed.

Mr. Van Duys was questioned by the Board as to the payment of fees and cost associated with the Resolution and the exchange of the bonds. The Board had a concern that this was an issue brought by the bondholders for which the bondholders should be responsible. Mr. Van Duys advised the fees associated with the Resolution, including those incurred by the Trustee, were being paid out of the Cost of Issuance Fund, which includes the funds not claimed by Lehman Brothers. Further, that the fees associated with the Resolution were in no way being paid by funds that should have resulted in revenues to the Association.

After a complete discussion, director Gill moved for the Resolution to be approved as submitted. The motion was seconded by Director Bragg and passed unanimously.

Bankruptcy Status. Mr. McGuffin provided those in attendance with a status of the bankruptcy proceedings. Now that the Association has approved the Resolution, a motion will be filed with the court moving for a hearing for final resolution. The court will schedule a hearing to occur within 30-45 days after the filing of the motion. The bondholders are given an objection period

within this time and before the hearing occurs. At the hearing, the judge decides on the approval of the Resolution. If approved, it is anticipated the Trustee will perform the exchange as set forth in the Resolution within 45-60 days of an Order being issued approving the Resolution.

Should the Association have a concern about the reasonableness of the fees charged by the Trustee associated with the bankruptcy proceedings, those issues will be raised as this final hearing. At the time of the hearing, the judge reviews the fees charged by attorneys as well as the Trustee. Any issue concerning the reasonableness of fees and the payment of fees will be discussed and approved or disapproved by the judge at this time.

There being no business for Executive Session, and having completed all business of the Board, the meeting was adjourned at 11:20 a.m.

The State of South Carolina



Office of Secretary of State Mark Hammond

Certificate of Existence, Non-Profit Corporation

I, Mark Hammond, Secretary of State of South Carolina Hereby certify that:

CONNECTOR 2000 ASSOCIATION, INC., a Non-Profit Corporation duly organized under the laws of the State of South Carolina on January 12th, 1996, has as of the date hereof filed as a non-profit corporation for religious, educational, social, fraternal, charitable, or other eleemosynary purpose, and has paid all fees, taxes and penalties owed to the Secretary of State, that the Secretary of State has not mailed notice to the company that it is subject to being dissolved by administrative action pursuant to section 33-31-1404 of the South Carolina code and that the non-profit corporation has not filed articles of dissolution as of the date hereof.

Given under my Hand and the Great
Seal of the State of South Carolina this
29th day of May, 2012.


Mark Hammond, Secretary of State

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
P. O. BOX 2508
CINCINNATI, OH 45201

Date: OCT 20 1997

CONNECTOR, 2000 ASSOCIATION INC
712 NORTH MAIN STREET
GREENVILLE, SC 29607

Employer Identification Number:
50-2304495

DLN:

81273150

Contact Person:

D. A. GOWNING

Contact Telephone Number:

(813) 241-8199

Accounting Period Ending:

December 31

Form 990 Required:

No

Addendum Applies:

No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in section 509(a)(3).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, if you are involved in an excess benefit transaction, that transaction might be subject to the excise taxes of section 4958. Additionally, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key district office.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(3) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(3) organization.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Letter 947 (DO/CG)

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so be sure your return is complete before you file it.

You are required to make your annual return available for public inspection for three years after the return is due. You are also required to make available a copy of your exemption application, any supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject you to a penalty of \$20 per day for each day there is a failure to comply (up to a maximum of \$10,000 in the case of an annual return).

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

CONNECTOR LOGO ASSOCIATION INC

If you are a wholly-owned instrumentality of a state or a political subdivision of a state, wages paid for services performed for you are not subject to unemployment taxes under the Federal Unemployment Tax Act (FUTA) or to any portion of the social security taxes under the Federal Insurance Contributions Act (FICA). Wages of your employees hired after March 31, 1986 are subject to only the medicare portion of the social security tax. If you want full social security coverage for your employees, it may be obtained only by an agreement under section 218 of the Social Security Act between the state and the Secretary of Health and Human Services.

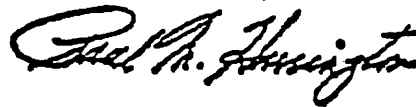
If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



District Director

Enclosure(s):

BONDHOLDER DIRECTION AND CONSENT ("CONSENT")

relating to

**Connector 2000 Association, Inc.
Senior Capital Appreciation Toll Road Revenue Bonds
(Southern Connector Project, Greenville, South Carolina)
Series 2011A1**

**Connector 2000 Association, Inc.
Senior Subordinated Capital Appreciation Toll Road Revenue Bonds
(Southern Connector Project, Greenville, South Carolina)
Series 2011B1**

and

**Connector 2000 Association, Inc.
Junior Subordinate Capital Appreciation Toll Road Revenue Bonds
(Southern Connector Project, Greenville, South Carolina)
Series 2011C1**

U.S. Bank National Association
St. Paul, Minnesota
Attention: Susan Jacobsen

Connector 2000 Association, Inc.
P.O. Box 408
Piedmont, South Carolina 29673
Attention: General Manager and Executive Vice President, Pete Femia

Re: Exchange Documents including First Supplemental Indenture of Trust

Reference is made to the Bonds issued pursuant to that certain First Amended and Restated Master Trust Indenture, dated as of April 1, 2011 (as supplemented to date, the "**Indenture**"), by and between the Connector 2000 Association, Inc. (the "**Association**") and U.S. Bank National Association (the "**Trustee**").

The undersigned, holding the beneficial interest in the aggregate amount of Bonds, **stated at original principal amount at issuance**, set forth opposite its signature, represents, warrants, acknowledges and agrees on behalf of the undersigned Bondholder that (i) it has reviewed the documents and matters referenced below and understands the information contained therein and related thereto; (ii) it has such knowledge and experience in business and financial matters as to be capable of evaluating the merits and risks attendant to the prospective effect of this Consent; (iii) it has had the opportunity to ask questions and to obtain such information as it has determined to be necessary to enable it to evaluate the merits and risks; and (iv) it has independently determined that providing this Consent is in its best interests.

The undersigned, by its execution below in the name and on behalf of the undersigned Bondholder, hereby consents to and directs the Trustee to execute and deliver the First Supplemental Indenture of Trust attached hereto as **Exhibit A**, and to take such action set forth therein to be taken by the Trustee, as

well as to take any action the Trustee believes proper thereunder or in connection therewith or with the following attached documents. Also attached hereto as: (x) **Exhibit B** is a proposed Memorandum Concerning Mandatory Bond Exchange, and (y) **Exhibit C** entitled Debtor's Motion (the "**Motion**") for an Order (I) Authorizing A Supplement to The Indenture in Aid of Implementation of the Plan, and (II) Approving Bond Exchange Materials and Procedures For Term Bonds. The foregoing Exhibits are referred to for purposes hereof as the "**Exchange Documents**", which may hereafter be further revised and finalized by the parties, including as required by DTC or the United States Bankruptcy Court for the District of South Carolina (the "**Court**"). The undersigned directs the Trustee, and requests the Association to file and pursue approval of the Motion and other Exchange Documents by the Court as finalized, and to pursue implementation of the Motion and other Exchange Documents and the relief requested therein, which are supported by the undersigned Bondholder.

In addition, the undersigned hereby confirms to the Association and Trustee that the undersigned Bondholder supports the exchange and intends to exchange (and not to opt out of the exchange of) its Series 2011 Term Bonds for the By-Lot Bonds (as defined in the Motion), which are term bonds that are subject to redemption "by lot" rather than pro rata, and such Bondholder requests and directs that the Association and Trustee move forward with the solicitation and exchange process generally as summarized in the Motion and other Exchange Documents. The undersigned understands and acknowledges that no changes are being made or contemplated as to the current Bonds which are serial bonds under the Exchange Documents or otherwise.

This letter may be executed in any number of counterparts, each of which shall be considered an original for all purposes, provided, however, that all such counterparts shall together constitute one and the same instrument. A telecopied signature hereon shall be deemed an original for all purposes.

January 5, 2012

Bondholder Name:

Citigroup Global Markets
Inc.

By: Mark Ryan
Its: Managing Director

Holdings (Original Principal Amount at Issuance):

Series 2011A \$ 46,001,956
Series 2011B \$ 7,643,696
Series 2011C \$ 725,828

By: _____
Its: _____

Series 2011A \$ _____
Series 2011B \$ _____
Series 2011C \$ _____

By: _____
Its: _____

Series 2011A \$ _____
Series 2011B \$ _____
Series 2011C \$ _____

By: _____
Its: _____

Series 2011A \$ _____
Series 2011B \$ _____
Series 2011C \$ _____

Bondholder Name:

Holdings (Original Principal Amount at Issuance):

Federated Municipal High Yield Advantage Fund

By: 

Its: Portfolio Manager

Series 2011A \$ 2,461,209.32

Series 2011B \$ 408,955.58

Series 2011C \$

By:

Its:

Series 2011A \$

Series 2011B \$

Series 2011C \$

By:

Its:

Series 2011A \$

Series 2011B \$

Series 2011C \$

By:

Its:

Series 2011A \$

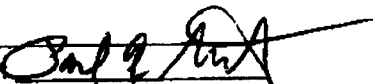
Series 2011B \$

Series 2011C \$

Bondholder Name:

Holdings (Original Principal Amount at Issuance):

The GMS Group acting on behalf of its holders

By: 
Its: Executive V.P.

Series 2011A \$ 4,508,644

Series 2011B \$ 749,274

By: _____
Its: _____

Series 2011A \$ _____

Series 2011B \$ _____

Series 2011C \$ _____

By: _____
Its: _____

Series 2011A \$ _____

Series 2011B \$ _____

Series 2011C \$ _____

By: _____
Its: _____

Series 2011A \$ _____

Series 2011B \$ _____

Series 2011C \$ _____

The GMS Group has been designated by its clients who are the beneficial holders of the bonds listed above to act as their representative on all matters relating to the repayment of the Southern Connector bonds.

Bondholder Name:

Holdings (Original Principal Amount at Issuance):

T. ROWE PRICE
TAX-FREE INCOME FUND, INC.


By: Konstantine B. Mallas
Its: President

Series 2011A \$6,353,712
Series 2011B \$ 936,342
Series 2011C \$ 49,178

T. ROWE PRICE
TAX-FREE HIGH YIELD FUND, INC.


By: Konstantine B. Mallas
Its: Vice President

Series 2011A \$3,888,243
Series 2011B \$ 573,005
Series 2011C \$ 68,873

By: _____
Its: _____

Series 2011A \$ _____
Series 2011B \$ _____
Series 2011C \$ _____

By: _____
Its: _____

Series 2011A \$ _____
Series 2011B \$ _____
Series 2011C \$ _____

Bondholder Name:

Holdings (Original Principal Amount at Issuance):

Wells Fargo Advantage Short-Term
Municipal Bond Fund

By: WELLS CAPITAL MANAGEMENT
Its: GILBERT L. SOUTHWELL III
VICE PRESIDENT

Series 2011A \$ 5,233,000
Series 2011B \$ 777,000
Series 2011C \$

Wells Fargo Advantage Intermediate
Tax Free Fund

By: WELLS CAPITAL MANAGEMENT
Its: GILBERT L. SOUTHWELL III
VICE PRESIDENT

Series 2011A \$ 1,046,000
Series 2011B \$ 755,000
Series 2011C \$

Wells Fargo Advantage
Municipal Bond Fund

By: WELLS CAPITAL MANAGEMENT
Its: GILBERT L. SOUTHWELL III
VICE PRESIDENT

Series 2011A \$ 4,790,000
Series 2011B \$ 707,000
Series 2011C \$

Dreyfus Low Duration Municipal
Bond Fund

By: WELLS CAPITAL MANAGEMENT
Its: GILBERT L. SOUTHWELL III
VICE PRESIDENT

Series 2011A \$ 4,110,000
Series 2011B \$ 606,000
Series 2011C \$

**IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA**

In re:

Connector 2000 Association, Inc.,

Debtor.

Case No. 10-04467-dd

Chapter 9

**DEBTOR’S MOTION FOR AN ORDER (I) AUTHORIZING A SUPPLEMENT TO THE
INDENTURE IN AID OF IMPLEMENTATION OF THE PLAN; AND (II) APPROVING
BOND EXCHANGE MATERIALS AND PROCEDURES FOR TERM BONDS**¹

Connector 2000 Association, Inc. (the “Debtor”) submits this motion (the “Motion”) for an order pursuant to sections 945, 1142(b), 1145, 364(f) and 105(a) of the Bankruptcy Code² (made applicable by sections 103(f) and 901): (I) approving a supplement to the First Amended and Restated Master Indenture of Trust between the Debtor and U.S. Bank National Association, as trustee (the “Trustee”) dated as of April 1, 2011 (the “Indenture”); and (II) approving disclosure and exchange materials and procedures for the Term Bonds (as defined below). By this Motion, the Debtor seeks authority and approval for the items in (I) and (II) above in order to address an unforeseen circumstance related to implementation of the Debtor’s First Amended Plan for Adjustment of Debts under Chapter 9 (as further defined below, the “Plan”).³ Specifically, although the Plan and Disclosure Statement contemplated that the Debtor’s restructured bonds would be registered with the Depository Trust Corporation (“DTC”) at their Maturity Value of \$1.00 authorized denomination per bond,⁴ DTC’s Operational Arrangements⁵

¹ The DTC registration issue which is being addressed by this Motion involves only remedying what the Trustee and holders believe is a Plan inconsistency involving the Term Bonds issued under the Plan. The proposed relief requested herein does not attempt in any way to affect SCDOT or any other Plan creditors or parties in interest other than the holders of the Bonds.

² Further references to the Bankruptcy Code (11 U.S.C. §§ 101 et seq.) may be by section number only.

³ Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Plan, Disclosure Statement (as defined below), or Indenture, as may be applicable.

⁴ “Maturity Value” generally is the final cumulative value of the Bonds after accretion of unpaid interest and

and related procedures for registrations of term bonds at maturity value require that redemptions be paid “by lot”, as further discussed below. The Trustee and holders of more than a majority in aggregate Original Principal Amount (“Majority Holders”) of the Term Bonds assert that the Debtor’s Chapter 9 Plan cannot be fully consummated and implemented unless the Term Bonds are registered at their Maturity Value with DTC, and thus have requested that the Debtor seek the relief requested herein. In support of this Motion, the Debtor respectfully represents as follows:

JURISDICTION

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(a) and 1334, Article X of the Plan (setting forth “Retention of Jurisdiction of the Court”), and paragraph 61 of the order confirming the Plan entered April 1, 2011 [Docket No. 141] (the “Confirmation Order”) (stating *inter alia* that the “Bankruptcy Court’s retention of jurisdiction as set forth in Article X of the Plan is approved”).

2. Article X of the Plan provides in relevant part:

Pursuant to Bankruptcy Code Section 945, following the Effective Date, the Bankruptcy Court shall retain *sole and exclusive jurisdiction* of the following:

3. The correction of any defect, the curing of any omission, or the reconciliation of any inconsistency in the Plan or the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan;
4. The enforcement and interpretation of the terms and conditions of the Plan and the Plan Documents;
5. The entry of any order, including injunctions, necessary to enforce any title, right and powers of the Debtor hereunder and to impose such limitations, restrictions and terms and conditions of such title, rights and powers as this Court may deem necessary;

principal on the bonds. Maturity value differs from the original principal amount of zero coupon bonds such as the Bonds, because interest is not paid on a current coupon basis, but rather is added to principal and “accretes” over time. To the extent not previously paid, the total accreted principal and interest amounts are paid at maturity of the zero coupon bonds. As used in this Motion and by DTC, “Maturity Value” for any Bond of an authorized denomination means \$1.00 (commonly referred to as “par” or “face” value). Prior to its maturity date the Accreted Value of any such Bond is less than \$1.00.

⁵ DTC’s Operational Arrangements are Procedures that have been filed and approved with the U.S. Securities and Exchange Commission.

(Plan at 27 (emphasis supplied)).

3. The statutory predicates for the relief sought herein are sections 945, 1142(b), 1145, and 105(a) of the Bankruptcy Code, made applicable by sections 103(f) and 901. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. §§ 157(b).

DISCUSSION

I. Background

4. On June 24, 2010 (the “Petition Date”), the Debtor filed its voluntary petition for relief under Chapter 9 of the United States Bankruptcy Code (the “Bankruptcy Code”), in the United States Bankruptcy Court for the District of South Carolina (the “Court”).

5. On October 22, 2010, the Debtor filed an initial plan and a disclosure statement. On November 23, 2010, the Debtor filed a First Amended Disclosure Statement and First Amended Plan for Adjustment of Debts, both of which were thereafter supplemented, modified and amended on January 17, 2011 with various exhibits [Docket Nos. 108, 110] and on March 16, 2011, with respect to the Plan only [Docket No. 129] (as such, the “Disclosure Statement” and “Plan”, respectively). Solicitation materials were distributed by the Debtor’s Solicitation Agent pursuant to the Solicitation Procedures Order entered by the Court [Docket No. 113], and the Plan was accepted by the requisite numbers of the Debtor’s creditors.

6. On April 1, 2011, the Court entered the Confirmation Order confirming the Plan. The Effective Date of the Plan was noticed by the Debtor as having occurred on April 21, 2011 [Docket No. 151].

7. On the Effective Date, the Debtor issued its Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina) Series 2011A, Series 2011B and Series 2011C

(collectively, the “Bonds”)⁶ pursuant to the Indenture. The Bonds were issued to restructure the Debtor’s prepetition defaulted bonds (the “Original Bonds”)⁷ under the terms of the Plan and as further described in the Disclosure Statement. Pursuant to the Plan, the owners of the Original Bonds received a pro rata amount of the Bonds.⁸

8. In addition to consisting of three separate Series reflecting payment priority (Series 2011A, 2011B, and 2011C), the Bonds are comprised of both “serial” and “term” zero coupon bonds.⁹ The eleven “serial” zero coupon bonds mature annually on each January 1 of 2012 to 2022 inclusive (the “Serial Bonds”). The six “term” zero coupon bonds each mature on a final specified maturity year (respectively, 2032, 2042 and 2051) (the “Term Bonds”).¹⁰

9. As noted above, the Bonds are all zero coupon bonds. Zero coupon bonds can be described in two general ways, either as Discount Bonds or as Capital Appreciation Bonds. Generally, “Discount Bonds” are zero coupon bonds which are issued at a discount from their stated maturity value and then “accrete” to their final stated maturity value (e.g., \$1.00). In contrast, “Capital Appreciation Bonds” are issued at a stated original principal amount (e.g.,

⁶ The Bonds consist of the following three series: (A) The Series 2011A Bonds are senior secured zero coupon bonds issued in the aggregate Original Principal Amount of \$126,899,826.00; they consist of 11 serial bonds maturing January 1 of the years 2012 through 2022 (inclusive) and three term bonds, each subject to mandatory pro rata prepayment, maturing January 1, 2032, January 1, 2042 and July 22, 2051 (the “Series 2011A Bonds”); (B) The Series 2011B Bonds are senior subordinated secured zero coupon bonds issued in the aggregate Original Principal Amount of \$21,085,708.00; they consist of two term bonds, each subject to mandatory pro rata prepayment, maturing January 1, 2032 and July 22, 2051 (the “Series 2011B Bonds”); and (C) The Series 2011C Bonds are junior subordinated secured zero coupon term bonds issued in the aggregate Original Principal Amount of \$2,160,434; they accrete interest at 10.0% per annum and mature, subject to mandatory pro rata prepayment, on July 22, 2051 (the “Series 2011C Bonds”).

⁷ The Original Bonds consisted of the Debtor’s Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina) Series 1998A, Series 1998B and Series 1998C (collectively, the “Original Bonds”).

⁸ Under the Plan, owners of the Original Bonds received Bonds equal to the pro-rata amount of the Original Bonds owned, as provided in the Bond Exchange Tables attached to the Plan as Appendix C. Each owner of a Series 1998A Bond or Series 1998B Bond received its ratable portion of each of the 11 serial maturities of the Series 2011A Bonds, each of the three term Series 2011A Bonds and each of the two term Series 2011B Bonds. Each owner of a Subordinated Bond received its ratable portion of the term Series 2011C Bonds.

⁹ See *supra* regarding the details of each Series of the Bonds.

¹⁰ The Bonds were issued in the aggregate Original Principal Amount of \$150,145,968. The Term Bonds constitute \$113,520,318 of this aggregate amount. The Bonds have 17 separate CUSIPs (unique identifiers), reflecting their Series and whether they are Term Bonds or Serial Bonds within the Series.

\$1.00) and then accrete forward from such stated original principal amount to a higher maturity value. The difference is descriptive – i.e., whether the stated “amount” of the bond is determined by reference to its final maturity value or its original principal amount.¹¹

10. Significantly, the Plan contemplated that the Bonds would be “book entry” securities and thus that the beneficial ownership of the Bonds would be registered under the industry-wide securities clearing system established by DTC. In this regard, the Disclosure Statement states as follows at page 55 under the heading “Issues Related to Mechanics of Amended Bonds”:

Bonds will be issued as soon as practicable after the Effective Date. However, due to the nature of the Bonds as book entry securities held through DTC, the effectuation of the exchange may involve some time delay after the effective date to complete the exchange process. It should also be noted that the Bond Exchange Table sets forth the issuance amount of the Bonds to be received. However, as book entry securities, the Bonds will be issued and noted in DTC’s records at their Maturity Value.

(Disclosure Statement at 55).

11. The Debtor intended for the Bonds to be issued in authorized denominations of \$1.00 in Maturity Value per Bond (such that the Bonds were Discount Bonds registered at stated Maturity Value). However, the Plan also contemplated that all payments made by the Debtor to

¹¹ A simple example will illustrate this point. Assume Company borrows \$100.00 from Bank but does not want to make any payment on the loan until the maturity of the loan 10 years later. Bank agrees to make the loan at an annually compounded yield of 7.717735% so that the amount Company will pay Bank in 10 years is \$200. The Company’s note evidencing its obligation to repay this loan can be drafted in two alternative ways. Company may issue a single \$100 note that accretes interest at an annually compounded yield of 7.717735% and matures in year 10 in the amount of \$200. This note is a “capital appreciation” debt instrument. If it is redeemed or prepaid any time after it is issued and before it matures, the accreted value of the instrument will be greater than \$100 and less than \$200, depending on when the payment is made and the resulting interest accrued on the \$100 loan. Alternatively, the same loan could result in two notes each maturing in the amount of \$100 in year 10, delivered by Company to Bank discounted at the annually compounded yield of 7.717735% to their original principal amount of \$50.00. These are two “discount” debt instruments each of which accretes interest and matures in the amount of \$100 in year 10. If they are redeemed or prepaid any time after they are issued and before their maturity, the accreted value of each of the instruments will be greater than \$50.00 and less than \$100, depending on when the payment is made and the resulting interest accrued on the loan. Thus the zero coupon debt obligation resulting from the loan can be described either as a single capital appreciation note or as two discount obligations, each of which reflect the exact same debtor-creditor relationship. The Series 1998B Bonds and Series 1998C Bonds were documented as Discount Bonds.

the Trustee would be distributed to the beneficial owners of the Bonds entitled to payment on a “pro-rata” basis within a given series of Bonds, so that each holder would receive a pro-rata share of any distributions on their series of Bonds.

12. As discussed in more detail below, however, DTC’s policies and procedures under its book entry system require that for the Term Bonds to be registered at their Maturity Value, the distribution of redemption proceeds to the beneficial owners is to occur “by-lot” rather than on a pro-rata basis. Currently, the Term Bonds are reflected by DTC at their Original Principal Amount (as Capital Appreciation Bonds) to permit pro-rata distribution of prepayments on the Term Bonds under DTC’s “Pro-Rata Paydown” program.

13. After issuance of the Bonds, certain Bondholders informed the Debtor and the Trustee that a problem existed with the DTC registration. Namely, as further discussed below, the registration and pricing of the Term Bonds did not conform to the brokers’ trading systems for such zero coupon tax exempt bonds, creating a secondary market trading impediment that is a continuing problem for holders of the Term Bonds.

14. This Motion thus seeks approval for the Debtor and the Trustee to take necessary action, including amending the Indenture and conducting an exchange of the current Term Bonds for “by-lot” term bonds to be registered by DTC at their Maturity Value, as further discussed below. However, since this change to “by-lot” distributions would mean that holders will not receive pro rata distributions of payments on such bonds, it is possible that some holders may prefer to retain their current Term Bonds with pro rata distributions and suffer the illiquidity of those obligations, instead of exchanging them for “by-lot” bonds without pro rata distributions. This is why the Debtor and Trustee are proposing an exchange which allows holders to elect to retain their current Term Bonds; or, if no election to retain is made, holders will receive new by-

lot bonds. The foregoing exchange is referred to as a “mandatory exchange with an option to retain”.

15. A more detailed background and explanation of the registration issues and the proposed resolution are provided below.

II. More Detailed Statement of the DTC Registration Issues

16. DTC serves as a clearinghouse for the vast majority of publicly-traded municipal bond issues, allowing such bonds to meet the regulatory requirements for timely transfer of securities. Under the DTC book entry system, the beneficial ownership interest in obligations such as the Bonds is made in book-entry-only form through brokers and dealers who are, or act through, DTC participants (“DTC Participants”). The beneficial owners of the Bonds (collectively, the “Beneficial Holders”) are not entitled to receive physical delivery of the Bonds. For so long as any person is the Beneficial Holder of a Bond, such person must maintain an account with a broker or dealer who is, or acts through, a DTC Participant in order to receive payment of principal and interest on such Bond. Consequently, the Debtor does not have a record of the identity of any Beneficial Holders, and the Trustee reflects only DTC as the owner of the Bonds.

17. As set forth above, it is industry standard for obligations such as the Bonds to be registered with DTC. To be eligible for registration with DTC, obligations such as the Bonds must conform to DTC’s rules and requirements for book-entry registration of the obligations. Certain features of the Bonds, however, created issues in trying to obtain DTC registration as contemplated because they were not consistent with DTC’s standard Operational Arrangements.

18. All of the Bonds are “zero coupon bonds” documented as Capital Appreciation Bonds. Generally, publicly issued zero coupon bonds are issued as Discount Bonds registered

with DTC at Maturity Value.¹² The Plan called for the Bonds to be so structured and registered at Maturity Value. As set forth above, the documents further contemplated that each Beneficial Holder would receive his or her pro rata share of any payments made prior to maturity on a series of Bonds; however, under DTC's Operational Arrangements, this did not meet DTC's eligibility requirements for redemption payments.

19. Because of the provision for redemption payments to be distributed pro-rata to holders, which did not comply with DTC's procedures, difficulties arose with registration of the Bonds for book entry clearing with DTC as contemplated. As outlined in its Operational Arrangements, to permit the distribution of prepayments to the beneficial owners of the Bonds pro rata under its "Pro-Rata Paydown Program", DTC required that the Bonds be registered based on authorized denominations of \$1.00 in Original Principal Amount (as Capital Appreciation Bonds) rather than based on authorized denominations of \$1.00 in Maturity Value (as Discount Bonds).¹³

20. In addition, several technical changes to the Indenture were necessary to satisfy DTC's requirements under the Pro-Rata Paydown Program. First, the Debtor's pre-maturity payments to amortize the Term Bonds needed to be renamed from "sinking fund redemption payments" to "pro-rata paydown amounts". (The latter is how the Indenture now reflects such payments.) Second, the accreted value tables for the Bonds also had to be modified (to reflect accretion starting at \$1.00 in Original Principal Amount up to maturity amount at the yield of

¹² For example, U.S. Treasury Bills are Discount Bonds, as they are issued at face maturity value (in \$100,000 amounts), but the amounts paid for those obligations at their original issue date are lower than maturity value, with the difference between the price at issue and the amount paid at maturity being original issue discount treated as interest for federal income tax purposes. Secondary market trading of Discount Bonds are at prices reflecting that discount to their maturity value. Until its maturity, the accreted value of a Discount Bond is always less than its maturity value per authorized denomination (less than \$100,000 for Treasury Bills).

¹³ These Capital Appreciation Bonds accrete in value from Original Principal Amount at issuance at the yield on each Bond. For example, Exhibit "T" to the Indenture lists the accreted values of the Bonds. The accreted value of the 6.5% Term Series 2011A Bond maturing on January 1, 2032 is \$1.00 on April 1, 2011 and accretes to a maturity value of \$3.69406.

each Bond). DTC worked cooperatively with the Debtor and Trustee to explain what changes were necessary for DTC to register the Bonds based on its Pro-Rata Paydown Program.¹⁴ Effective April 21, 2011, the Bonds were registered with DTC at Original Principal Amount under the Pro-Rata Paydown Program discussed above.

21. Shortly after the Bonds were issued, certain institutional holders and broker dealers began contacting the Trustee regarding the bonds. Because the Term Bonds were listed by DTC as set forth above, they did not “fit” into the brokers’ systems or into industry pricing systems. The Term Bonds thus were untradeable in the public secondary market. More specifically, the brokers’ and industry pricing systems for trading zero coupon bonds are based upon the assumption that they are registered at Maturity Value, and trade at a price discount from such “face” amount at maturity. Consequently, the Term Bonds as registered through DTC under the Pro-Rata Paydown Program could not be priced or traded.¹⁵

22. The Debtor has been informed by the Trustee and certain institutional bondholders that DTC agreed to reflect the Serial Bonds at Maturity Value in conformity with DTC’s Operational Arrangements. Consequently, the Series 2011A Serial Bonds will not be amended or exchanged. However, DTC informed the Trustee that the Term Bonds could be listed at Maturity Value only if any annual sinking fund redemption payments for a series of Term Bonds are made by DTC to Beneficial Holders on a “by lot” basis, rather than pro-rata.

¹⁴ The name and table changes did not modify the amounts to be paid to the Beneficial Holders of the Bonds, but as discussed herein changed the face amount of the Term Bonds (to Original Principal Amount from Maturity Value) and the characterization of periodic interest and principal payments to be made under the Bonds (from sinking fund payments to pro rata paydowns).

¹⁵ Holders of the Bonds have informed the Debtor and the Trustee that it is impossible to convert or translate DTC’s Capital Appreciation Term Bond value under the Pro-Rata Paydown Program into a value as a Discount Bond to allow entry and pricing of the bonds on the brokers’ systems.

III. The Proposed Solution

23. The Majority Holders have requested that the Debtor and Trustee remedy the DTC registration issue with respect to the Term Bonds to allow for “by-lot” term bonds which can be registered with DTC at Maturity Value and thus traded in the secondary public security markets. As stated above, this would require a change from the current pro-rata paydown feature of the Term Bonds to payment of redemption proceeds “by lot” according to DTC’s Operational Arrangements. Thereafter, DTC would use its standard lottery system to distribute any redemption proceeds among Beneficial Holders of a Series of Term Bonds, rather than having to make each distribution proportionally among all Beneficial Holders of a Series in accordance with their Term Bond holdings (which requires calculation of the proper prorations based on then current holdings for each distribution by DTC).¹⁶ This change to “by lot” redemptions would allow for term bonds which DTC has indicated can be registered based on Maturity Value, thereby conforming to the broker’s trading and pricing systems and to the structure contemplated under the Plan and Disclosure Statement.

IV. Procedures for Exchange of Term Bonds for By-Lot Bonds

24. Based on the above, the Majority Holders have requested that the Debtor facilitate the exchange of the Term Bonds for new term bonds which provide for DTC’s distribution of redemption payments to the Beneficial Holders by lot (the “By-Lot Bonds”). The By-Lot Bonds

¹⁶ The difference in the mechanics of pro-rata versus by lot payment can be simply illustrated as follows: If a \$500 redemption payment is made as a pro-rata payment on \$1,000 in outstanding Accreted Value of Term Bonds with a Maturity Value of \$2,000, the \$500 would be paid “pro rata”, meaning proportionally so that every Beneficial Holder of such Term Bond receives a percentage of the \$500 equal to the percentage of the Term Bonds owned by such bondholder (i.e., 10% of \$500 for a 10% holder). The Debtor understands that under the “by lot” system, the same \$500 would be distributed using a different process. The Maturity Value of the Term Bond then outstanding would be divided by the minimum denominations for the bonds (here, \$1.00), which yields 2,000 bonds which would be assigned to the beneficial owners. Each of the resulting 2,000 bonds would be assigned a number and then 1,000 of these numbers would be selected by DTC in a random lottery. Each of the 1,000 numbers selected would receive a distribution equal to \$0.50 (the Accreted Value of such deemed \$1.00 bond). Some beneficial owners could get no portion of such payment.

and corresponding revisions to the Indenture will be reflected in a First Supplemental Indenture of Trust (the "First Supplement"). The First Supplement will be substantially in the form attached hereto as *Exhibit A* (but with such changes as agreed upon and determined necessary or advisable by the Debtor and Trustee to effectuate the intent and purposes of the exchange and other relief requested herein (including changes required by law, regulatory agencies or DTC), provided that such changes do not materially adversely affect the Bondholders or the Bonds).

25. The By-Lot Bonds will be dated the Effective Date and have identical yields, aggregate Original Principal Amounts, maturities and pay-down schedules as the Term Bonds for which they are exchanged, but will provide for by-lot distribution of redemption proceeds instead of pro-rata. This would mean that the Beneficial Holders of the By-Lot Bonds would not be assured of the timing of any particular payments prior to maturity, since distribution of redemption proceeds would be distributed under DTC's lottery process. However, Beneficial Holders may elect to retain their current Term Bonds.

26. The change from a pro-rata distribution to redemption also introduces a time constraint not currently present in the Indenture. Pro-rata distributions take place on each January 1 Bond Payment Date, without the need for any notices to the beneficial owners of the Term Bonds. However, since by-lot distributions of redemption proceeds involve the selection of certain By-Lot Bonds for payment, the First Supplement will obligate the Trustee to send notices of redemption of the By-Lot Bonds (at the times and in the amount of the Sinking Fund Installments set forth in subsections (1), (2) and (3) of Section 302 of the First Supplement). At the time such notices of redemption are delivered, there will not be funds in the debt service accounts for the various Tiers of the By-Lot Bonds, so such notices of redemption will be conditioned on the deposit of funds into such debt service accounts sufficient to pay the

Redemption Price of the Sinking Fund Installments to be redeemed. In the event that any mandatory sinking fund redemption of any By-Lot Bonds on any January 1 is cancelled due to insufficient funds being available in the applicable debt service accounts to pay any Sinking Fund Installment in full, the First Supplement will obligate the Trustee to deliver notice of the redemption of such By-Lot Bonds for February 15 of that same calendar year, as provided in Section 305 of the First Supplement, in the aggregate Redemption Price not greater than the available balance in the applicable debt service accounts on such January 1 without further accretion. The Redemption Price of By-Lot Bonds called for redemption on February 15 will be equal to the Accreted Value of such Bonds as of such January 1 (of the same calendar year), not the Accreted Value of such Bonds as of the February 15 Redemption Date. In other words, in the event of any such delayed redemption, the Beneficial Holders selected for redemption will not receive interest accretions on the amount being distributed on February 15 for the period from January 1 to February 15.

27. The Debtor proposes that the exchange occur as a mandatory exchange for By-Lot Bonds but with an option for any Beneficial Holder of current Term Bonds to opt out and retain their existing Term Bonds, as follows:

- (a) A disclosure of the exchange will be sent to the holders of the Term Bonds in which they would be notified of the DTC registration issue described above, and that the Term Bonds will be exchanged for By-Lot Bonds which have the same payment terms and yields as the current Term Bonds, with the exception that the distributions of redemption payments on the By-Lot Bonds will be made to the Beneficial Holders of the By-Lot Bonds pursuant to DTC's lottery process rather than on a pro rata basis;
- (b) Holders would be given the option to elect to "opt out" of the exchange and keep their Term Bonds as is (the "Retained Bonds");
- (c) If a holder does not affirmatively elect to opt out of the exchange, the Term Bonds owned by such Beneficial Holder will be exchanged for By-Lot Bonds; and
- (d) If a holder opts out of the exchange, such holder will retain its current Term Bonds as Retained Bonds, which will be paid based on their pro rata paydown provisions.

28. The By-Lot Bonds will be issued as new series of bonds with new CUSIP numbers. Each series of By-Lot Bonds will have the same maturity, interest accrual yield and aggregate redemption amounts as the Term Bonds of that Series for which they are being exchanged under the First Supplement to the Indenture.

29. The Debtor will solicit the response of Beneficial Holders of the current Term Bonds to the exchange offer using the exchange procedures set forth below. The Debtor proposes that the exchange offer be communicated in an exchange memorandum, which *inter alia* would:

- (a) explain the reasons for the exchange;
- (b) state that the exchange is being offered in response to a request received by the Debtor from the Majority Holders of the Term Bonds and to more fully effectuate the purposes and intent of the Plan given the incompatibility of the Term Bonds as currently registered with DTC and the secondary market trading systems;
- (c) describe the differences between the By-Lot Bonds and the existing Term Bonds;
- (d) permit a holder to elect to “opt out” of the exchange and keep its bonds as Retained Bonds and continue to receive distributions on a pro-rata basis;
- (e) explain that if no response is received electing to opt out, the Term Bonds will be exchanged for the By-Lot Bonds;
- (f) require, as a condition to the effectiveness of the exchange, the delivery of an opinion of bond counsel, substantially to the effect that the By-Lot Bonds are valid and enforceable obligations of the Debtor under the Indenture and that original issue discount properly allocated to such By-Lot Bonds will be excludable from gross income for federal income tax purposes and that the exchange of the By-Lot Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of original issue discount properly allocated to the Retained Bonds or the Series 2011A Serial Bonds; and
- (g) provide direction for obtaining additional information concerning the Debtor and the exchange.

The exchange memorandum would also be accompanied by the First Supplement and the Trustee’s Bondholder Notice No. 3 (which documents other than the First Supplement (attached as *Exhibit A*) shall be in substantially the form of the documents attached hereto as *Exhibit B*, but with such changes to the documents from time to time as agreed upon and determined necessary or advisable by the Debtor and Trustee to effectuate the intent and purposes of the exchange and

other relief requested herein (including changes required by law, regulatory agencies or DTC), provided that such changes do not materially adversely affect the Bondholders or the Bonds, collectively, the “Exchange Package”).

30. Assuming the relief requested in this Motion is granted after notice and a hearing, the Debtor seeks approval of the following procedures for the disclosure of the exchange offer and exchange of the Term Bonds (the “Exchange Procedures”):

- (a) The Trustee will disseminate a bondholder notice with the Exchange Package through DTC, including notice that holders may opt out of the exchange by causing a filing through DTC's Automated Tender Offer Program (“ATOP”) to retain the current Term Bonds.
- (b) The Trustee will also publish a bondholder notice regarding the exchange via the Electronic Municipal Market Access (“EMMA”) system.¹⁷
- (c) The Debtor will issue a press release in the national editions of *The Bond Buyer* and *USA Today* about the exchange.
- (d) The Exchange Package also will be posted on the Debtor’s website.

31. To the extent that circumstances arise that require a modification of the proposed Exchange Procedures outlined above, the Debtor and Trustee reserve the right to supplement or amend such Exchange Procedures as agreed upon and determined necessary or advisable by the Debtor and Trustee to effectuate the intent and purposes of the exchange and other relief requested herein (including changes required by law, regulatory agencies or DTC), provided that such changes do not materially adversely affect the Bondholders or the Bonds).

32. The following is a schedule of events relating to the exchange process that the Debtor believes is a reasonable schedule to be followed with respect to the proposed exchange:

February 7, 2012		Filing of this Motion
February 14, 2012 (5 business days after filing)		Service by Epiq of this Motion on the notice parties, including all holders

¹⁷ EMMA is a comprehensive, centralized online source for free access to municipal disclosures, market transparency data and educational materials about the municipal securities market.

April 3, 2012		Deadline for filing objections to Motion
April 10, 2012		Hearing on the Motion
_____, 2012 (5 days after entry of an Order on the Motion)		Mailing of Exchange Package to DTC
_____, 2012 (with exchange left open at least 20 business days)		ATOP Deadline to Elect to Retain
_____, 2012		Exchange Date for By-Lot Bonds (effective as of the Effective Date)

33. As noted above, the Exchange Date is anticipated to occur in 2012 because of the necessary steps involved in effectuating the exchange, but the Debtor and Trustee propose that the exchange will be effective *nunc pro tunc* to the Effective Date in further implementation of the Plan. The January 1, 2012 distributions on the Term Bonds were made in accordance with the terms of the Plan and current Indenture and will not be affected by this Motion.

34. With respect to funding, the First Supplement provides that \$583,463.75 of funds in the “Cost of Issuance” Fund established under Section 503 of the Indenture may be used to pay the additional fees and costs incurred by the Debtor and the Trustee in connection with their efforts to resolve the DTC issues and implement the exchange, including the preparation and approval of this Motion and related Order, the First Supplement, the exchange documents, and any other related documents or actions for implementation of the foregoing and the Plan, including DTC’s approval for registration of the Bonds (collectively, the “Costs of Issuance”). The Indenture established the Cost of Issuance Fund from a portion of the reserves and funds held by the Trustee under the original indenture to pay the costs and expenses associated with

implementing the Plan, which should include the exchange contemplated hereby.¹⁸ The First Supplement provides that the date to which the Cost of Issuance Fund will be left open will be changed from the original date of August 22, 2011 to the date that is six months after the date of entry of an Order on this Motion. Section 503 of the Indenture provides that the Trustee thereafter will transfer any remaining amounts in the Cost of Issuance Fund to the Series 2011 Bonds Debt Service Reserve Account.

35. Because of ongoing efforts to resolve the registration issues and pending fees and costs related thereto that are unpaid, the Trustee as of August 22, 2011 reserved and did not transfer the remaining amounts in the Cost of Issuance Fund. By this Motion, the Debtor and the Trustee seek Court approval to extend the date to which the Cost of Issuance Fund will be left open from the original date of August 22, 2011 to a date that is six months after the date of entry of an Order on this Motion, and to specifically approve the payment of the Costs of Issuance as defined above from the Cost of Issuance Fund.

36. The Trustee has requested that the Debtor seek the above relief as to the payment of Costs of Issuance regardless of the effectiveness of the First Supplement or other relief requested herein, *inter alia*, because such Costs of Issuance have been and are being incurred to address the DTC registration issues in order to fully effectuate and implement the Debtor's Plan. Provided, however, payment of the Costs of Issuance, including any fees, costs or expenses directly or indirectly relating to the solicitation, exchange, registration and distribution of the By-Lot Bonds, will be limited to the monies in the Costs of Issuance Fund. In addition, no payments in respect of such Costs of Issuance may be made or amounts withdrawn, directly or indirectly, from the Revenue Fund established under the Indenture. The approval of Debtor's Board for the

¹⁸ An additional \$318,984.40 formerly held in a suspense account at U.S. Bank and related to Debtor's prepetition repurchase agreement was deposited by the Trustee in the Cost of Issuance Fund pending consideration of this Motion.

exchange was made contingent on the foregoing provisos. By this Motion, the Debtor and Trustee thus seek Court approval of and authority to pay Costs of Issuance, as described above, upon and after entry of an Order on this Motion.

AUTHORITY FOR RELIEF REQUESTED

37. The Debtor submits that the Court's granting of the relief requested herein, including the approval of the First Supplement amending the Indenture and providing for the By-Lot Bonds, and approval of the Exchange Package and procedures, is necessary to fully consummate and implement the Plan and is proper pursuant to Bankruptcy Code sections 945, 1142(b), 1145, 364(f) and 105(a), as made applicable by sections 103(f) and 901.

38. Pursuant to sections 945 and Article X of the Plan, the Court has sole and exclusive jurisdiction among other things to remedy any Plan inconsistency or defect.¹⁹ Pursuant to section 1142(b), the "court may direct the debtor and any other necessary party to execute or deliver or to join in the execution or delivery of any instrument required to effect a transfer of property dealt with by the confirmed plan, and to perform any other act, ... that is necessary for consummation of the plan." Section 1145 allows, and the Debtor requests approval of the Court for, the exchange of the By-Lot Bonds for the Term Bonds to proceed *nunc pro tunc* to the Effective Date and be deemed along with the original issuance of the Bonds under section 1145 and 364(f) to comply with any otherwise applicable securities law in furtherance of full consummation and implementation of the Plan. The January 1, 2012 distributions on the Term Bonds were made in accordance with the terms of the Plan and current Indenture and will not be affected by this Motion.

¹⁹ Section 945(a) provides: "The court may retain jurisdiction over the case for such period of time as is necessary for the successful implementation of the plan."

39. Based upon the terms of the Plan and Disclosure Statement, the lack of viable alternatives to otherwise achieve acceptable book-entry registration and secondary market liquidity of the current Term Bonds as discussed above, and the support from the Majority Holders for the relief requested herein, the Debtor respectfully submits that the exchange and other proposed relief is necessary and proper pursuant to the authority above to fully consummate and implement the Plan.²⁰

40. By this Motion, the Debtor requests, among other things, that the Court enter an order in the form attached hereto or to be filed with the Court: (i) approving the First Supplement, substantially in the form attached hereto as *Exhibit A*; (ii) approving the other documents comprising the Exchange Package, substantially in the form attached hereto as *Exhibit B*; and (iii) approving disclosure and exchange procedures as described more fully herein, all subject to such changes as may be necessary to effectuate the intent and purposes of the exchange and other relief requested herein.

NOTICE

41. Notice of this Motion via CMECF and/or U.S. Mail has been given to (i) the counsel for the Trustee; (ii) counsel for the Office of Treasurer of the State of South Carolina; (iii) counsel for the SCDOT; (iv) the United States Trustee; (v) any parties who have filed a Notice of Appearance.

42. In addition, so that this Motion is fully and properly disseminated to the holders of the Bonds, the Debtor proposes to distribute this Motion in a manner substantially similar to the process used to send out the Debtor's Plan Solicitation Package to bondholders in voting classes, as follows: It is contemplated that DTC will provide the Debtor and its claim and

²⁰ Neither the Debtor nor the Trustee are aware of any bondholder who opposes the exchange to By-Lot Bonds or other relief proposed by this Motion.

balloting agent, Epiq Bankruptcy Solutions, LLC (“Epiq”), the names of the DTC Participants or any other representatives such as brokers, banks, commercial banks, transfer agents, trust companies, dealers, other agents or nominees, or their mailing agents (collectively, the “Nominees”).²¹ Epiq will distribute the Motion to the Nominees and/or any designated agent that might be identified by any Nominee. The Debtor further proposes that each Nominee be required to forward a copy of the Motion to the Beneficial Holders of the Bonds for whom such Nominee acts. Epiq will also distribute the Motion to all other creditors of Debtor who were entitled to vote on the Plan. The Debtor believes the distribution of the Motion in this manner is a reasonable way to provide notice to the bondholders of the relief being requested by the Debtor in this Motion and provide bondholders with notice of the objection deadline to this Motion as well as the hearing date.

43. A copy of the Motion also will be posted on the EMMA system, as will a Trustee bondholder notice discussing the filing of the Motion. Additionally, the Motion will be posted on Debtor’s website.

[CONTINUED ON NEXT PAGE]

²¹ Due to the DTC registration issue and resulting trading problems, the Debtor believes it reasonable to expect that the Bondholders issued Term Bonds on the Effective Date should be substantially the same to the current holders of Term Bonds.

WHEREFORE, the Debtor respectfully request that the Court enter an order (i) granting the relief requested herein and (ii) granting such other and further relief as is just and proper.

HAYNSWORTH SINKLER BOYD, P.A.

By: /s/Stanley H. McGuffin
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February 7, 2012

Attorneys for Debtor Connector 2000 Association, Inc.

**THE ATTACHMENTS TO THIS DOCUMENT
ARE INCLUDED ELSEWHERE IN THESE CLOSING DOCUMENTS.**

U.S. BANKRUPTCY COURT
District of South Carolina

FILED
at ___ O'clock & ___ min. ___ M

APR 10 2012

United States Bankruptcy Court
Columbia, South Carolina (19)

Case Number: 10-4467

ORDER

The relief set forth on the following pages, for a total of ___ pages including this page,
is hereby **ORDERED**.

FILED BY THE COURT ON



[Signature]
David R. Duncan
US Bankruptcy Court Judge
District of South Carolina

ENTERED: _____

ENTERED

APR 10 2012

K.R.W.

TRUE COPY
ATTEST:
US BANKRUPTCY COURT
DISTRICT OF SC

[Signature]
BY DEPUTY CLERK (14)

**IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA**

In re:

Connector 2000 Association, Inc.,

Debtor.

Case No. 10-04467-dd
Chapter 9

**ORDER (I) AUTHORIZING A SUPPLEMENT TO THE INDENTURE IN AID OF
IMPLEMENTATION OF THE PLAN; AND (II) APPROVING BOND EXCHANGE
MATERIALS AND PROCEDURES FOR TERM BONDS**

This matter came before the United States Bankruptcy Court for the District of South Carolina (the "Court") on the Motion ("Motion")¹ of Connector 2000 Association, Inc. ("Debtor"), for entry of an order pursuant to sections 945, 1142(b), 1145, 364(f) and 105(a) of the Bankruptcy Code² (made applicable by sections 103(f) and 901): (I) approving a supplement to the First Amended and Restated Master Indenture of Trust between the Debtor and U.S. Bank National Association, as trustee (the "Trustee") dated as of April 1, 2011 (the "Indenture"); and (II) approving disclosure and exchange materials and procedures for the Term Bonds (as defined below). Upon consideration of the Motion, this Court finds the notice of the Motion and hearing on the Motion have been reasonable, sufficient and appropriate under the circumstances and that no other or further notice is required; that any objections thereto have been resolved, overruled by the Court, withdrawn or rendered moot; and following due deliberation, and just cause existing for the relief requested in the Motion, the Court hereby determines that the relief requested in the Motion is appropriate and in the best interests of the Debtor and other parties in interest in this case.

¹ Capitalized terms used and not defined in this Order shall have the meaning ascribed to such terms in the Motion.

² Further references to the Bankruptcy Code (11 U.S.C. §§ 101 et seq.) may be by section number only.

IT IS HEREBY FURTHER FOUND AND DETERMINED THAT:³

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(a) and 1334, Article X of the Plan (setting forth "Retention of Jurisdiction of the Court"), and paragraph 61 of the order confirming the Plan entered April 1, 2011 [Docket No. 141] (the "Confirmation Order") (stating *inter alia* that the "Bankruptcy Court's retention of jurisdiction as set forth in Article X of the Plan is approved").

2. Article X of the Plan provides in relevant part:

Pursuant to Bankruptcy Code Section 945, following the Effective Date, the Bankruptcy Court shall retain *sole and exclusive jurisdiction* of the following:

3. The correction of any defect, the curing of any omission, or the reconciliation of any inconsistency in the Plan or the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan;
4. The enforcement and interpretation of the terms and conditions of the Plan and the Plan Documents;
5. The entry of any order, including injunctions, necessary to enforce any title, right and powers of the Debtor hereunder and to impose such limitations, restrictions and terms and conditions of such title, rights and powers as this Court may deem necessary;

(Plan at 27 (emphasis supplied)).

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b).

4. On June 24, 2010 (the "Petition Date"), the Debtor filed its voluntary petition for relief under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") in the Court.

5. On October 22, 2010, the Debtor filed an initial plan and a disclosure statement. On November 23, 2010, the Debtor filed a First Amended Disclosure Statement and First

³ To the extent any finding of fact shall be determined to be a conclusion of law, it shall be so deemed, and to the extent any conclusion of law shall be determined to be a finding of fact, it shall be so deemed. To the extent that any of the findings of fact or conclusions of law constitutes an order of this Bankruptcy Court, they are adopted as such.

Amended Plan for Adjustment of Debts, both of which were thereafter supplemented, modified and amended on January 17, 2011 with various exhibits [Docket Nos. 108, 110] and on March 16, 2011, with respect to the Plan only [Docket No. 129] (as such, the "Disclosure Statement" and "Plan", respectively). Solicitation materials were distributed by the Debtor's Solicitation Agent pursuant to the Solicitation Procedures Order entered by the Court [Docket No. 113], and the Plan was accepted by the requisite numbers of the Debtor's creditors.

6. On April 1, 2011, the Court entered the Confirmation Order confirming the Plan. The Effective Date of the Plan was noticed by the Debtor as having occurred on April 21, 2011 [Docket No. 151].

7. On the Effective Date, the Debtor issued its Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina) Series 2011A, Series 2011B and Series 2011C (collectively, the "Bonds")⁴ pursuant to the Indenture. The Bonds were issued to restructure the Debtor's prepetition defaulted bonds (the "Original Bonds")⁵ under the terms of the Plan and as further described in the Disclosure Statement. Pursuant to the Plan, the owners of the Original Bonds received a pro rata amount of the Bonds.⁶

⁴ The Bonds consist of the following three series: (A) The Series 2011A Bonds are senior secured zero coupon bonds issued in the aggregate Original Principal Amount of \$126,899,826.00; they consist of 11 serial bonds maturing January 1 of the years 2012 through 2022 (inclusive) and three term bonds, each subject to mandatory pro rata prepayment, maturing January 1, 2032, January 1, 2042 and July 22, 2051 (the "Series 2011A Bonds"); (B) The Series 2011B Bonds are senior subordinated secured zero coupon bonds issued in the aggregate Original Principal Amount of \$21,085,708.00; they consist of two term bonds, each subject to mandatory pro rata prepayment, maturing January 1, 2032 and July 22, 2051 (the "Series 2011B Bonds"); and (C) The Series 2011C Bonds are junior subordinated secured zero coupon term bonds issued in the aggregate Original Principal Amount of \$2,160,434; they accrete interest at 10.0% per annum and mature, subject to mandatory pro rata prepayment, on July 22, 2051 (the "Series 2011C Bonds").

⁵ The Original Bonds consisted of the Debtor's Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina) Series 1998A, Series 1998B and Series 1998C (collectively, the "Original Bonds").

⁶ Under the Plan, owners of the Original Bonds received Bonds equal to the pro-rata amount of the Original Bonds owned, as provided in the Bond Exchange Tables attached to the Plan as Appendix C. Each owner of a Series 1998A Bond or Series 1998B Bond received its ratable portion of each of the 11 serial maturities of the Series 2011A Bonds, each of the three term Series 2011A Bonds and each of the two term Series 2011B Bonds. Each owner of a Subordinated Bond received its ratable portion of the term Series 2011C Bonds.

8. In addition to consisting of three separate Series reflecting payment priority (Series 2011A, 2011B, and 2011C), the Bonds are comprised of both “serial” and “term” zero coupon bonds.⁷ The eleven “serial” zero coupon bonds mature annually on each January 1 of 2012 to 2022 inclusive (the “Serial Bonds”). The six “term” zero coupon bonds each mature on a final specified maturity year (respectively, 2032, 2042 and 2051) (the “Term Bonds”).⁸

9. As noted above, the Bonds are all zero coupon bonds. Zero coupon bonds can be described in two general ways, either as Discount Bonds or as Capital Appreciation Bonds. Generally, “Discount Bonds” are zero coupon bonds which are issued at a discount from their stated maturity value and then “accrete” to their final stated maturity value (e.g., \$1.00). In contrast, “Capital Appreciation Bonds” are issued at a stated original principal amount (e.g., \$1.00) and then accrete forward from such stated original principal amount to a higher maturity value. The difference is descriptive – i.e., whether the stated “amount” of the bond is determined by reference to its final maturity value or its original principal amount.

10. The Plan contemplated that the Bonds would be “book entry” securities and thus that the beneficial ownership of the Bonds would be registered under the industry-wide securities clearing system established by DTC. In this regard, the Disclosure Statement states as follows at page 55 under the heading “Issues Related to Mechanics of Amended Bonds”:

Bonds will be issued as soon as practicable after the Effective Date. However, due to the nature of the Bonds as book entry securities held through DTC, the effectuation of the exchange may involve some time delay after the effective date to complete the exchange process. It should also be noted that the Bond Exchange Table sets forth the issuance amount of the Bonds to be received. However, as book entry securities, the Bonds will be issued and noted in DTC’s records at their Maturity Value.

⁷ See *supra* regarding the details of each Series of the Bonds.

⁸ The Bonds were issued in the aggregate Original Principal Amount of \$150,145,968. The Term Bonds constitute \$113,520,318 of this aggregate amount. The Bonds have 17 separate CUSIPs (unique identifiers), reflecting their Series and whether they are Term Bonds or Serial Bonds within the Series.

(Disclosure Statement at 55).

11. The Debtor intended for the Bonds to be issued in authorized denominations of \$1.00 in Maturity Value per Bond (such that the Bonds were Discount Bonds registered at stated Maturity Value). However, the Plan also contemplated that all payments made by the Debtor to the Trustee would be distributed to the beneficial owners of the Bonds entitled to payment on a "pro-rata" basis within a given series of Bonds, so that each holder would receive a pro-rata share of any distributions on their series of Bonds.

12. DTC's policies and procedures under its book entry system require that for the Term Bonds to be registered at their Maturity Value, the distribution of redemption proceeds to the beneficial owners is to occur "by-lot" rather than on a pro-rata basis. Currently, the Term Bonds are reflected by DTC at their Original Principal Amount (as Capital Appreciation Bonds) to permit pro-rata distribution of prepayments on the Term Bonds under DTC's "Pro-Rata Paydown" program.

13. After issuance of the Bonds, certain Bondholders informed the Debtor and the Trustee that a problem existed with the DTC registration. Namely, as further discussed below, the registration and pricing of the Term Bonds did not conform to the brokers' trading systems for such zero coupon tax exempt bonds, creating a secondary market trading impediment that is a continuing problem for holders of the Term Bonds.

14. Because of these issues,⁹ the Debtor has sought Court approval for the Debtor and the Trustee to take necessary action, including amending the Indenture and conducting an exchange of the current Term Bonds for "by-lot" term bonds to be registered by DTC at their Maturity Value. However, since this change to "by-lot" distributions would mean that holders will not receive pro rata distributions of payments on such bonds, it is possible that some holders

⁹ The Debtor sets forth a detailed explanation of the DTC registration issues in Section II of the Motion.

may prefer to retain their current Term Bonds with pro rata distributions and suffer the illiquidity of those obligations, instead of exchanging them for "by-lot" bonds without pro rata distributions. Thus, the Debtor and Trustee propose an exchange which allows holders to elect to retain their current Term Bonds; or, if no election to retain is made, holders will receive new by-lot bonds. The foregoing exchange is referred to as a "mandatory exchange with an option to retain".

15. The Majority Holders have requested that the Debtor and Trustee remedy the DTC registration issue with respect to the Term Bonds to allow for "by-lot" term bonds which can be registered with DTC at Maturity Value and thus traded in the secondary public security markets. This would require a change from the current pro-rata paydown feature of the Term Bonds to payment of redemption proceeds "by lot" according to DTC's Operational Arrangements. Thereafter, DTC would use its standard lottery system to distribute any redemption proceeds among Beneficial Holders of a Series of Term Bonds, rather than having to make each distribution proportionally among all Beneficial Holders of a Series in accordance with their Term Bond holdings (which requires calculation of the proper prorations based on then current holdings for each distribution by DTC). This change to "by lot" redemptions would allow for term bonds which DTC has indicated can be registered based on Maturity Value, thereby conforming to the broker's trading and pricing systems and to the structure contemplated under the Plan and Disclosure Statement.

16. The Majority Holders have requested that the Debtor facilitate the exchange of the Term Bonds for new term bonds which provide for DTC's distribution of redemption payments to the Beneficial Holders by lot (the "By-Lot Bonds"). Under the Debtor's proposal, the By-Lot Bonds will be dated the Effective Date and have identical yields, aggregate Original Principal Amounts, maturities and pay-down schedules as the Term Bonds for which they are exchanged,

but will provide for by-lot distribution of redemption proceeds instead of pro-rata. This would mean that the Beneficial Holders of the By-Lot Bonds would not be assured of the timing of any particular payments prior to maturity, since distribution of redemption proceeds would be distributed under DTC's lottery process. However, Beneficial Holders may elect to retain their current Term Bonds.

17. The change from a pro-rata distribution to redemption also introduces a time constraint not currently present in the Indenture. Pro-rata distributions take place on each January 1 Bond Payment Date, without the need for any notices to the beneficial owners of the Term Bonds. However, since by-lot distributions of redemption proceeds involve the selection of certain By-Lot Bonds for payment, the First Supplement will obligate the Trustee to send notices of redemption of the By-Lot Bonds (at the times and in the amount of the Sinking Fund Installments set forth in subsections (1), (2) and (3) of Section 302 of the First Supplement). At the time such notices of redemption are delivered, there will not be funds in the debt service accounts for the various Tiers of the By-Lot Bonds, so such notices of redemption will be conditioned on the deposit of funds into such debt service accounts sufficient to pay the Redemption Price of the Sinking Fund Installments to be redeemed. In the event that any mandatory sinking fund redemption of any By-Lot Bonds on any January 1 is cancelled due to insufficient funds being available in the applicable debt service accounts to pay any Sinking Fund Installment in full, the First Supplement will obligate the Trustee to deliver notice of the redemption of such By-Lot Bonds for February 15 of that same calendar year, as provided in Section 305 of the First Supplement, in the aggregate Redemption Price not greater than the available balance in the applicable debt service accounts on such January 1 without further accretion. The Redemption Price of By-Lot Bonds called for redemption on February 15 will be

equal to the Accreted Value of such Bonds as of such January 1 (of the same calendar year), not the Accreted Value of such Bonds as of the February 15 Redemption Date. Therefore, in the event of any such delayed redemption, the Beneficial Holders selected for redemption will not receive interest accretions on the amount being distributed on February 15 for the period from January 1 to February 15.

18. The Debtor proposes that the exchange occur as a mandatory exchange for By-Lot Bonds but with an option for any Beneficial Holder of current Term Bonds to opt out and retain their existing Term Bonds, as follows:

- (a) A disclosure of the exchange will be sent to the holders of the Term Bonds in which they would be notified of the DTC registration issue described above, and that the Term Bonds will be exchanged for By-Lot Bonds which have the same payment terms and yields as the current Term Bonds, with the exception that the distributions of redemption payments on the By-Lot Bonds will be made to the Beneficial Holders of the By-Lot Bonds pursuant to DTC's lottery process rather than on a pro rata basis;
- (b) Holders would be given the option to elect to "opt out" of the exchange and keep their Term Bonds as is (the "Retained Bonds");
- (c) If a holder does not affirmatively elect to opt out of the exchange, the Term Bonds owned by such Beneficial Holder will be exchanged for By-Lot Bonds; and
- (d) If a holder opts out of the exchange, such holder will retain its current Term Bonds as Retained Bonds, which will be paid based on their pro rata paydown provisions.

19. The Debtor proposes that the By-Lot Bonds and corresponding revisions to the Indenture will be reflected in a First Supplemental Indenture of Trust (the "First Supplement"), substantially in the form attached to the Motion as *Exhibit A* (but with such changes as determined necessary or advisable by the Debtor and the Trustee to effectuate the intent and purpose of the exchange and other relief requested in the Motion (including changes required by law, regulatory agencies or DTC), provided that such changes do not materially adversely affect the Bondholders or the Bonds, as further authorized below).

20. The By-Lot Bonds will be issued as a new series of bonds with new CUSIP numbers. Each series of By-Lot Bonds will have the same maturity, interest accrual yield and aggregate redemption amounts as the Term Bonds for the Series for which they being exchanged under the First Supplement. However, the By-Lot Bonds will provide for by-lot distribution of redemption proceeds instead of pro-rata. This would mean that the Beneficial Holders of the By-Lot Bonds would not be assured of the timing of any particular payments prior to maturity, since distribution of redemption proceeds would be distributed under DTC's lottery process. However, Beneficial Holders may elect to retain their current Term Bonds.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

A. The Motion is approved and is necessary to fully consummate and implement the Plan and is proper pursuant to Bankruptcy Code sections 945, 1142(b), 1145, 364(f) and 105(a), as made applicable by sections 103(f) and 901.

B. Pursuant to sections 945 and Article X of the Plan, the Court has sole and exclusive jurisdiction among other things to remedy any Plan inconsistency or defect.¹⁰ Pursuant to section 1142(b), the "court may direct the debtor and any other necessary party to execute or deliver or to join in the execution or delivery of any instrument required to effect a transfer of property dealt with by the confirmed plan, and to perform any other act, ... that is necessary for consummation of the plan." Section 1145 allows, and the Court approves, the exchange of the By-Lot Bonds for the Term Bonds to proceed *nunc pro tunc* to the Effective Date and be deemed along with the original issuance of the Bonds under section 1145 and 364(f) to comply with any otherwise applicable securities law in furtherance of full consummation and implementation of

¹⁰ Section 945(a) provides: "The court may retain jurisdiction over the case for such period of time as is necessary for the successful implementation of the plan."

the Plan. The January 1, 2012 distributions on the Term Bonds were made in accordance with the terms of the Plan and current Indenture and are not affected by this Order.

C. Based upon the terms of the Plan and Disclosure Statement, the lack of viable alternatives to otherwise achieve acceptable book-entry registration and secondary market liquidity of the current Term Bonds as discussed above, and the support from the Majority Holders for the relief requested herein, the Court finds that the exchange and other proposed relief is necessary and proper pursuant to the authority above to fully consummate and implement the Plan.

D. The exchange offer shall be communicated in an exchange memorandum, which *inter alia* would:

- (a) explain the reasons for the exchange;
- (b) state that the exchange is being offered in response to a request received by the Debtor from the Majority Holders of the Term Bonds and to more fully effectuate the purposes and intent of the Plan given the incompatibility of the Term Bonds as currently registered with DTC and the secondary market trading systems;
- (c) describe the differences between the By-Lot Bonds and the existing Term Bonds;
- (d) permit a holder to elect to "opt out" of the exchange and keep its bonds as Retained Bonds and continue to receive distributions on a pro-rata basis;
- (e) explain that if no response is received electing to opt out, the Term Bonds will be exchanged for the By-Lot Bonds;
- (f) require, as a condition to the effectiveness of the exchange, the delivery of an opinion of bond counsel, substantially to the effect that the By-Lot Bonds are valid and enforceable obligations of the Debtor under the Indenture and that original issue discount properly allocated to such By-Lot Bonds will be excludable from gross income for federal income tax purposes and that the exchange of the By-Lot Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of original issue discount properly allocated to the Retained Bonds or the Series 2011A Serial Bonds; and
- (g) provide direction for obtaining additional information concerning the Debtor and the exchange.

The exchange memorandum shall also be accompanied by the First Supplement and the Trustee's Bondholder Notice No. 3 (which documents (other than the First Supplement attached as *Exhibit A* to the Motion) shall be in substantially the form of the documents attached as

Exhibit B to the Motion (collectively, the “Exchange Package”). The Court recognizes that in the course of implementing the exchange and to effectuate the intent and purpose of the exchange and other relief ordered herein, it may be necessary to make certain changes to the Exchange Package. Consequently, the Debtor and Trustee are hereby authorized to make such changes as they have agreed upon and determined necessary or advisable (including changes required by law, regulatory agencies or DTC), provided that such changes do not materially adversely affect the Bondholders or the Bonds.

E. The procedures for the disclosure of the exchange offer and exchange of the Term Bonds (the “Exchange Procedures”) are hereby approved, as follows:

- (a) The Trustee will disseminate a bondholder notice with the Exchange Package through DTC, including notice that holders may opt out of the exchange by causing a filing through DTC's Automated Tender Offer Program (“ATOP”) to retain the current Term Bonds.
- (b) The Trustee will also publish a bondholder notice regarding the exchange via the Electronic Municipal Market Access (“EMMA”) system.¹¹
- (c) The Debtor will issue a press release in the national editions of *The Bond Buyer* and *USA Today* about the exchange.
- (d) The Exchange Package also will be posted on the Debtor's website.

F. To the extent that circumstances arise that require a modification of the proposed Exchange Procedures outlined above, the Debtor and Trustee are authorized to supplement or amend such Exchange Procedures, including if necessary to satisfy the requirements of DTC or others.

G. The Court hereby approves (i) the First Supplement, substantially in the form attached hereto as *Exhibit A*; and (ii) the other documents comprising the Exchange Package, substantially in the form attached hereto as *Exhibit B*; and (iii) the disclosure and exchange procedures as described more fully herein or in the Motion, all subject to such changes as agreed

¹¹ EMMA is a comprehensive, centralized online source for free access to municipal disclosures, market transparency data and educational materials about the municipal securities market.

upon and determined necessary or advisable by the Debtor and Trustee to effectuate the intent and purposes of the exchange and other relief requested herein (including changes required by law, regulatory agencies or DTC), provided that such changes do not materially adversely affect the Bondholders or the Bonds.

H. While the Exchange Date is anticipated to occur in 2012 (because of the necessary steps involved in effectuating the exchange), the exchange (except for the distributions on the Term Bonds as of January 1, 2012) will be effective *nunc pro tunc* to the Effective Date in further implementation of the Plan. The January 1, 2012 distributions on the Term Bonds were made in accordance with the terms of the Plan and current Indenture and are not affected by this Order.

I. With respect to funding, the First Supplement provides that \$583,463.75 of funds in the "Cost of Issuance" Fund established under Section 503 of the Indenture may be used to pay the additional fees and costs incurred by the Debtor and the Trustee in connection with their efforts to resolve the DTC issues and implement the exchange, including the preparation and approval of the Motion and related Order, the First Supplement, the exchange documents, and any other related documents or actions for implementation of the foregoing and the Plan, including DTC's approval for registration of the Bonds (collectively, the "Costs of Issuance").¹² The Indenture established the Cost of Issuance Fund from a portion of reserves and funds held by the Trustee under the original indenture to pay the costs and expenses associated with implementing the Plan, including therefore the exchange contemplated herein. The First Supplement provides that the date to which the Cost of Issuance Fund will be left open will be

¹² As set forth in the Motion, the Indenture established the Cost of Issuance Fund from a portion of the reserves and funds held by the Trustee under the original indenture to pay the costs and expenses associated with implementing the Plan, which should include the exchange contemplated hereby. An additional \$318,984.40 formerly held in a suspense account at U.S. Bank and related to Debtor's prepetition repurchase agreement was deposited by the Trustee in the Cost of Issuance Fund pending consideration of this Motion.

changed from the original date of August 22, 2011¹³ to a date that is six months from the date of entry of this Order. Section 503 of the Indenture provides that the Trustee thereafter will transfer any remaining amounts in the Cost of Issuance Fund to the Series 2011 Bonds Debt Service Reserve Account.

J. The Court hereby approves the extension of the date to which the Cost of Issuance Fund will be left open from the original date of August 22, 2011, to a date that is six months from the date of entry of this Order and specifically approves the payment of the Costs of Issuance as defined above from the Cost of Issuance Fund.¹⁴ Provided, however, payment of the Costs of Issuance, including any fees, costs or expenses directly or indirectly relating to the solicitation, exchange, registration and distribution of the New Term Bonds, will be limited to the monies in the Costs of Issuance Fund. Provided further, no payments in respect of such Costs of Issuance may be made or amounts withdrawn, directly or indirectly, from the Revenue Fund established under the Indenture.

K. The Court approves and authorizes the Trustee to pay Costs of Issuance, as described above, upon and after entry of this Order.

L. This Order will become effective immediately upon its entry.

M. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order or otherwise under the Plan.

AND IT IS SO ORDERED.

¹³ As set forth in the Motion, because of ongoing efforts to resolve the DTC registration issues and pending fees and costs related thereto that are unpaid, the Trustee, as of August 22, 2011, reserved and did not then transfer the remaining amounts in the Cost of Issuance Fund.

¹⁴ As stated in the Motion, the requested relief as to the payment of Costs of Issuance is sought regardless of the effectiveness of the First Supplement or other relief related to the exchange, *inter alia*, because such Costs of Issuance have been and are being incurred to address the DTC registration issues in order to fully effectuate and implement the Debtor's Plan. By the Motion, the Debtor and Trustee thus seek immediate Court approval of and authority to pay Costs of Issuance, as described above, upon and after entry of an order on the Motion.

Notice Recipients

District/Off: 0420-7
Case: 10-04467-dd

User: weathers
Form ID: pdf01

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Recipients of Notice of Electronic Filing:

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TOTAL: 12

FIRST SUPPLEMENTAL INDENTURE OF TRUST

between

CONNECTOR 2000 ASSOCIATION, INC.

and

U.S. BANK NATIONAL ASSOCIATION
as Trustee,

Dated as of May 1, 2012 and
Effective as of April 21, 2011

Relating to

Connector 2000 Association, Inc.
Toll Road Revenue Bonds
(Southern Connector Project, Greenville, South Carolina)
and

Supplementing the First Amended and Restated Master Indenture of Trust
Dated as of April 1, 2011

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This **FIRST SUPPLEMENTAL INDENTURE OF TRUST**, dated as of May 1, 2012 (the “**First Supplemental Indenture**”), by and between **CONNECTOR 2000 ASSOCIATION, INC.**, a South Carolina non-profit corporation (the “**Association**”), and **U.S. BANK NATIONAL ASSOCIATION** a national banking association organized under the laws of the United States of America and having a corporate trust office in Columbia, South Carolina (in such capacity, together with any successor in such capacity, the “**Trustee**”);

W I T N E S S E T H:

WHEREAS, the Association and the Trustee have previously entered into that certain First Amended and Restated Master Indenture of Trust, dated as of April 1, 2011 providing for the issuance of Connector 2000 Association, Inc. Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina) (the “**Master Indenture**”); and

WHEREAS, pursuant to the terms of the First Amended Plan for Adjustment of Debts under Chapter 9 as amended (the “**Plan**”) under Case No. 10-04467-dd in the United States Bankruptcy Court for the District of South Carolina (the “**Court**”) and the Confirmation Order of the Court entered April 1, 2011 [Dkt No. 141] (the “**Confirmation Order**”) on the effective date of the Plan (the “**Effective Date**”) which occurred on April 21, 2011) the owners of the Association’s outstanding Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina) Series 1998A, Series 1998B and Series 1998C (the “**Series 1998 Bonds**”) received in exchange Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina) issued under the Master Indenture as follows: (i) Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A (the “**Series 2011A Bonds**”) in the aggregate Original Principal Amount of \$126,899,826.00; (ii) Senior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011B (the “**Series 2011B Bonds**”) in the aggregate Original Principal Amount of \$21,085,708.00 and (iii) Junior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011C in the aggregate Original Principal Amount of \$2,160,434.00 (the “**Series 2011C Bonds**” and, together with the Series 2011A Bonds and the Series 2011B Bonds, the “**Series 2011 Bonds**”); and the Series 1998 Bonds were cancelled; and

WHEREAS, the Series 2011A Bonds consist of 11 serial bond maturities maturing January 1 of the years 2012 through 2022 (inclusive) and three term bond maturities (the “**Series 2011A Term Bonds**”), each subject to mandatory pro rata prepayment, maturing January 1, 2032, January 1, 2042 and July 22, 2051; the Series 2011B Bonds consist of two term bond maturities (the “**Series 2011B Term Bonds**”), each subject to mandatory pro rata prepayment, maturing January 1, 2032 and July 22, 2051; and the Series 2011C Bonds consist of a single term bond maturity (the “**Series 2011C Term Bonds**” and, together with the Series 2011A Term Bonds and the Series 2011B Term Bonds, the “**Series 2011 Term Bonds**”) which mature, subject to mandatory pro rata prepayment, on July 22, 2051; and

WHEREAS, the Plan contemplated that the Series 2011 Term Bonds would be issued in authorized denominations of \$1.00 of Maturity Value, discounted to their Original Principal Amounts at the yield on each such Series 2011 Term Bond, subject to annual mandatory sinking fund redemption at their Accreted Value, expressed as a discount to their Maturity Value, and that each beneficial owner of a Series 2011 Term Bond would receive his or her pro-rata portion of the redemption of the Series 2011 Term Bonds; and

WHEREAS, the Plan further contemplated that the Series 2011 Bonds would be issued in “book-entry-only” form and that payments on and transfers of the Series 2011 Bonds would be administered by the Depository Trust Company (“**DTC**”) acting as Securities Depository; and

WHEREAS, after the Plan was approved, the Association with the assistance of the Trustee attempted to cause the Series 2011 Bonds to be qualified for book entry clearing with DTC but were informed that DTC policy requires all distributions of redemption proceeds to the Beneficial Holders of book-entry bonds to be made “by lot” under a lottery system, rather than pro-rata; and

WHEREAS, DTC advised that it had a program (the “*Pro-Rata Paydown Program*”) which allowed pro-rata distribution of payments to beneficial owners that the Association could use to qualify the Series 2011 Bonds for book entry clearing with DTC, which program required the Series 2011 Bonds be issued in authorized denominations of \$1.00 in Original Principal Amount (rather than \$1.00 in Maturity Value) and accrete value from April 1, 2011 at the yield of each Bond to mature in an amount in excess of \$1.00; and

WHEREAS, the Association and Trustee made the changes necessary to the documents to permit the Series 2011 Bonds to be issued in compliance with DTC’s Pro-Rata Paydown Program; however, the amounts and dates of all payments by the Association were not changed and the Master Indenture provided that all bond payments would be paid to the Beneficial Holders of the Series 2011 Bonds pro-rata as previously contemplated; and

WHEREAS, beginning in June 2011, the Association was advised by the Trustee that a number of institutional holders of the Series 2011 Bonds could not trade their obligations in the secondary securities market since the brokers’ and industry pricing systems for trading such bonds were set up on the assumption that zero coupon bonds such as the Series 2011 Bonds would be listed by DTC at a maturity value equal to their authorized denominations (i.e., \$1.00) rather than at a multiple of their authorized denominations (over \$1.00); and

WHEREAS, upon becoming aware of the cause of the problem, the beneficial owners of a majority of the Series 2011 Bonds have indicated to the Trustee, which has advised the Association, that such bondholders request and support an exchange of, and desire to exchange, their Series 2011 Term Bonds for new term bonds which provide for the distribution of payments to beneficial owners by lot, in order to allow registration of such new term bonds by the Securities Depository at a maturity value equal to their Authorized Denominations, so such new obligations would be listed at a discount for purposes of trading in the secondary market; and

WHEREAS, the Trustee and the Association have been advised that the Series 2011A Bonds maturing January 1 of the years 2012 through 2022 (inclusive) (the “*Series 2011A Serial Bonds*”) are not subject to the secondary trading impediment described above, will not be subject to the exchange and will remain Outstanding under the Master Indenture as originally issued; and

WHEREAS, on February 7, 2012 the Association filed with the Court its Motion for an Order (I) Authorizing Supplement to the Indenture in Aid of Implementation of the Plan; and (II) Approving Bond Exchange Materials and Procedures for Term Bonds, seeking approval of the foregoing (the “*Motion*”), notice of which was provided to all notice parties including the Securities Depository participants, as further set forth in the Motion; and

WHEREAS, the Court entered its Order (I) Authorizing Supplement to the Indenture in Aid of Implementation of the Plan; and (II) Approving Bond Exchange Materials and Procedures for Term Bonds (the “*Order*”) on April 10, 2012, which authorized the Association to proceed with amending the Master Indenture pursuant to this Court-approved First Supplemental Indenture and to proceed with effectuating the Court-approved exchange of the Series 2011 Term Bonds, all in further implementation of the Plan; and

WHEREAS, on April 17, 2012, the Trustee caused to be delivered to the beneficial owners of the Series 2011 Bonds a notice of mandatory exchange with option to retain (the “**Exchange Notice**”) under which each such beneficial owner’s Series 2011 Term Bonds will be exchanged on May 31, 2012 (the “**Exchange Date**”) for New Term Bonds providing for the distribution of payments made by the Association to the beneficial owners thereof by lot (the “**Exchanging Bondholders**”), provided that each such beneficial owner may instead affirmatively elect to retain such beneficial owner’s Series 2011 Term Bonds and thus to opt out of the exchange and not become an Exchanging Bondholder if such beneficial owner prefers to retain the current Series 2011 Term Bonds with the right to have redemptions of its Term Bonds done on a pro rata basis; and

WHEREAS, this First Supplemental Indenture is a Court-approved Supplemental Indenture (as defined in the Master Indenture) entered into pursuant to the Order to further implement the Plan and specifically for the purpose of authorizing three Series of Bonds to be exchanged effective as of the Effective Date for the Series 2011 Term Bonds owned by the Exchanging Bondholders consisting of (i) \$89,909,819.00 in aggregate Original Principal Amount to be designated “Connector 2000 Association, Inc. Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A1” (the “**Series 2011A1 Bonds**”) having an aggregate Maturity Value of \$734,692,937.00, (ii) \$20,635,992.00 in aggregate Original Principal Amount to be designated “Connector 2000 Association, Inc. Senior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011B1” (the “**Series 2011B1 Bonds**”) having an aggregate Maturity Value of \$300,684,532.00, and (iii) \$2,142,491.00 in aggregate Original Principal Amount to be designated as “Connector 2000 Association, Inc. Junior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011C1” having an aggregate Maturity Value of \$97,782,636.00 (the “**Series 2011C1 Bonds**” and, together with the Series 2011A1 Bonds and the Series 2011B1 Bonds, the “**Series 2011 New Term Bonds**”) and to make certain amendments to the Master Indenture to permit such exchange of the Series 2011 New Term Bonds to be registered at a maturity value equal to their authorized denominations with the Securities Depository as contemplated by the Plan and Disclosure Statement; and

WHEREAS, the Series 2011 New Term Bonds will be issued to the Exchanging Bondholders in exchange for Series 2011 Bonds of the same Series in the same Original Principal Amounts; and

WHEREAS, the holders of \$364,357.00, \$85,103.00 and \$17,943.00 in Original Principal Amount of Series 2011A Term Bonds, Series 2011B Term Bonds and Series 2011C Term Bonds (collectively, the “**Retained Bonds**”), have elected to opt out of the exchange so that there remain those respective amounts of Original Principal Amount of the Series 2011A Term Bonds, the Series 2011B Term Bonds and the Series 2011C Term Bonds; and

WHEREAS, there has been delivered to the Trustee in connection with the issuance of the Series 2011 New Term Bonds, a copy of this Supplemental Indenture authorizing such Series 2011 New Term Bonds and providing the details of such Series 2011 New Term Bonds and certain amendments to the Master Indenture and an Opinion of Bond Counsel, substantially to the effect that the Series 2011 New Term Bonds are valid and enforceable obligations of the Association under the Master Indenture and that original issue discount properly allocated to such Series 2011 New Term Bonds will be excludable from gross income for federal income tax purposes and that the issuance of Series 2011 New Term Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of original issue discount properly allocated to the Series 2011 Bonds; and

WHEREAS, the Series 2011 New Term Bonds are to be in substantially the forms attached hereto as **Exhibits A, B, and C** with appropriate variations, omissions and insertions as are permitted or required by this First Supplemental Indenture; and

WHEREAS, all things necessary to make the Series 2011 New Term Bonds, when authenticated by the Trustee and issued as provided in this First Supplemental Indenture, valid and binding limited obligations of the Association and to constitute this First Supplemental Indenture a valid and binding agreement securing the payment of the principal of and premium, if any, and interest on the Series 2011 New Term Bonds effective as of the Effective Date have been done and performed and the execution and delivery of this First Supplemental Indenture and the execution and issuance of the Series 2011 New Term Bonds, subject to the terms hereof, have in all respects been duly authorized and approved including pursuant to the Order of the Court on the Motion in furtherance of the Plan;

**NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE FURTHER
WITNESSETH THAT:**

The Association covenants and agrees with the Trustee and with the respective holders from time to time of the Series 2011 New Term Bonds or any part thereof as follows:

ARTICLE I

**AUTHORITY, DEFINITIONS AND
OTHER INTERPRETATIVE MATTERS**

Section 101. Authority. This First Supplemental Indenture is executed and delivered pursuant to the Order and the Plan, and pursuant to the Order does comply and shall be deemed in all respects and for all purposes to comply with the Plan and the Master Indenture, including specifically Sections 303 and 304 of the Master Indenture.

Section 102. Interpretation and Construction. For purposes of this First Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, Article I of the Master Indenture is hereby incorporated by reference and is applicable to the terms of this First Supplemental Indenture as well as the Master Indenture.

Section 103. Definitions. Terms defined in the Master Indenture shall have the meanings assigned to them in the Master Indenture, except that if any term is defined in both the Master Indenture and in this First Supplemental Indenture, the definition of such term in this First Supplemental Indenture shall control for purposes of, and as provided in, this First Supplemental Indenture. The following terms defined in the recitals to this First Supplemental Indenture are intended to have the meanings assigned in the recitals: “*Association*”, “*Confirmation Order*”, “*Court*”, “*DTC*”, “*Effective Date*” “*Exchange Date*”, “*Exchange Notice*”, “*Exchanging Bondholders*”, “*Master Indenture*”, “*Motion*”, “*Order*”, “*Plan*”, “*Pro-Rata Paydown Program*”, “*Retained Bonds*”, “*Series 1998 Bonds*”, “*Series 2011 Bonds*”, “*Series 2011A Bonds*”, “*Series 2011B Bonds*”, “*Series 2011C Bonds*”, “*Series 2011A1 Bonds*”, “*Series 2011B1 Bonds*”, “*Series 2011C1 Bonds*”; “*Series 2011 New Term Bonds*”, “*Series 2011A Serial Bonds*”, “*Series 2011A Term Bonds*”, “*Series 2011B Term Bonds*”, “*Series 2011C Term Bonds*”, “*Series 2011 Term Bonds*” and “*Trustee*”.

For purposes of this First Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires:

“**Accreted Value**” means, with respect to the Retained Bonds and the Series 2011A Serial Bonds, the Accreted Value as defined in the Master Indenture, and with respect to the Series 2011 New Term Bonds, for each \$1.00 of Maturity Value of a Capital Appreciation Bond:

(a) as of any Accretion Date, the amount set forth on **Appendix T** hereto as the Accreted Value of such \$1.00 Maturity Value as of such Accretion Date; and

(b) as of any date (for purposes of this paragraph (b), a “**Calculation Date**”) that is not an Accretion Date, the sum of (i) the Accreted Value determined under paragraph (a) above as of the most recent Accretion Date plus (ii) the amount determined pursuant to the following formula:

$$(A-B)(X/360),$$

where “A” is the Accreted Value determined under paragraph (a) above as of the Accretion Date immediately following such Calculation Date; “B” is the Accreted Value determined under paragraph (a) above as of the Accretion Date immediately preceding such Calculation Date; and “X” is the number of days such Calculation Date follows the most recent Accretion Date, determined assuming that each month in such period contains 30 days, including such Calculation Date.

“**Authorized Denomination**” with respect to the Retained Bonds and the Series 2011A Serial Bonds has the meaning set forth in the Master Indenture and, with respect to the Series 2011 New Term Bonds, means \$1.00 in Maturity Value and integral multiples of \$1.00 in excess thereof.

“**Bond Payment Date**” means, for the Series 2011 New Term Bonds, January 1 of each year, beginning January 1, 2012 and on July 22, 2051 and February 15 of each year in which a redemption is to be made on that February 15 pursuant to Section 302(4) hereof or a prepayment is to be made pursuant to Section 401(2) of the Master Indenture.

“**Debt Service**” shall have the meaning set forth in the Master Indenture with the understanding that, with respect to the Series 2011 New Term Bonds for any particular Fiscal Year or as of any Bond Payment Date, Debt Service includes an amount equal to the sum of (a) the Maturity Value of all applicable Outstanding Series 2011 New Term Bonds that is payable during such period or on such date; and (b) the Redemption Price of Outstanding Series 2011 New Term Bonds payable during such period or on such date with respect to any applicable Outstanding Series 2011 New Term Bonds that are to be redeemed during such period or on such date pursuant to mandatory redemption provisions.

“**First Supplemental Indenture**” means this First Supplemental Indenture of Trust, as it may be further amended from time to time in accordance with the terms hereof and of the Master Indenture.

“**Maturity Value**” means with respect to a Capital Appreciation Bond, the amount payable to the Owner of such Capital Appreciation Bond on its maturity date.

“**Original Principal Amount**” means, (i) the Original Principal Amount of the Series 2011A Serial Bonds as established on April 1, 2011 in Article III of the Master Indenture, (ii) the Original Principal Amount of the Series 2011 New Term Bonds as of April 1, 2011 set forth in this First Supplemental Indenture, and (iii) the Original Principal Amount of the Retained Bonds as of April 1, 2011 set forth in this First Supplemental Indenture.

“**Paying Agent**” means, with respect to the Series 2011 New Term Bonds, the Trustee and its successors in such capacity, appointed hereunder.

“**Redemption Date**” means the date upon which any Series 2011 New Term Bonds are to be redeemed prior to their respective fixed maturities pursuant to the mandatory, extraordinary or optional redemption provisions of this First Supplemental Indenture.

“Redemption Price” means, with respect to any Series 2011 New Term Bond, the amount, including any applicable premium and Accreted Value (as applicable), payable upon the mandatory, extraordinary or optional prepayment under the Master Indenture or redemption, as provided in this First Supplemental Indenture.

“Registrar” means, with respect to the Series 2011 New Term Bonds, the Trustee, and its successors in such capacity, appointed under the Master Indenture.

“Sinking Fund Installment” means, as of any particular date of calculation and with respect to the Series 2011 New Term Bonds, the amount of money to be applied as the Redemption Price of the Series 2011 New Term Bonds subject to mandatory sinking fund redemption in any Fiscal Year prior to maturity, as such Sinking Fund Installment shall have been previously reduced by the Accreted Value (as of such date of calculation) of any Series 2011 New Term Bonds of such Series of the maturity in respect of which such Sinking Fund Installment is payable which are redeemed by the Trustee in accordance with the provisions of Article III of this First Supplemental Indenture, other than by the prior payment of a Sinking Fund Installment under Section 302 of this First Supplemental Indenture.

ARTICLE II

AUTHORIZATION AND PAYMENT OF SERIES 2011 NEW TERM BONDS

Section 201. Authorization of Series 2011 New Term Bonds.

1. There is hereby authorized to be issued at the Exchange Date but effective as of the Effective Date, and shall be issued under and secured by the Master Indenture and this First Supplemental Indenture three separate Series of Bonds designated as follows: (a) “Connector 2000 Association, Inc. Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A1,” in the aggregate Maturity Value of \$734,692,937.00 and the aggregate Original Principal Amount of \$89,909,819.00; (b) “Connector 2000 Association, Inc. Senior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011B1,” in the aggregate Maturity Value of \$300,684,532.00 and the aggregate Original Principal Amount of \$20,635,992.00; and (c) “Connector 2000 Association, Inc. Junior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011C1,” in the aggregate Maturity Value of \$97,782,636.00 and the aggregate Original Principal Amount of \$2,142,491.00.

2. The Series 2011 New Term Bonds will be exchanged on the Exchange Date for Outstanding Series 2011 Bonds of the same Tier having the same maturity date. Each Exchanging Bondholder will receive, on the Exchange Date but effective as of the Effective Date, Series 2011 New Term Bonds in the Maturity Value calculated upon the Original Principal Amount of Series 2011 Bonds exchanged by such Exchanging Bondholder.

Section 202. Security for Series 2011 New Term Bonds. The Series 2011 New Term Bonds are Bonds within the meaning of the Master Indenture and payable from and secured by the Trust Estate in accordance with the terms of the Master Indenture and this First Supplemental Indenture.

Section 203. Series 2011 New Term Bond Details.

1. Each Series 2011 New Term Bond shall be issued only as a fully registered Bond. Each Series 2011A1 Bond shall be substantially in the form of **Exhibit A** hereto, each Series 2011B1 Bond shall be substantially in the form of **Exhibit B** hereto, and each Series 2011C1 Bond shall be substantially in the form of **Exhibit C** hereto, in each case, with such changes therein, not inconsistent with this First Supplemental Indenture and the Order, as are approved by the Authorized Association Representative executing the Series 2011 New Term Bonds (whose manual or facsimile signature on such Bonds shall constitute conclusive evidence of his or her approval of any such changes appearing therein).

2. Details of the Series 2011A1 Bonds. The Series 2011A1 Bonds are designated Senior Bonds on parity in all respects with any Series 2011A Bonds that are Retained Bonds and the Series 2011A Serial Bonds, are dated April 1, 2011, shall be issued in denominations of \$1.00 in Maturity Value and integral multiples of \$1.00 in excess thereof, shall be numbered 2011A1-1 upwards and shall accrete in value from their dated date; provided that, any Series 2011A1 Bond issued upon transfer or exchange of another Series 2011A1 Bond, as provided in Article III of the Master Indenture, shall be dated as of the date of its authentication, but shall retain the same Accreted Value and Maturity Value as the Series 2011A1 Bond that was transferred or exchanged. The Series 2011A1 Bonds shall mature on the dates and in the Maturity Values, and shall be issued in the Original Principal Amounts with the approximate yields to Maturity (compounded annually), set forth below (it being understood that the approximate yields set forth are for illustration purposes only and that all amounts due on the Series 2011A1 Bonds are based on the terms of such Bonds and definitions of Original Principal Amount, Maturity Value and Accreted Value set forth in the Master Indenture as amended by this First Supplemental Indenture).

Maturity Date	Original Principal Amount	Maturity Value	Yield	CUSIP
January 1, 2032	40,455,704.00	149,446,102.00	6.50%	20786LDS7
January 1, 2042	31,336,681.00	250,959,619.00	7.00%	20786LDT5
July 22, 2051	18,117,434.00	334,287,216.00	7.50%	20786LDU2

3. Details of the Series 2011B1 Bonds. The Series 2011B1 Bonds are designated Senior Subordinate Bonds on parity in all respects with any Series 2011B Bonds that are Retained Bonds, are dated April 1, 2011, shall be issued in denominations of \$1.00 in Maturity Value and integral multiples of \$1.00 in excess thereof, shall be numbered 2011B1-1 upwards and shall accrete in value from their dated date; provided that, any Series 2011B1 Bond issued upon transfer or exchange of another Series 2011B1 Bond, as provided in Article III of the Master Indenture, shall be dated as of the date of its authentication, but shall retain the same Accreted Value and Maturity Value as the Series 2011B1 Bond that was transferred or exchanged. The Series 2011B1 Bonds shall mature on January 1 of the years and in the Maturity Values, and shall be issued in the Original Principal Amounts with the approximate yields to Maturity (compounded annually), set forth below (it being understood that the approximate yields set forth are for illustration purposes only and that all amounts due on the Series 2011B1 Bonds are based on the terms of such Bonds and definitions of Original Principal Amount, Maturity Value and Accreted Value set forth in the Master Indenture as amended by this First Supplemental Indenture).

Maturity Date	Original Principal Amount	Maturity Value	Yield	CUSIP
January 1, 2032	13,606,458.00	73,945,516.00	8.50%	20786LDV0
July 22, 2051	7,029,534.00	226,739,016.00	9.00%	20786LDW8

4. Details of the Series 2011C1 Bonds. The Series 2011C1 Bonds are designated Junior Subordinate Bonds on parity in all respects with any Series 2011C Bonds that are Retained Bonds, are dated April 1, 2011, shall be issued in denominations of \$1.00 in Maturity Value and integral multiples of \$1.00 in excess thereof, have been assigned a CUSIP number of 20786LDX6, shall be numbered 2011C1-1 upwards and shall accrete in value from their dated date; provided that, any Series 2011C1 Bond issued upon transfer or exchange of another Series 2011C1 Bond, as provided in Article III of the Master Indenture, shall be dated as of the date of its authentication, but shall retain the same Accreted Value and Maturity Value as the Series 2011C1 Bond that was transferred or exchanged. The Series 2011C1 Bonds are issued in the Original Principal Amount of \$2,142,491.00 and shall mature on July 22, 2051 in the Maturity Value of \$97,782,636.00, at the approximate yields to Maturity (compounded annually) of 10% per annum (it being understood that such approximate yield is for illustration purposes only and that all amounts due on the Series 2011C1 Bonds are based on the terms of such Bonds and definitions of Original Principal Amount, Maturity Value and Accreted Value set forth in the Master Indenture as amended by this First Supplemental Indenture).

5. Nonpayment or Partial Payment of Sinking Fund Installments. In the event that any Sinking Fund Installment is not paid when due, such amount will continue to be payable and will accrete interest at the rate set forth in the Bond on which such sinking fund installment was not paid and will be added to the next installment owing in respect of such Bond in the appropriate table set forth in Section 302 hereof.

6. Presentation for Payment. The final principal and Redemption Price of the Series 2011 New Term Bonds shall be payable by the Paying Agent to or upon the order of the Owner thereof upon presentation and surrender of such Series 2011 New Term Bonds at the designated corporate trust office of the Paying Agent, provided, however, that so long as the Series 2011 New Term Bonds are registered with a Securities Depository, the Series 2011 New Term Bonds need to be presented for payment only upon final maturity or redemption in full of such Series 2011 New Term Bonds.

7. Redemption and Prepayment of Series 2011 New Term Bonds. The Series 2011 New Term Bonds are subject to redemption and prepayment, as provided in Article III hereof.

Section 204. Details of the Retained Bonds.

1. As a result of the issuance and delivery of the Series 2011 New Term Bonds, the Original Principal Amount and Annual Pro Rata Paydown Amounts of the Series 2011 Term Bonds will be updated to reflect that the Series 2011 New Term Bonds are no longer included therein. The updated amounts of the Series 2011 Term Bonds reflecting only the Retained Bonds are as follows:

2. Updated Details of the Series 2011A Bonds which are Retained Bonds. The Original Principal Amount of Series 2011A Bonds which are Retained Bonds remaining Outstanding after the exchange and the Annual Pro Rata Paydown Amounts relating thereto are set forth below.

Maturity Date	Original Principal Amount	Yield	CUSIP
January 1, 2032	163,949.00	6.50%	20786LDL2
January 1, 2042	126,990.00	7.00%	20786LDM0
July 22, 2051	73,418.00	7.50%	20786LDN8

Annual Pro Rata Paydown Amount Schedule Series 2011A Term Bonds 6.5% Term Series 2011A CUSIP 20786LDL2 Capital Appreciation Bonds Maturing 1/1/2032		Annual Pro Rata Paydown Amount Schedule Series 2011A Term Bonds 7.0% Term Series 2011A CUSIP 20786LDM0 Capital Appreciation Bonds Maturing 1/1/2042		Annual Pro Rata Paydown Amount Schedule Series 2011A Term Bonds 7.5% Term Series 2011A CUSIP 20786LDN8 Capital Appreciation Bonds Maturing 7/22/2051	
Payment Date	Annual Amount (Accreted Value)	Payment Date	Annual Amount (Accreted Value)	Payment Date	Annual Amount (Accreted Value)
1/1/2023	\$34,394.83	1/1/2033	\$63,620.69	1/1/2043	\$90,876.12
1/1/2024	36,353.72	1/1/2034	64,727.58	1/1/2044	91,336.48
1/1/2025	41,714.23	1/1/2035	65,857.16	1/1/2045	100,609.49
1/1/2026	43,506.75	1/1/2036	66,998.50	1/1/2046	101,144.03
1/1/2027	44,814.04	1/1/2037	75,982.30	1/1/2047	101,683.72
1/1/2028	46,098.74	1/1/2038	77,311.51	1/1/2048	102,191.95
1/1/2029	51,517.26	1/1/2039	78,670.11	1/1/2049	111,880.51
1/1/2030	52,989.93	1/1/2040	80,042.98	1/1/2050	112,474.29
1/1/2031	54,515.99	1/1/2041	89,912.26	1/1/2051	113,077.25
1/1/2032	55,447.84	1/1/2042	90,391.94	7/22/2051	63,434.95

3. Updated Details of the Series 2011B Bonds which are Retained Bonds. The Original Principal Amount of Series 2011B Bonds which are Retained Bonds remaining Outstanding after the exchange and the Annual Pro Rata Paydown Amounts relating thereto are set forth below.

Maturity Date	Original Principal Amount	Yield	CUSIP
January 1, 2032	56,612.00	8.50%	20786LDP3
July 22, 2051	28,491.00	9.00%	20786LDQ1

Annual Pro Rata Paydown Amount Schedule Series 2011B Term Bonds 8.5% Term Series 2011B; CUSIP # 20786LDP3 Capital Appreciation Bonds Maturing 1/1/2032				Annual Pro Rata Paydown Amount Schedule Series 2011B Term Bonds 9.0% Term Series 2011B; CUSIP 20786LDQ1 Capital Appreciation Bonds Maturing 7/22/2051			
Payment Date	Annual Amount (Accreted Value)	Payment Date	Annual Amount (Accreted Value)	Payment Date	Annual Amount (Accreted Value)	Payment Date	Annual Amount (Accreted Value)
1/1/2013	\$2,754.46	1/1/2023	\$8,155.06	1/1/2033	\$14,701.63	1/1/2043	\$20,996.62
1/1/2014	2,883.46	1/1/2024	8,621.88	1/1/2034	14,952.19	1/1/2044	21,087.03
1/1/2015	3,116.33	1/1/2025	9,888.95	1/1/2035	15,213.95	1/1/2045	23,259.79
1/1/2016	3,474.04	1/1/2026	10,319.78	1/1/2036	15,477.66	1/1/2046	23,355.29
1/1/2017	4,699.68	1/1/2027	10,625.90	1/1/2037	17,560.55	1/1/2047	23,497.34
1/1/2018	5,194.56	1/1/2028	10,933.03	1/1/2038	17,857.59	1/1/2048	23,594.47
1/1/2019	5,653.02	1/1/2029	12,211.25	1/1/2039	18,175.13	1/1/2049	25,847.34
1/1/2020	6,151.91	1/1/2030	12,565.95	1/1/2040	18,488.57	1/1/2050	25,973.86
1/1/2021	7,292.90	1/1/2031	12,922.81	1/1/2041	20,775.82	1/1/2051	26,128.97
1/1/2022	7,715.68	1/1/2032	13,151.71	1/1/2042	20,876.46	7/22/2051	14,676.12

4. Updated Details of the Series 2011C Bonds which are Retained Bonds. The Original Principal Amount of Series 2011C Bonds which are Retained Bonds remaining Outstanding after the exchange and the Annual Pro Rata Paydown Amounts relating thereto are set forth below.

Maturity Date	Original Principal Amount	Yield	CUSIP
July 22, 2051	17,943.00	10.00%	20786LDR9

Annual Pro Rata Paydown Amount Schedule							
Series 2011C Term Bonds							
10.0% Term Series 2011C							
Capital Appreciation Bonds Maturing 7/22/2051; CUSIP # 20786LDR9							
Payment Date	Annual Amount (Accreted Value)	Payment Date	Annual Amount (Accreted Value)	Payment Date	Annual Amount (Accreted Value)	Payment Date	Annual Amount (Accreted Value)
1/1/2013	\$697.09	1/1/2023	\$2,065.49	1/1/2033	\$3,823.28	1/1/2043	\$5,442.79
1/1/2014	729.11	1/1/2024	2,181.02	1/1/2034	3,882.10	1/1/2044	5,465.47
1/1/2015	789.16	1/1/2025	2,502.95	1/1/2035	3,943.30	1/1/2045	6,012.02
1/1/2016	879.08	1/1/2026	2,606.41	1/1/2036	4,020.24	1/1/2046	6,064.40
1/1/2017	1,190.14	1/1/2027	2,692.07	1/1/2037	4,550.28	1/1/2047	6,097.33
1/1/2018	1,314.86	1/1/2028	2,768.79	1/1/2038	4,634.07	1/1/2048	6,109.41
1/1/2019	1,431.69	1/1/2029	3,094.53	1/1/2039	4,717.28	1/1/2049	6,683.82
1/1/2020	1,554.14	1/1/2030	3,183.02	1/1/2040	4,801.77	1/1/2050	6,709.39
1/1/2021	1,846.32	1/1/2031	3,271.41	1/1/2041	5,384.18	1/1/2051	6,761.62
1/1/2022	1,952.94	1/1/2032	3,331.19	1/1/2042	5,416.55	7/22/2051	3,775.33

ARTICLE III

OPTIONAL AND MANDATORY PREPAYMENT AND REDEMPTION

Section 301. Privilege of Redemption or Prepayment and Redemption or Prepayment Price.

1. General. With respect to the Series 2011 New Term Bonds, the Series 2011A Serial Bonds and the Retained Bonds, Sections 401 to 406 (inclusive) of the Master Indenture are hereby deleted in their entirety and, in lieu thereof, the provisions of this Article III are substituted therefor. The Series 2011A Serial Bonds and the Retained Bonds subject to prepayment prior to maturity shall be prepayable, upon notice, at such Prepayment Dates, at such Prepayment Prices made pro-rata upon such terms as are contained in this Article. The Series 2011 New Term Bonds subject to redemption prior to maturity shall be redeemable by lot, upon notice, at such Redemption Dates, at such Redemption Prices and upon such terms as are contained in this Article.

2. Optional Prepayment or Redemption of Series 2011 Bonds.

A. Optional Prepayment of the Retained Bonds. The Series 2011A Serial Bonds are not subject to optional prepayment by the Association prior to their maturity. The Retained Bonds shall be subject to prepayment at the option of the Association, in whole or in part, at any time on or after April 1, 2026 at the Prepayment Prices (equal to the sum of (x) the percentage of Accreted Value of the Retained Bonds to be prepaid as of the Accretion Date immediately preceding or coinciding with the Prepayment Date determined in accordance with the schedule set forth below, plus, if applicable, (y) an amount equal to the increase in the Accreted Value of the Retained Bonds to be prepaid from the Accretion Date immediately preceding the Prepayment Date through the Prepayment Date). All payments to the Owners of the Retained Bonds so prepaid shall be made pro-rata.

<u>Prepayment Date:</u>	<u>Percentage of Accreted Value as of Preceding or Coinciding Accretion Date</u>
Before April 1, 2026	Not Callable
On or after April 1, 2026 and on or before March 31, 2027	105%
On or after April 1, 2027 and on or before March 31, 2028	104%
On or after April 1, 2028 and on or before March 31, 2029	103%
On or after April 1, 2029 and on or before March 31, 2030	102%
On or after April 1, 2030 and on or before March 31, 2031	101%
On or after April 1, 2031 and thereafter	100%

B. Optional Redemption of the Series 2011 New Term Bonds. The Series 2011 New Term Bonds shall be subject to redemption at the option of the Association, in whole or in part, at any time on or after April 1, 2026 at the Redemption Prices (equal to the sum of (x) the percentage of Accreted Value of the Series 2011 New Term Bonds to be redeemed as of the Accretion Date immediately preceding or coinciding with the Redemption Date determined in accordance with the schedule set forth below, plus, if applicable, (y) an amount equal to the increase in the Accreted Value of the Series 2011 New Term Bonds to be redeemed from the Accretion Date immediately preceding the Redemption Date through the Redemption Date). All payments to the Owners of the Series 2011 New Term Bonds so redeemed shall be made by lot.

<u>Redemption Date:</u>	<u>Percentage of Accreted Value as of Preceding or Coinciding Accretion Date</u>
Before April 1, 2026	Not Callable
On or after April 1, 2026 and on or before March 31, 2027	105%
On or after April 1, 2027 and on or before March 31, 2028	104%
On or after April 1, 2028 and on or before March 31, 2029	103%
On or after April 1, 2029 and on or before March 31, 2030	102%
On or after April 1, 2030 and on or before March 31, 2031	101%
On or after April 1, 2031 and thereafter	100%

C. Partial Prepayment or Redemption. To the extent that the Association elects to prepay or redeem less than all of the Outstanding Series 2011 Bonds, the amount of Series 2011 Bonds so prepaid or redeemed will be selected from the Retained Bonds and the Series 2011 New Term Bonds within any maturity ratably based upon the relative Accreted Values of such

maturity Outstanding as of the prepayment and redemption date. (For example, if the Association elects to apply \$600,000 to redeem or prepay Senior Bonds maturing January 1, 2042 and, as of the prepayment and redemption date, the Accreted Value of the Outstanding Series 2011A Bonds that are Retained Bonds maturing on January 1, 2042 is \$1,000,000 and the Accreted Value of the Outstanding Series 2011A1 Bonds on January 1, 2042 is \$2,000,000, then \$200,000 of such amount will be used to prepay the Outstanding Series 2011A Bonds that are Retained Bonds and \$400,000 will be used to redeem the Outstanding Series 2011A1 Bonds.)

Section 302. Mandatory Sinking Fund Redemption of Series 2011 New Term Bonds. The Series 2011 New Term Bonds are subject to mandatory redemption, at a Redemption Price equal to the Accreted Value as of the Redemption Date of the Series 2011 New Term Bonds to be redeemed, pursuant to Sinking Fund Installments on January 1 in each of the years and Accreted Values set forth in the table below, and on their final maturity dates, except that the Sinking Fund Installments of Series 2011 New Term Bonds may be reduced as provided in Section 303 of this First Supplemental Indenture:

1. The Series 2011A1 Bonds:

6.50% Series 2011A1 Term Bonds Maturing Jan. 1, 2032		7.00% Series 2011A1 Term Bonds Maturing Jan. 1, 2042		7.50% Series 2011A1 Term Bonds Maturing July 22, 2051	
Payment Date (January 1)	Redemption Amt (Accreted Value)	Payment Date (January 1)	Redemption Amt (Accreted Value)	Payment Date (January 1)	Redemption Amt (Accreted Value)
2023	\$8,487,007.94	2033	\$15,698,783.10	2043	\$22,424,075.52
2024	8,970,982.87	2034	15,973,393.07	2044	22,540,472.42
2025	10,292,808.60	2035	16,250,644.44	2045	24,826,174.42
2026	10,735,565.61	2036	16,533,390.67	2046	24,960,253.05
2027	11,058,236.71	2037	18,748,934.77	2047	25,092,377.08
2028	11,375,059.91	2038	19,078,056.20	2048	25,220,876.09
2029	12,711,576.32	2039	19,412,997.63	2049	27,608,177.34
2030	13,076,349.99	2040	19,753,049.98	2050	27,755,670.08
2031	13,452,214.74	2041	22,186,026.40	2051	27,900,333.99
2032*	13,683,044.00	2042*	22,305,954.00	7/22/51*	15,656,599.00

*Maturity dates.

2. The Series 2011B1 Bonds:

8.50% Series 2011B1 Term Bonds Maturing Jan. 1, 2032				9.00% Series 2011B1 Term Bonds Maturing July 22, 2051			
Payment Date (January 1)	Redemption Amt (Accr. Value)	Payment Date (January 1)	Redemption Amt (Accr. Value)	Payment Date (January 1)	Redemption Amt (Accr. Value)	Payment Date (January 1)	Redemption Amt (Accr. Value)
2013	\$662,274.76	2023	\$1,960,198.95	2033	\$3,626,161.92	2043	\$5,179,697.99
2014	692,723.92	2024	2,071,969.30	2034	3,689,692.73	2044	5,206,630.92
2015	749,027.81	2025	2,377,254.25	2035	3,753,737.36	2045	5,734,553.74
2016	834,924.29	2026	2,479,548.25	2036	3,819,013.87	2046	5,765,542.44
2017	1,129,556.43	2027	2,554,070.66	2037	4,330,768.15	2047	5,796,039.87
2018	1,248,299.51	2028	2,627,210.39	2038	4,406,841.20	2048	5,825,776.32
2019	1,358,990.29	2029	2,935,910.93	2039	4,484,126.03	2049	6,377,118.88
2020	1,478,151.45	2030	3,020,170.93	2040	4,562,738.28	2050	6,411,202.21
2021	1,753,281.24	2031	3,106,955.49	2041	5,124,741.46	2051	6,444,578.56
2022	1,854,083.22	2032*	3,160,274.00	2042	5,152,441.38	7/22/2051*	3,616,453.00

*Maturity dates.

3. The Series 2011C1 Bonds:

10.00% Series 2011C1 Term Bonds
Maturing July 22, 2051

Payment Date (January 1)	Redemption Amt (Accr. Value)	Payment Date (January 1)	Redemption Amt (Accr. Value)	Payment Date (January 1)	Redemption Amt (Accr. Value)	Payment Date (January 1)	Redemption Amt (Accr. Value)
2013	\$81,503.14	2023	\$241,221.56	2033	\$446,202.22	2043	\$637,354.62
2014	85,236.02	2024	254,963.44	2034	454,001.57	2044	640,670.10
2015	92,166.08	2025	292,554.77	2035	461,884.35	2045	705,639.94
2016	102,745.72	2026	305,126.11	2036	469,932.40	2046	709,437.00
2017	138,988.19	2027	314,287.46	2037	532,885.53	2047	713,194.12
2018	153,634.39	2028	323,302.29	2038	542,243.69	2048	716,842.35
2019	167,244.93	2029	361,292.77	2039	551,768.10	2049	784,693.56
2020	181,909.52	2030	371,664.38	2040	561,431.99	2050	788,914.27
2021	215,763.27	2031	382,341.61	2041	630,587.71	2051	792,985.69
2022	228,152.61	2032	388,886.40	2042	633,994.86	7/22/2051*	445,033.00

*Maturity date.

4. Redemption Mechanics. The Trustee shall timely send notices of redemption of the Series 2011 New Term Bonds at the times and in the Sinking Fund Installments set forth in subsections (1), (2) and (3) of this Section 302 as provided in Section 305 hereof, as such Sinking Fund Installments may be adjusted in accordance with the Master Indenture. At the time such notices of redemption are delivered, there will not be funds in the debt service accounts for the various Tiers of the Series 2011 New Term Bonds so such notices of redemption will be conditioned on the deposit of funds into such debt service accounts sufficient to pay the Redemption Price of the Sinking Fund Installments to be redeemed. In the event that any mandatory sinking fund redemption of any Series 2011 New Term Bonds on any January 1 is cancelled due to insufficient funds available in the applicable debt service accounts to pay any Sinking Fund Installment in full, the Trustee will timely deliver notice of the redemption on the following February 15 of such Series 2011 New Term Bonds as provided in Section 305 hereof in the aggregate Redemption Price not greater than the available balance in the applicable debt service accounts without further accretion. The Redemption Price of Series 2011 New Term Bonds called for redemption on such February 15 will be equal to the Accreted Value of such Bonds as of such preceding January 1 of such year, not the Accreted Value of such Bonds as of the February 15 Redemption Date.

Section 303. Extraordinary Mandatory Prepayment and Redemption. If there is in excess of \$50,000 in the Extraordinary Prepayment Fund, as of January 1 in any year, including as a result of the transfer of funds into the Extraordinary Prepayment Fund pursuant to Section 508 or 717 of the Master Indenture, then the Trustee shall apply any amounts on deposit in the Extraordinary Prepayment Fund to the mandatory prepayment or redemption, in Authorized Denominations, of the Outstanding Series 2011 Bonds on the immediately following February 15. Bonds which have been defeased as provided in Article VIII of the Master Indenture are not subject to Extraordinary Mandatory Prepayment or Redemption hereunder. The Prepayment Price shall be 105% of the Accreted Value as of the Prepayment Date of the Series 2011A Serial Bonds or the Retained Bonds to be prepaid. The Redemption Price shall be 105% of the Accreted Value as of the Redemption Date of the Series 2011 New Term Bonds to be redeemed. The Prepayment Price of any Series 2011A Serial Bonds or the Retained Bonds or portions thereof shall be distributed to the beneficial owners of such Bonds by a Pro Rata Paydown. The Redemption Price of any Series 2011 New Term Bonds or portions thereof shall be distributed to the beneficial owners of such Bonds by lot. The Trustee shall apply such amounts in the Extraordinary Prepayment Fund to the prepayment of the Retained Bonds and to the redemption of the Series 2011 New Term Bonds ratably in the manner described in Section 301(2)(C) hereof.

Section 304. Selection of Bonds to be Prepaid or Redeemed.

1. If any Series 2011 Bonds are to be prepaid or redeemed pursuant to Section 303 of this First Supplemental Indenture, the Senior Bonds shall be prepaid and redeemed first, and if there are no Senior Bonds then outstanding, then the Senior Subordinate Bonds shall be next prepaid and redeemed, and if there are no other Series 2011 Bonds Outstanding, then the Junior Subordinate Bonds shall be prepaid and redeemed. If less than all of the Series 2011 Bonds of a Tier are prepaid or redeemed, then the prepayment or redemption shall be in inverse order of maturity (which for this purpose shall include a Sinking Fund Installment and an Annual Pro-Rata Paydown Payment as a maturity) within that Tier. If less than all of the Outstanding amount of any Series 2011 Bonds are to be prepaid or redeemed, the Association shall deliver to the Trustee not later than 90 days after any such partial prepayment or redemption a revised schedule of Annual Pro Rata Paydown Payments for the Retained Bonds and a revised schedule of Sinking Fund Installments for the Series 2011 New Term Bonds which will reduce the latest remaining installments of Annual Pro Rata Paydown Amounts and Sinking Fund Installments (as the case may be) by an amount equal to the future value of (i) the Accreted Value of the Series 2011 Bonds so prepaid or redeemed (excluding any prepayment or redemption premium paid in respect thereof) (ii) to the date of the latest remaining Sinking Fund Installments and Annual Pro-Rata Paydown Payment (as the case may be) for such Series 2011 Bonds, (iii) at the yield on the Series 2011 Bonds so prepaid or redeemed. Any such schedule delivered to the Trustee by the Association in good faith shall be binding upon the Trustee, DTC and the Owners of the Series 2011 Bonds and absent manifest error shall be conclusive as to the revised Annual Pro Rata Paydown Amounts and Sinking Fund Installments (as the case may be).

2. If less than all of the Series 2011A Serial Bonds or the Retained Bonds of a single maturity within the same Series are to be prepaid for any reason under the Master Indenture or this First Supplemental Indenture, the Bonds of such maturity to be prepaid will be selected pro-rata among all of the Owners of such maturity, such that the amounts which remain Outstanding after such prepayment are in Authorized Denominations; provided that the portion of any Bond to be prepaid shall be in an Authorized Denomination and, in selecting such Bonds for prepayment, each such Bond shall be treated as representing the number of Bonds as is obtained by dividing the Original Principal Amount or Accreted Value of such Bonds as of such date by the Original Principal Amount or the Accreted Value of the minimum Authorized Denomination for such Series of Bonds.

3. If less than all of the Series 2011 New Term Bonds of a single maturity within the same Series are to be redeemed for any reason under the Master Indenture or this First Supplemental Indenture, the Series 2011 New Term Bonds of such maturity to be redeemed will be selected by lot among all of the Owners of such maturity, such that the amounts which remain Outstanding after such redemption are in Authorized Denominations; provided that the portion of any Series 2011 New Term Bond to be redeemed shall be in an Authorized Denomination and, in selecting Series 2011 New Term Bonds for redemption, each Series 2011 New Term Bond shall be treated as representing the number of Series 2011 New Term Bonds as is obtained by dividing the Maturity Value of such Series 2011 New Term Bonds by the minimum Authorized Denomination for the Series 2011 New Term Bonds.

Section 305. Notice of Prepayment or Redemption. Notice of prepayment or redemption of Series 2011 Bonds shall be given in accordance with this Section. When the Trustee shall receive notice from the Association of its election or direction to prepay or redeem Series 2011 Bonds pursuant to Section 301 hereof, and when prepayment or redemption of Bonds is required pursuant to Sections 302 and 303 hereof or 508(1) of the Master Indenture, the Trustee shall give notice, in the name of the Association, of the prepayment or redemption of such Series 2011 Bonds, which notice shall specify the Tier, Series and maturities of the Bonds to be prepaid or redeemed, the Prepayment Date or Redemption Date and the place or places where amounts due upon such Prepayment Date or Redemption Date will be

payable and, if less than all of the Bonds of any like Series and maturity are to be prepaid or redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be prepaid or redeemed, and, in the case of Bonds to be prepaid or redeemed in part only, such notices shall also specify the respective portions thereof to be prepaid or redeemed. Such notice shall further state that on such Prepayment Date or Redemption Date there shall become due and payable upon each Bond to be prepaid or redeemed the Prepayment Price or Redemption Price thereof, or the Prepayment Price or Redemption Price of the specified portions thereof, in the case of Bonds to be prepaid or redeemed in part only, and that from and after such date the Accreted Value shall cease to accrete. The Trustee shall mail a copy of such notice, first class mail postage prepaid, not less than 30 days nor more than 60 days before the Prepayment Date or Redemption Date, to the Owners of any Bonds, or portions of Bonds which are to be prepaid or redeemed, at their last addresses, if any, appearing upon the Register. The Trustee's obligation to give notice required by this Section shall not be conditioned upon the prior payment to the Trustee of funds sufficient to pay the Prepayment Price or Redemption Price of the Bonds to which such notice relates and may be given in conditional form, specifying that the prepayment or redemption is subject to receipt by the Trustee of moneys sufficient to pay the Prepayment Price or Redemption Price of the Bonds to be prepaid or redeemed or to other conditions. The failure to give notice required by this Section to any Owner of any Bond or portion thereof to be prepaid or redeemed shall not affect the validity of any proceedings for the prepayment or redemption of any other Bond for which such notice has been duly given.

Section 306. *Payment of Prepaid or Redeemed Bonds.* Notice having been given in the manner provided in Section 305 hereof, the Series 2011 Bonds or portions thereof so called for prepayment or redemption shall, provided that any conditions specified in such notice are satisfied, become due and payable on the Prepayment Date or Redemption Date so designated at the Prepayment Price or Redemption Price upon presentation and surrender thereof at the office specified in such notice. If there shall be called for prepayment or redemption less than all of the principal of any Series 2011 Bond, the Association shall, if the Series 2011 Bonds are not then registered with a Securities Depository, execute and the Trustee or the Authenticating Agent shall authenticate and deliver, upon the surrender of such Series 2011 Bond, without charge to the Owner thereof, for the unpaid balance of the principal amount of the Series 2011 Bond so surrendered, Bonds of like Series and maturity in any Authorized Denomination. All partial prepayments of Series 2011A Serial Bonds and Retained Bonds shall be distributed to the beneficial owners of such Bonds by the Securities Depository pursuant to a Pro Rata Paydown. All partial prepayments or redemptions of Series 2011 New Term Bonds shall be distributed to the beneficial owners of such Bonds by the Securities Depository by lot. If, on the Prepayment Date or Redemption Date, moneys equal to the Prepayment Price or Redemption Price of all the Series 2011 Bonds or portions thereof to be prepaid or redeemed shall be held by the Trustee or Paying Agent so as to be available therefor on said date and if notice of prepayment or redemption shall have been given as aforesaid, then, from and after the Prepayment Date or Redemption Date the Accreted Value of such Series 2011 Bonds or portions thereof so called for prepayment or redemption shall cease to accrete. If said moneys shall not be so available on the Prepayment Date or Redemption Date, such Series 2011 Bonds or portions thereof shall continue to accrete in value until paid at the same rate as if they had not been called for prepayment or redemption.

ARTICLE IV

COMPLIANCE WITH AND AMENDMENTS TO THE MASTER INDENTURE

Section 401. Provisions for Delivery of the Bonds.

The Series 2011 New Term Bonds shall be executed and authenticated as provided in Section 307 of the Master Indenture, subject to the following. Prior to the authentication and delivery of the Series 2011 New Term Bonds, the Trustee shall receive:

1. one executed counterpart of this First Supplemental Indenture and the Series 2011 New Term Bonds for each maturity thereof, together with a letter, signed by an Authorized Association Representative, instructing the Trustee as to the delivery of such Bonds; and
2. one copy of the executed Order duly entered by the Court; and
3. an opinion of Bond Counsel to the effect that, as of its date (i) the Master Indenture and this First Supplemental Indenture have been duly authorized, executed and delivered by the Association and each constitutes the legal, valid and binding special, limited obligation of the Association; provided, however, that such opinion may include exceptions for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization, or other laws affecting creditors' rights generally, matters relating to equitable principles and other customary exceptions or qualifications appropriate in the circumstances; (ii) the Master Indenture and this First Supplemental Indenture create the valid pledge of and lien on the Trust Estate which it purports to create, subject only to the provisions hereof and of the Master Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein and in the Master Indenture; (iii) the Series 2011 New Term Bonds are valid and binding special, limited obligations of the Association, payable solely from the sources provided therefor herein and in the Master Indenture; provided, however, that such opinion may include exceptions for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization, or other laws affecting creditors' rights generally, matters relating to equitable principles and other customary exceptions or qualifications appropriate in the circumstances; (iv) the Order has been duly entered and is final and unappealable; (v) all conditions precedent in the Order to the delivery of the Series 2011 New Term Bonds, if any, have been accomplished or waived; (vi) interest on the Series 2011 New Term Bonds will not be included in gross income of the Bondowners for federal income tax purposes; and (vii) the delivery of the Series 2011 New Term Bonds will not adversely affect the exclusion from gross income of the Owners of any prior Tax-Exempt Bonds then Outstanding for federal tax purposes; and
4. evidence of filed UCC-1 financing statements relating to the pledge of the Trust Estate and covering the Series 2011 New Term Bonds and the Master Indenture as amended from time to time, including by this First Supplemental Indenture.

Section 402. Amendments. In addition to the other amendments and supplements to the Master Indenture made hereunder, the Master Indenture is hereby supplemented, amended and modified as follows:

1. Costs of Issuance Fund; Debt Service Reserve Fund. The term "Costs of Issuance" will be deemed to include the fees and costs incurred by the Association and the Trustee (including for their professionals and other Consultants) in connection with their efforts to resolve the DTC issues and implement the exchange, including the negotiation, preparation and approval of this First Supplemental Indenture, the Motion, the Order, the exchange documents, and any other related documents or actions for implementation of the foregoing and the Plan, including DTC's approval for registration of the Series

2011 New Term Bonds at their Maturity Value. The term “August 22, 2011” in Sections 503 and 508 (2) of the Master Indenture is hereby changed to “October 10, 2012”.

2. Series 2011 Bonds Debt Service Reserve Account. The Series 2011 New Term Bonds will be payable and secured on parity with the Series 2011A Serial Bonds and the Retained Bonds and shall be of the same Tier as the Bonds for which they were exchanged. Section 508(3) of the Master Indenture is hereby amended to provide that each Series of the Series 2011 New Term Bonds shall be secured on parity with the corresponding Series of Retained Bonds by the Series 2011 Bonds Debt Service Reserve Account.

3. Defaults. Section 902 (1) of the Master Indenture is hereby amended by deleting such subsection and substituting in lieu thereof the following: “Failure to make due and punctual payment of the principal, interest, Annual Pro Rata Paydown Amounts or any Sinking Fund Installment when and as such principal, interest, Annual Pro Rata Paydown Amounts or Sinking Fund Installment shall become due and payable, whether at maturity or by mandatory prepayment or mandatory redemption, or otherwise, of any (i) Senior Bonds; or (ii) if no Senior Bonds are then Outstanding hereunder, any Senior Subordinate Bonds, or (iii) if no Senior Bonds or Senior Subordinate Bonds are then Outstanding hereunder, any Junior Subordinate Bonds;”

4. Supplemental Indentures. Section 1101 of the Master Indenture is hereby amended by adding to the end of such Section the following new subsections (21) and (22): “(21) To modify, amend or supplement this Master Indenture or any Supplemental Indenture as may be necessary to cause the Series 2011 New Term Bonds to be on parity with the Series 2011 Bonds that are Retained Bonds of the same Tier; and (22) to modify, amend or supplement this Master Indenture or any Supplemental Indenture as may be necessary or desirable to fully carry out the terms of the Order.”

5. Defined Terms. The following defined terms in the Master Indenture are hereby amended. “Prepayment” as it appears in the Master Indenture shall be deemed to include redemption of the Series 2011 New Term Bonds. “**Prepayment Price**” shall include the Redemption Price of any Series 2011 New Term Bonds. “**Prepayment Date**” shall include the Redemption Date of any Series 2011 New Term Bonds.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 501. Parties Interested Herein. Except as otherwise expressly provided herein or by Supplemental Indenture, all the covenants, stipulations, promises and agreements herein contained by and on behalf of the Association shall be for the sole and exclusive benefit of the Association, the Trustee, other Fiduciaries and agents of the Association and the Owners of the Bonds, and nothing in this First Supplemental Indenture is intended nor shall it be construed to confer upon or to give to any person, other than the Association, the Trustee, any other Fiduciary or agent of the Association and the Owners of the Bonds, any right, remedy or claim under or by reason hereof or any covenant, condition or stipulation hereof.

Section 502. Limitation of Liability of Directors, etc. of Association. No covenant or agreement contained herein or in the Bonds shall be deemed to be the covenant or agreement of any member of the Board or any officer, director, agent, employee or representative of the Association, and neither the officers, directors, agents, employees or representatives of the Association nor any person executing the Bonds shall be personally liable thereon or be subject to any personal liability or accountability by reason of the issuance thereof, whether by virtue of

any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly released and waived as a condition of and in consideration for the execution of this First Supplemental Indenture and the issuance of the Bonds.

Section 503. *Incorporation by Reference of Article XIII of Master Indenture.* For the avoidance of doubt, all provisions of Article XIII of the Master Indenture (Miscellaneous) shall be deemed incorporated by reference in this First Supplemental Indenture as if set forth fully herein.

Section 504. *Execution in Several Counterparts.* This First Supplemental Indenture may be simultaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

IN WITNESS WHEREOF, the Association has caused this First Supplemental Indenture to be executed by its Chairman, and the Trustee has caused this First Supplemental Indenture to be executed on its behalf by one of its duly authorized officers all as of the day and year first written above.

CONNECTOR 2000 ASSOCIATION, INC.

By: William L. Carpenter
Its: Chairman

(SEAL)

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: James H. Cody
Its: Assistant Vice President

REGISTERED**MATURITY VALUE****2011A1 - 1****\$149,446,102.00**

CONNECTOR 2000 ASSOCIATION, INC.
SENIOR CAPITAL APPRECIATION TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011A1

MATURITY DATE	DATED DATE	YIELD	CUSIP
January 1, 2032	April 1, 2011	6.50%	20786LDS7

REGISTERED OWNER: CEDE & CO.
Tax Identification Number 13-2555119

MATURITY VALUE: One Hundred Forty Nine Million Four Hundred Forty Six Thousand One Hundred Two Dollars (\$149,446,102.00).

MANDATORY SINKING FUND REDEMPTION SCHEDULE:

<u>Redemption Date</u>	<u>Redemption Amount (Accreted Value)</u>
1/1/2023	\$8,487,007.94
1/1/2024	8,970,982.87
1/1/2025	10,292,808.60
1/1/2026	10,735,565.61
1/1/2027	11,058,236.71
1/1/2028	11,375,059.91
1/1/2029	12,711,576.32
1/1/2030	13,076,349.99
1/1/2031	13,452,214.74
1/1/2032	13,683,044.00
(Maturity)	

CONNECTOR 2000 ASSOCIATION, INC. (the “*Association*”), for value received, hereby promises to pay to the order of the registered owner (the “*Owner*”) named above, or registered assigns, solely from the sources and as herein provided, the Maturity Value stated above on the Maturity Date stated above, together with accreted interest thereon at the yield stated above, payable on the Maturity Date stated above, subject to prior redemption as herein provided. The Maturity Value, Accreted Value and Redemption Price of this Series 2011A1 Bond is payable to the Owner hereof upon presentation and surrender of this Series 2011A1 Bond at the corporate trust office of U.S. Bank National Association (the “*Trustee*” or “*Paying Agent*”) in St. Paul, Minnesota or such other office designated by the Trustee. Notwithstanding the foregoing, so long as Cede & Co. is the Owner of this Series 2011A1 Bond, the Debt Service on this Series 2011A1 Bond shall be paid by wire transfer to Cede & Co. Any payment of Debt Service on this Series 2011A1 Bond that is due on a day which is not a Business Day shall be made on the next succeeding Business Day with the same effect as if made on the day on which it was originally scheduled. All payments of Debt Service on this Series 2011A1 Bond shall be made in lawful money of the United States of America.

REGISTERED**MATURITY VALUE****2011A1 - 2****\$250,959,619.00**

**CONNECTOR 2000 ASSOCIATION, INC.
 SENIOR CAPITAL APPRECIATION TOLL ROAD REVENUE BONDS
 (SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
 SERIES 2011A1**

MATURITY DATE	DATED DATE	YIELD	CUSIP
January 1, 2042	April 1, 2011	7.00%	20786LDT5

REGISTERED OWNER: CEDE & CO.
 Tax Identification Number 13-2555119

MATURITY VALUE: Two Hundred Fifty Million Nine Hundred Fifty-Nine Thousand Six Hundred Nineteen Dollars (\$250,959,619.00).

MANDATORY SINKING FUND REDEMPTION SCHEDULE:

<u>Redemption Date</u>	<u>Redemption Amount (Accreted Value)</u>
1/1/2033	\$15,698,783.10
1/1/2034	15,973,393.07
1/1/2035	16,250,644.44
1/1/2036	16,533,390.67
1/1/2037	18,748,934.77
1/1/2038	19,078,056.20
1/1/2039	19,412,997.63
1/1/2040	19,753,049.98
1/1/2041	22,186,026.40
1/1/2042	22,305,954.00
(Maturity)	

CONNECTOR 2000 ASSOCIATION, INC. (the “*Association*”), for value received, hereby promises to pay to the order of the registered owner (the “*Owner*”) named above, or registered assigns, solely from the sources and as herein provided, the Maturity Value stated above on the Maturity Date stated above, together with accreted interest thereon at the yield stated above, payable on the Maturity Date stated above, subject to prior redemption as herein provided. The Maturity Value, Accreted Value and Redemption Price of this Series 2011A1 Bond is payable to the Owner hereof upon presentation and surrender of this Series 2011A1 Bond at the corporate trust office of U.S. Bank National Association (the “*Trustee*” or “*Paying Agent*”) in St. Paul, Minnesota or such other office designated by the Trustee. Notwithstanding the foregoing, so long as Cede & Co. is the Owner of this Series 2011A1 Bond, the Debt Service on this Series 2011A1 Bond shall be paid by wire transfer to Cede & Co. Any payment of Debt Service on this Series 2011A1 Bond that is due on a day which is not a Business Day shall be made on the next succeeding Business Day with the same effect as if made on the day on which it was originally scheduled. All payments of Debt Service on this Series 2011A1 Bond shall be made in lawful money of the United States of America.

REGISTERED**MATURITY VALUE****2011A1 - 3****\$334,287,216.00**

CONNECTOR 2000 ASSOCIATION, INC.
SENIOR CAPITAL APPRECIATION TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011A1

MATURITY DATE	DATED DATE	YIELD	CUSIP
July 22, 2051	April 1, 2011	7.50%	20786LDU2

REGISTERED OWNER: CEDE & CO.
Tax Identification Number 13-2555119

MATURITY VALUE: Three Hundred Thirty Four Million Two Hundred Eighty Seven
Thousand Two Hundred Sixteen Dollars (\$334,287,216.00).

MANDATORY SINKING FUND REDEMPTION SCHEDULE:

	Redemption Amount
<u>Redemption Date</u>	<u>(Accreted Value)</u>
1/1/2043	\$22,424,075.52
1/1/2044	22,540,472.42
1/1/2045	24,826,174.42
1/1/2046	24,960,253.05
1/1/2047	25,092,377.08
1/1/2048	25,220,876.09
1/1/2049	27,608,177.34
1/1/2050	27,755,670.08
1/1/2051	27,900,333.99
7/22/2051	15,656,599.00
(Maturity)	

CONNECTOR 2000 ASSOCIATION, INC. (the “*Association*”), for value received, hereby promises to pay to the order of the registered owner (the “*Owner*”) named above, or registered assigns, solely from the sources and as herein provided, the Maturity Value stated above on the Maturity Date stated above, together with accreted interest thereon at the yield stated above, payable on the Maturity Date stated above, subject to prior redemption as herein provided. The Maturity Value, Accreted Value and Redemption Price of this Series 2011A1 Bond is payable to the Owner hereof upon presentation and surrender of this Series 2011A1 Bond at the corporate trust office of U.S. Bank National Association (the “*Trustee*” or “*Paying Agent*”) in St. Paul, Minnesota or such other office designated by the Trustee. Notwithstanding the foregoing, so long as Cede & Co. is the Owner of this Series 2011A1 Bond, the Debt Service on this Series 2011A1 Bond shall be paid by wire transfer to Cede & Co. Any payment of Debt Service on this Series 2011A1 Bond that is due on a day which is not a Business Day shall be made on the next succeeding Business Day with the same effect as if made on the day on which it was originally scheduled. All payments of Debt Service on this Series 2011A1 Bond shall be made in lawful money of the United States of America.

Exhibit A – Form of Series 2011A1 Bonds

Notwithstanding any other provision hereof, this Series 2011A1 Bond is issued in book-entry form maintained by DTC, and the payment of principal, premium, if any, and interest, the providing of notices and other matters shall be made as described in the Association's Letter of Representations to DTC.

This Series 2011A1 Bond is one of an issue of Connector 2000 Association, Inc. Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A1 (the "**Series 2011A1 Bonds**"), having an aggregate Maturity Value of \$734,692,937.00, being issued concurrently with the Association's (i) Connector 2000 Association, Inc. Senior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011B1 (the "**Series 2011B1 Bonds**"), issued in the aggregate Maturity Value of \$300,684,532.00, and (ii) Connector 2000 Association, Inc. Junior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011C1 issued in the aggregate Maturity Value of \$97,782,636.00 (the "**Series 2011C1 Bonds**" and, together with the Series 2011A1 Bonds and the Series 2011B1 Bonds, the "**Series 2011 New Term Bonds**"), issued under that certain First Amended and Restated Master Indenture of Trust dated as of April 1, 2011 as supplemented and amended by that certain First Supplemental Indenture of Trust dated as of May 1, 2012 effective as of April 21, 2011 (together, the "**Indenture**") between the Association and the Trustee and that certain Order (I) Authorizing A Supplement To The Indenture In Aid Of Implementation Of The Plan: and (II) Approving Bond Exchange Materials And Procedures For Term Bonds of the United States Bankruptcy Court for the District of South Carolina entered on April 10, 2012 (the "**Order**"). The Series 2011 New Term Bonds are issued in exchange for certain Series 2011 Bonds as provided in the Indenture and the Order. The Series 2011 New Term Bonds continue to evidence debt of the Association incurred for the construction and financing of the Southern Connector Project, as defined in the Indenture. Capitalized terms not otherwise defined herein are intended to have the meanings assigned thereto in the Indenture or the Order, if defined therein.

This Series 2011A1 Bond and the premium, if any, and the interest hereon are special, limited, non-recourse obligations of the Association payable solely from the Trust Estate, as defined in the Indenture, including the Revenues, as defined in the Indenture, in accordance with the Indenture. Such Revenues are pledged to the payment of the Bonds to the extent and as provided in the Indenture. Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Association, the rights of the Owners, as defined in the Indenture, of the Series 2011A1 Bonds and the terms upon which the Series 2011A1 Bonds are issued and secured. Additional Bonds ranking on parity with or subordinate to the Series 2011A1 Bonds may be issued on the terms provided in the Indenture. The Indenture constitutes a contract between the Owner of this Series 2011A1 Bond and the Association. This Series 2011A1 Bond certificate is only the evidence of such contract and, as such, is subject in all respects to the terms of the Indenture, which supersedes any inconsistent statement herein.

THE SERIES 2011A1 BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE STATE OF SOUTH CAROLINA (THE "**STATE**") OR THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION ("**SCDOT**") WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OR AN OBLIGATION (LEGAL, MORAL OR OTHERWISE) OF THE STATE, SCDOT OR ANY AGENCY, DEPARTMENT OR POLITICAL SUBDIVISION OF THE STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF GREENVILLE, SOUTH CAROLINA OR THE CITY OF GREENVILLE, SOUTH CAROLINA) OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE STATE, SCDOT OR ANY AGENCY, DEPARTMENT OR POLITICAL SUBDIVISION OF THE

STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF GREENVILLE, SOUTH CAROLINA OR THE CITY OF GREENVILLE, SOUTH CAROLINA).

The Series 2011A1 Bonds may be called for optional, extraordinary and mandatory redemption by the Association as provided in the Indenture. The Trustee shall timely send notices of redemption of this Series 2011A1 Bond at the times and in the amounts provided in the Indenture. In the case of Mandatory Sinking Fund Redemption at the time such notices of redemption are delivered, there will not be funds in the Senior Bonds Debt Service Account so such notices of redemption will be conditioned on the deposit of funds into such Senior Bonds Debt Service Account sufficient to pay the Redemption Price of the Sinking Fund Installments of the Series 2011A1 Bonds to be redeemed. In the event that any Mandatory Sinking Fund Redemption of any part of this Series 2011A1 Bond on any January 1 is cancelled due to insufficient funds available in the Senior Bonds Debt Service Account to pay any Sinking Fund Installment in full, the Trustee will timely deliver notice of the redemption for February 15 of that same calendar year as provided in Section 305 of the Indenture in the aggregate Redemption Price not greater than the available balance in the Senior Bonds Debt Service Account without further accretion. The Redemption Price of this Series 2011A1 Bond called for redemption on such February 15 will be equal to its Accreted Value as of such January 1 (of the same calendar year), not its Accreted Value as of the February 15 Redemption Date.

No Owner of any Series 2011A1 Bond shall have any right to institute any suit, action or proceedings at law or in equity for the appointment of a receiver or for any other remedy under the Indenture or by reason thereof, except to the extent and in the circumstances permitted by the Indenture.

The Series 2011A1 Bonds are issued in fully registered form in denominations of \$1.00 in Maturity Value and integral multiples thereof (the “*Authorized Denominations*”). Upon surrender for transfer or exchange of this Series 2011A1 Bond at the designated office of the Registrar, together with a written instrument of transfer or written request for exchange, as the case may be, satisfactory to the Registrar duly executed by the Owner or the Owner’s duly authorized attorney, the Association shall execute and the Trustee or the duly authorized Authenticating Agent, as defined in the Indenture, shall authenticate and deliver Series 2011A1 Bonds in accordance with the provisions of, and subject to the limitations and conditions contained in, the Indenture, a new Series 2011A1 Bond or Series 2011A1 Bonds of the same aggregate Maturity Value, Accreted Value and maturity as the surrendered Series 2011A1 Bond. For every such transfer of Series 2011A1 Bonds pursuant to the Indenture, whether temporary or definitive, the Association, the Trustee, the Registrar, and any Authenticating Agent may make a charge sufficient to reimburse it or them for any expense, tax, fee or other governmental charge required to be paid with respect to such transfer. In addition, for every exchange of Series 2011A1 Bonds (other than the exchange of temporary Series 2011A1 Bonds for definitive Series 2011A1 Bonds), the Association, the Trustee, the Registrar, and any Authenticating Agent may make reasonable charges to cover the costs of printing Series 2011A1 Bonds including any Trustee’s, Registrar’s, or Authenticating Agent’s charges in connection therewith. The payment of such sum or sums shall be made by the Owner requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Registrar shall not be required to transfer or exchange Series 2011A1 Bonds for a period of 15 days next preceding the selection of Series 2011A1 Bonds for redemption or to transfer or exchange any Series 2011A1 Bonds called for redemption.

The Association, the Trustee, and any other Fiduciary, as defined in the Indenture, may deem and treat the person in whose name this Series 2011A1 Bond shall be registered in the Register as the absolute Owner of this Series 2011A1 Bond, whether this Series 2011A1 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Debt Service and Redemption Price of this Series 2011A1 Bond and for all other purposes, and all such payments so made to any such Owner or upon the Owner’s order shall be valid and effectual to satisfy and discharge the liability upon this Series 2011A1

Exhibit A – Form of Series 2011A1 Bonds

Bond to the extent of the sum or sums so paid, and the Association, the Trustee, and any other Fiduciary shall not be affected by any notice to the contrary.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Series 2011A1 Bond have happened, exist and have been performed.

This Series 2011A1 Bond shall not be valid or entitled to any security or benefit under the Indenture until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, the Connector 2000 Association, Inc. has caused this Series 2011A1 Bond to be signed by its Chairman by his manual signature and its corporate seal to be impressed thereon and attested to by the manual signature of its Secretary, and this Series 2011A1 Bond to be dated the Dated Date set forth above.

CONNECTOR 2000 ASSOCIATION, INC.

By: _____
Chairman

(SEAL)

Attest:

Secretary

CERTIFICATE OF AUTHENTICATION

Date of Authentication:_____

This Series 2011A1 Bond is one of the Series 2011A1 Bonds of the issue described in the within-mentioned Indenture.

U. S. Bank National Association, as Trustee

By:_____

Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please print or typewrite Name and Address
including postal zip code of Transferee)

**PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFeree**

--

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing _____
_____, Attorney, to transfer said Bond on the books kept for the registration
thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed
by an Eligible Guarantor Institution
such as a Commercial Bank, Trust
Company, Securities Broker/Dealer,
Credit Union, or Savings Association who
is a member of a medallion program
approved by The Securities Transfer
Association, Inc.

REGISTERED**MATURITY VALUE****2011B1 - 1****\$73,945,516.00**

CONNECTOR 2000 ASSOCIATION, INC.
SENIOR SUBORDINATE CAPITAL APPRECIATION TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011B1

MATURITY DATE	DATED DATE	YIELD	CUSIP
January 1, 2032	April 1, 2011	8.50%	20786LDV0

REGISTERED OWNER: CEDE & CO.
Tax Identification Number 13-2555119

MATURITY VALUE: Seventy Three Million Nine Hundred Forty Five Thousand Five Hundred Sixteen Dollars (\$73,945,516.00).

MANDATORY SINKING FUND REDEMPTION SCHEDULE:

Redemption Date (January 1)	Redemption Amount	Redemption Date (January 1)	Redemption Amount
2013	\$662,274.76	2023	\$1,960,198.95
2014	692,723.92	2024	2,071,969.30
2015	749,027.81	2025	2,377,254.25
2016	834,924.29	2026	2,479,548.25
2017	1,129,556.43	2027	2,554,070.66
2018	1,248,299.51	2028	2,627,210.39
2019	1,358,990.29	2029	2,935,910.93
2020	1,478,151.45	2030	3,020,170.93
2021	1,753,281.24	2031	3,106,955.49
2022	1,854,083.22	2032 (Maturity)	3,160,274.00

CONNECTOR 2000 ASSOCIATION, INC. (the “*Association*”), for value received, hereby promises to pay to the order of the registered owner (the “*Owner*”) named above, or registered assigns, solely from the sources and as herein provided, the Maturity Value stated above on the Maturity Date stated above, together with accreted interest thereon at the yield stated above, payable on the Maturity Date stated above, subject to prior redemption as herein provided. The Maturity Value, Accreted Value and Redemption Price of this Series 2011B1 Bond is payable to the Owner hereof upon presentation and surrender of this Series 2011B1 Bond at the corporate trust office of U.S. Bank National Association (the “*Trustee*” or “*Paying Agent*”) in St. Paul, Minnesota or such other office designated by the Trustee. Notwithstanding the foregoing, so long as Cede & Co. is the Owner of this Series 2011B1 Bond, the Debt Service on this Series 2011B1 Bond shall be paid by wire transfer to Cede & Co. Any payment of Debt Service on this Series 2011B1 Bond that is due on a day which is not a Business Day shall be made on the next succeeding Business Day with the same effect as if made on the day on which it was originally scheduled. All payments of Debt Service on this Series 2011B1 Bond shall be made in lawful money of the United States of America.

REGISTERED**MATURITY VALUE****2011B1 - 2****\$226,739,016.00**

CONNECTOR 2000 ASSOCIATION, INC.
SENIOR SUBORDINATE CAPITAL APPRECIATION TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011B1

MATURITY DATE	DATED DATE	YIELD	CUSIP
July 22, 2051	April 1, 2011	9.00%	20786LDW8

REGISTERED OWNER: CEDE & CO.
Tax Identification Number 13-2555119

MATURITY VALUE: Two Hundred Twenty Six Million Seven Hundred Thirty Nine Thousand Sixteen Dollars (\$226,739,016.00).

MANDATORY SINKING FUND REDEMPTION SCHEDULE:

Redemption Date (January 1)	Redemption Amount	Redemption Date	Redemption Amount
2033	\$3,626,161.92	1/1/2043	\$5,179,697.99
2034	3,689,692.73	1/1/2044	5,206,630.92
2035	3,753,737.36	1/1/2045	5,734,553.74
2036	3,819,013.87	1/1/2046	5,765,542.44
2037	4,330,768.15	1/1/2047	5,796,039.87
2038	4,406,841.20	1/1/2048	5,825,776.32
2039	4,484,126.03	1/1/2049	6,377,118.88
2040	4,562,738.28	1/1/2050	6,411,202.21
2041	5,124,741.46	1/1/2051	6,444,578.56
2042	5,152,441.38	7/22/2051 (Maturity)	3,616,453.00

CONNECTOR 2000 ASSOCIATION, INC. (the “*Association*”), for value received, hereby promises to pay to the order of the registered owner (the “*Owner*”) named above, or registered assigns, solely from the sources and as herein provided, the Maturity Value stated above on the Maturity Date stated above, together with accreted interest thereon at the yield stated above, payable on the Maturity Date stated above, subject to prior redemption as herein provided. The Maturity Value, Accreted Value and Redemption Price of this Series 2011B1 Bond is payable to the Owner hereof upon presentation and surrender of this Series 2011B1 Bond at the corporate trust office of U.S. Bank National Association (the “*Trustee*” or “*Paying Agent*”) in St. Paul, Minnesota or such other office designated by the Trustee. Notwithstanding the foregoing, so long as Cede & Co. is the Owner of this Series 2011B1 Bond, the Debt Service on this Series 2011B1 Bond shall be paid by wire transfer to Cede & Co. Any payment of Debt Service on this Series 2011B1 Bond that is due on a day which is not a Business Day shall be made on the next succeeding Business Day with the same effect as if made on the day on which it was originally scheduled. All payments of Debt Service on this Series 2011B1 Bond shall be made in lawful money of the United States of America.

Exhibit B – Form of Series 2011B1 Bonds

Notwithstanding any other provision hereof, this Series 2011B1 Bond is issued in book-entry form maintained by DTC, and the payment of principal, premium, if any, and interest, the providing of notices and other matters shall be made as described in the Association's Letter of Representations to DTC.

This Series 2011B1 Bond is one of an issue of Connector 2000 Association, Inc. Senior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011B1 (the "**Series 2011B1 Bonds**"), having an aggregate Maturity Value of \$300,684,532.00, being issued concurrently with the Association's (i) Connector 2000 Association, Inc. Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A1 (the "**Series 2011A1 Bonds**"), issued in the aggregate Maturity Value of \$734,692,937.00, and (ii) Connector 2000 Association, Inc. Junior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011C1 issued in the aggregate Maturity Value of \$97,782,636.00 (the "**Series 2011C1 Bonds**" and, together with the Series 2011B1 Bonds and the Series 2011A1 Bonds, the "**Series 2011 New Term Bonds**"), issued under that certain First Amended and Restated Master Indenture of Trust dated as of April 1, 2011 as supplemented and amended by that certain First Supplemental Indenture of Trust dated as of May 1, 2012 effective as of April 21, 2011 (together, the "**Indenture**") between the Association and the Trustee and that certain Order (I) Authorizing A Supplement To The Indenture In Aid Of Implementation Of The Plan: and (II) Approving Bond Exchange Materials And Procedures For Term Bonds of the United States Bankruptcy Court for the District of South Carolina entered on April 10, 2012 (the "**Order**"). The Series 2011 New Term Bonds are issued in exchange for certain Series 2011 Bonds as provided in the Indenture and the Order. The Series 2011 New Term Bonds continue to evidence debt of the Association incurred for the construction and financing of the Southern Connector Project, as defined in the Indenture. Capitalized terms not otherwise defined herein are intended to have the meanings assigned thereto in the Indenture or the Order, if defined therein.

This Series 2011B1 Bond and the premium, if any, and the interest hereon are special, limited, non-recourse obligations of the Association payable solely from the Trust Estate, as defined in the Indenture, including the Revenues, as defined in the Indenture, in accordance with the Indenture. Such Revenues are pledged to the payment of the Bonds to the extent and as provided in the Indenture. Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Association, the rights of the Owners, as defined in the Indenture, of the Series 2011B1 Bonds and the terms upon which the Series 2011B1 Bonds are issued and secured. Additional Bonds ranking senior to, on parity with or subordinate to the Series 2011B1 Bonds may be issued on the terms provided in the Indenture. The Indenture constitutes a contract between the Owner of this Series 2011B1 Bond and the Association. This Series 2011B1 Bond certificate is only the evidence of such contract and, as such, is subject in all respects to the terms of the Indenture, which supersedes any inconsistent statement herein.

THE SERIES 2011B1 BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE STATE OF SOUTH CAROLINA (THE "**STATE**") OR THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION ("**SCDOT**") WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OR AN OBLIGATION (LEGAL, MORAL OR OTHERWISE) OF THE STATE, SCDOT OR ANY AGENCY, DEPARTMENT OR POLITICAL SUBDIVISION OF THE STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF GREENVILLE, SOUTH CAROLINA OR THE CITY OF GREENVILLE, SOUTH CAROLINA) OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE STATE, SCDOT OR ANY AGENCY, DEPARTMENT OR POLITICAL SUBDIVISION OF THE

STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF GREENVILLE, SOUTH CAROLINA OR THE CITY OF GREENVILLE, SOUTH CAROLINA).

The Series 2011B1 Bonds may be called for optional, extraordinary and mandatory redemption by the Association as provided in the Indenture. The Trustee shall timely send notices of redemption of this Series 2011B1 Bond at the times and in the amounts provided in the Indenture. In the case of Mandatory Sinking Fund Redemption at the time such notices of redemption are delivered, there will not be funds in the Senior Subordinate Bonds Debt Service Account so such notices of redemption will be conditioned on the deposit of funds into the Senior Subordinate Bonds Debt Service Account sufficient to pay the Redemption Price of the Sinking Fund Installments of the Series 2011B1 Bonds to be redeemed. In the event that any Mandatory Sinking Fund Redemption of any part of this Series 2011B1 Bond on any January 1 is cancelled due to insufficient funds available in the Senior Subordinate Bonds Debt Service Account to pay any Sinking Fund Installment in full, the Trustee will timely deliver notice of the redemption for February 15 of that same calendar year as provided in Section 305 of the Indenture in the aggregate Redemption Price not greater than the available balance in the Senior Subordinate Bonds Debt Service Account without further accretion. The Redemption Price of this Series 2011B1 Bond called for redemption on such February 15 will be equal to its Accreted Value as of such January 1 (of the same calendar year), not its Accreted Value as of the February 15 Redemption Date.

No Owner of any Series 2011B1 Bond shall have any right to institute any suit, action or proceedings at law or in equity for the appointment of a receiver or for any other remedy under the Indenture or by reason thereof, except to the extent and in the circumstances permitted by the Indenture.

The Series 2011B1 Bonds are issued in fully registered form in denominations of \$1.00 in Maturity Value and integral multiples thereof (the “*Authorized Denominations*”). Upon surrender for transfer or exchange of this Series 2011B1 Bond at the designated office of the Registrar, together with a written instrument of transfer or written request for exchange, as the case may be, satisfactory to the Registrar duly executed by the Owner or the Owner’s duly authorized attorney, the Association shall execute and the Trustee or the duly authorized Authenticating Agent, as defined in the Indenture, shall authenticate and deliver Series 2011B1 Bonds in accordance with the provisions of, and subject to the limitations and conditions contained in, the Indenture, a new Series 2011B1 Bond or Series 2011B1 Bonds of the same aggregate Maturity Value, Accreted Value and maturity as the surrendered Series 2011B1 Bond. For every such transfer of Series 2011B1 Bonds pursuant to the Indenture, whether temporary or definitive, the Association, the Trustee, the Registrar, and any Authenticating Agent may make a charge sufficient to reimburse it or them for any expense, tax, fee or other governmental charge required to be paid with respect to such transfer. In addition, for every exchange of Series 2011B1 Bonds (other than the exchange of temporary Series 2011B1 Bonds for definitive Series 2011B1 Bonds), the Association, the Trustee, the Registrar, and any Authenticating Agent may make reasonable charges to cover the costs of printing Series 2011B1 Bonds including any Trustee’s, Registrar’s, or Authenticating Agent’s charges in connection therewith. The payment of such sum or sums shall be made by the Owner requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Registrar shall not be required to transfer or exchange Series 2011B1 Bonds for a period of 15 days next preceding the selection of Series 2011B1 Bonds for redemption or to transfer or exchange any Series 2011B1 Bonds called for redemption.

The Association, the Trustee, and any other Fiduciary, as defined in the Indenture, may deem and treat the person in whose name this Series 2011B1 Bond shall be registered in the Register as the absolute Owner of this Series 2011B1 Bond, whether this Series 2011B1 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Debt Service and Redemption Price of this Series 2011B1 Bond and for all other purposes, and all such payments so made to any such Owner or upon the Owner’s order shall be valid and effectual to satisfy and discharge the liability upon this Series 2011B1

Exhibit B – Form of Series 2011B1 Bonds

Bond to the extent of the sum or sums so paid, and the Association, the Trustee, and any other Fiduciary shall not be affected by any notice to the contrary.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Series 2011B1 Bond have happened, exist and have been performed.

This Series 2011B1 Bond shall not be valid or entitled to any security or benefit under the Indenture until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, the Connector 2000 Association, Inc. has caused this Series 2011B1 Bond to be signed by its Chairman by his manual signature and its corporate seal to be impressed thereon and attested to by the manual signature of its Secretary, and this Series 2011B1 Bond to be dated the Dated Date set forth above.

CONNECTOR 2000 ASSOCIATION, INC.

By: _____
Chairman

(SEAL)

Attest:

Secretary

CERTIFICATE OF AUTHENTICATION

Date of Authentication:_____

This Series 2011B1 Bond is one of the Series 2011B1 Bonds of the issue described in the within-mentioned Indenture.

U. S. Bank National Association, as Trustee

By:_____

Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please print or typewrite Name and Address
including postal zip code of Transferee)

**PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFeree**

--

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing _____
_____, Attorney, to transfer said Bond on the books kept for the registration thereof,
with full power of substitution in the premises.

Date: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed
by an Eligible Guarantor Institution
such as a Commercial Bank, Trust
Company, Securities Broker/Dealer,
Credit Union, or Savings Association who
is a member of a medallion program
approved by The Securities Transfer
Association, Inc.

REGISTERED**MATURITY VALUE****2011C1 - 1****\$97,782,636.00**

CONNECTOR 2000 ASSOCIATION, INC.
JUNIOR SUBORDINATE CAPITAL APPRECIATION TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011C1

MATURITY DATE	DATED DATE	YIELD	CUSIP
July 22, 2051	April 1, 2011	10.00%	20786LDX6

REGISTERED OWNER: CEDE & CO.
Tax Identification Number 13-2555119

MATURITY VALUE: Ninety Seven Million Seven Hundred Eighty Two Thousand Six Hundred Thirty Six Dollars (\$97,782,636.00).

MANDATORY SINKING FUND REDEMPTION SCHEDULE:

Redemption Date (January 1)	Redemption Amount	Redemption Date (January 1)	Redemption Amount	Redemption Date	Redemption Amount
2013	\$81,503.14	2026	\$305,126.11	1/1/20392	\$551,768.10
2014	85,236.02	2027	314,287.46	1/1/2040	561,431.99
2015	92,166.08	2028	323,302.29	1/1/2041	630,587.71
2016	102,745.72	2029	361,292.77	1/1/2042	633,994.86
2017	138,988.19	2030	371,664.38	1/1/2043	637,354.62
2018	153,634.39	2031	382,341.61	1/1/2044	640,670.10
2019	167,244.93	2032	388,886.40	1/1/2045	705,639.94
2020	181,909.52	2033	446,202.22	1/1/2046	709,437.00
2021	215,763.27	2034	454,001.57	1/1/2047	713,194.12
2022	228,152.61	2035	461,884.35	1/1/2048	716,842.35
2023	241,221.56	2036	469,932.40	1/1/2049	784,693.56
2024	254,963.44	2037	532,885.53	1/1/2050	788,914.27
2025	292,554.77	2038	542,243.69	1/1/2051	792,985.69
				7/22/2051 (Maturity)	445,033.00

CONNECTOR 2000 ASSOCIATION, INC. (the “*Association*”), for value received, hereby promises to pay to the order of the registered owner (the “*Owner*”) named above, or registered assigns, solely from the sources and as herein provided, the Maturity Value stated above on the Maturity Date stated above, together with accreted interest thereon at the yield stated above, payable on the Maturity Date stated above, subject to prior redemption as herein provided. The Maturity Value, Accreted Value and Redemption Price of this Series 2011C1 Bond is payable to the Owner hereof upon presentation and surrender of this Series 2011C1 Bond at the corporate trust office of U.S. Bank National Association (the “*Trustee*” or “*Paying Agent*”) in St. Paul, Minnesota or such other office designated by the Trustee. Notwithstanding the foregoing, so long as Cede & Co. is the Owner of this Series 2011C1 Bond, the Debt Service on this Series 2011C1 Bond shall be paid by wire transfer to Cede & Co. Any payment of Debt

Exhibit C – Form of Series 2011C1 Bonds

Service on this Series 2011C1 Bond that is due on a day which is not a Business Day shall be made on the next succeeding Business Day with the same effect as if made on the day on which it was originally scheduled. All payments of Debt Service on this Series 2011C1 Bond shall be made in lawful money of the United States of America.

Notwithstanding any other provision hereof, this Series 2011C1 Bond is issued in book-entry form maintained by DTC, and the payment of principal, premium, if any, and interest, the providing of notices and other matters shall be made as described in the Association's Letter of Representations to DTC.

This Series 2011C1 Bond is one of an issue of Connector 2000 Association, Inc. Junior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011C1 (the "**Series 2011C1 Bonds**"), having an aggregate Maturity Value of \$97,782,636.00, being issued concurrently with the Association's (i) Connector 2000 Association, Inc. Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A1 (the "**Series 2011A1 Bonds**"), issued in the aggregate Maturity Value of \$734,692,937.00, and (ii) Connector 2000 Association, Inc. Senior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011B1 issued in the aggregate Maturity Value of \$300,684,532.00 (the "**Series 2011B1 Bonds**" and, together with the Series 2011C1 Bonds and the Series 2011A1 Bonds, the "**Series 2011 New Term Bonds**"), issued under that certain First Amended and Restated Master Indenture of Trust dated as of April 1, 2011 as supplemented and amended by that certain First Supplemental Indenture of Trust dated as of May 1, 2012 effective as of April 21, 2011 (together, the "**Indenture**") between the Association and the Trustee and that certain Order (I) Authorizing A Supplement To The Indenture In Aid Of Implementation Of The Plan: and (II) Approving Bond Exchange Materials And Procedures For Term Bonds of the United States Bankruptcy Court for the District of South Carolina entered on April 10, 2012 (the "**Order**"). The Series 2011 New Term Bonds are issued in exchange for certain Series 2011 Bonds as provided in the Indenture and the Order. The Series 2011 New Term Bonds continue to evidence debt of the Association incurred for the construction and financing of the Southern Connector Project, as defined in the Indenture. Capitalized terms not otherwise defined herein are intended to have the meanings assigned thereto in the Indenture or the Order, if defined therein.

This Series 2011C1 Bond and the premium, if any, and the interest hereon are special, limited, non-recourse obligations of the Association payable solely from the Trust Estate, as defined in the Indenture, including the Revenues, as defined in the Indenture, in accordance with the Indenture. Such Revenues are pledged to the payment of the Bonds to the extent and as provided in the Indenture. Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Association, the rights of the Owners, as defined in the Indenture, of the Series 2011C1 Bonds and the terms upon which the Series 2011C1 Bonds are issued and secured. Additional Bonds ranking senior to or on parity with the Series 2011C1 Bonds may be issued on the terms provided in the Indenture. The Indenture constitutes a contract between the Owner of this Series 2011C1 Bond and the Association. This Series 2011C1 Bond certificate is only the evidence of such contract and, as such, is subject in all respects to the terms of the Indenture, which supersedes any inconsistent statement herein.

THE SERIES 2011C1 BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE STATE OF SOUTH CAROLINA (THE "**STATE**") OR THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION ("**SCDOT**") WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OR AN OBLIGATION (LEGAL, MORAL OR OTHERWISE) OF THE STATE, SCDOT OR ANY AGENCY, DEPARTMENT

OR POLITICAL SUBDIVISION OF THE STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF GREENVILLE, SOUTH CAROLINA OR THE CITY OF GREENVILLE, SOUTH CAROLINA) OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE STATE, SCDOT OR ANY AGENCY, DEPARTMENT OR POLITICAL SUBDIVISION OF THE STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF GREENVILLE, SOUTH CAROLINA OR THE CITY OF GREENVILLE, SOUTH CAROLINA).

The Series 2011C1 Bonds may be called for optional, extraordinary and mandatory redemption by the Association as provided in the Indenture. The Trustee shall timely send notices of redemption of this Series 2011C1 Bond at the times and in the amounts provided in the Indenture. In the case of Mandatory Sinking Fund Redemption at the time such notices of redemption are delivered, there will not be funds in the Junior Subordinate Bonds Debt Service Account so such notices of redemption will be conditioned on the deposit of funds into the Junior Subordinate Bonds Debt Service Account sufficient to pay the Redemption Price of the Sinking Fund Installments of the Series 2011C1 Bonds to be redeemed. In the event that any Mandatory Sinking Fund Redemption of any part of this Series 2011C1 Bond on any January 1 is cancelled due to insufficient funds available in the Junior Subordinate Bonds Debt Service Account to pay any Sinking Fund Installment in full, the Trustee will timely deliver notice of the redemption for February 15 of that same calendar year as provided in Section 305 of the Indenture in the aggregate Redemption Price not greater than the available balance in the Junior Subordinate Bonds Debt Service Account without further accretion. The Redemption Price of this Series 2011C1 Bond called for redemption on such February 15 will be equal to its Accreted Value as of such January 1 (of the same calendar year), not its Accreted Value as of the February 15 Redemption Date.

No Owner of any Series 2011C1 Bond shall have any right to institute any suit, action or proceedings at law or in equity for the appointment of a receiver or for any other remedy under the Indenture or by reason thereof, except to the extent and in the circumstances permitted by the Indenture.

The Series 2011C1 Bonds are issued in fully registered form in denominations of \$1.00 in Maturity Value and integral multiples thereof (the “**Authorized Denominations**”). Upon surrender for transfer or exchange of this Series 2011C1 Bond at the designated office of the Registrar, together with a written instrument of transfer or written request for exchange, as the case may be, satisfactory to the Registrar duly executed by the Owner or the Owner’s duly authorized attorney, the Association shall execute and the Trustee or the duly authorized Authenticating Agent, as defined in the Indenture, shall authenticate and deliver Series 2011C1 Bonds in accordance with the provisions of, and subject to the limitations and conditions contained in, the Indenture, a new Series 2011C1 Bond or Series 2011C1 Bonds of the same aggregate Maturity Value, Accreted Value and maturity as the surrendered Series 2011C1 Bond. For every such transfer of Series 2011C1 Bonds pursuant to the Indenture, whether temporary or definitive, the Association, the Trustee, the Registrar, and any Authenticating Agent may make a charge sufficient to reimburse it or them for any expense, tax, fee or other governmental charge required to be paid with respect to such transfer. In addition, for every exchange of Series 2011C1 Bonds (other than the exchange of temporary Series 2011C1 Bonds for definitive Series 2011C1 Bonds), the Association, the Trustee, the Registrar, and any Authenticating Agent may make reasonable charges to cover the costs of printing Series 2011C1 Bonds including any Trustee’s, Registrar’s, or Authenticating Agent’s charges in connection therewith. The payment of such sum or sums shall be made by the Owner requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Registrar shall not be required to transfer or exchange Series 2011C1 Bonds for a period of 15 days next preceding the selection of Series 2011C1 Bonds for redemption or to transfer or exchange any Series 2011C1 Bonds called for redemption.

The Association, the Trustee, and any other Fiduciary, as defined in the Indenture, may deem and treat the person in whose name this Series 2011C1 Bond shall be registered in the Register as the absolute

Exhibit C – Form of Series 2011C1 Bonds

Owner of this Series 2011C1 Bond, whether this Series 2011C1 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Debt Service and Redemption Price of this Series 2011C1 Bond and for all other purposes, and all such payments so made to any such Owner or upon the Owner's order shall be valid and effectual to satisfy and discharge the liability upon this Series 2011C1 Bond to the extent of the sum or sums so paid, and the Association, the Trustee, and any other Fiduciary shall not be affected by any notice to the contrary.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Series 2011C1 Bond have happened, exist and have been performed.

This Series 2011C1 Bond shall not be valid or entitled to any security or benefit under the Indenture until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, the Connector 2000 Association, Inc. has caused this Series 2011C1 Bond to be signed by its Chairman by his manual signature and its corporate seal to be impressed thereon and attested to by the manual signature of its Secretary, and this Series 2011C1 Bond to be dated the Dated Date set forth above.

CONNECTOR 2000 ASSOCIATION, INC.

By: _____
Chairman

(SEAL)

Attest:

Secretary

CERTIFICATE OF AUTHENTICATION

Date of Authentication:_____

This Series 2011C1 Bond is one of the Series 2011C1 Bonds of the issue described in the within-mentioned Indenture.

U. S. Bank National Association, as Trustee

By:_____

Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please print or typewrite Name and Address
including postal zip code of Transferee)

**PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEE**

--

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing _____
_____, Attorney, to transfer said Bond on the books kept for the registration
thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed
by an Eligible Guarantor Institution
such as a Commercial Bank, Trust
Company, Securities Broker/Dealer,
Credit Union, or Savings Association who
is a member of a medallion program
approved by The Securities Transfer
Association, Inc.

ACCREDITED VALUE TABLES

Attached hereto are Appendices T-1 and T-2, the Accreted Value tables for the Series 2011A1 Bonds, Series 2011B1 Bonds and Series 2011C1 Bonds, respectively.

CONNECTOR 2000 ASSOCIATION, INC.
TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011A1, SERIES 2011B1 AND SERIES 2011C1

ACCREDITED VALUE TABLE

Maturity or Redemption Date	2011A1 Term Bonds Maturing on:			2011B1 Bonds Maturing on:		2011C1 Bonds Maturing on:
	6.50%	7.00%	7.50%	8.50%	9.00%	10.00%
	01-Jan-32	01-Jan-42	22-Jul-51	01-Jan-32	22-Jul-51	22-Jul-51
01-Apr-11	\$0.27070	\$0.12487	\$0.05420	\$0.18401	\$0.03100	\$0.02146
21-Apr-11	0.27165	0.12534	0.05442	0.18484	0.03115	0.02157
01-Jan-12	0.28380	0.13137	0.05722	0.19562	0.03307	0.02304
01-Jan-13	0.30224	0.14056	0.06151	0.21224	0.03605	0.02535
01-Jan-14	0.32189	0.15040	0.06612	0.23028	0.03929	0.02788
01-Jan-15	0.34281	0.16093	0.07108	0.24986	0.04283	0.03067
01-Jan-16	0.36510	0.17220	0.07641	0.27110	0.04668	0.03374
01-Jan-17	0.38883	0.18425	0.08214	0.29414	0.05089	0.03711
01-Jan-18	0.41410	0.19715	0.08830	0.31914	0.05547	0.04083
01-Jan-19	0.44102	0.21095	0.09493	0.34627	0.06046	0.04491
01-Jan-20	0.46968	0.22571	0.10205	0.37570	0.06590	0.04940
01-Jan-21	0.50021	0.24151	0.10970	0.40764	0.07183	0.05434
01-Jan-22	0.53273	0.25842	0.11793	0.44229	0.07830	0.05977
01-Jan-23	0.56735	0.27651	0.12677	0.47988	0.08534	0.06575
01-Jan-24	0.60423	0.29586	0.13628	0.52067	0.09302	0.07232
01-Jan-25	0.64351	0.31657	0.14650	0.56493	0.10139	0.07956
01-Jan-26	0.68533	0.33873	0.15749	0.61295	0.11052	0.08751
01-Jan-27	0.72988	0.36245	0.16930	0.66505	0.12047	0.09626
01-Jan-28	0.77732	0.38782	0.18200	0.72157	0.13131	0.10589
01-Jan-29	0.82785	0.41496	0.19565	0.78291	0.14313	0.11648
01-Jan-30	0.88166	0.44401	0.21032	0.84946	0.15601	0.12813
01-Jan-31	0.93897	0.47509	0.22610	0.92166	0.17005	0.14094
01-Jan-32	1.00000	0.50835	0.24305	1.00000	0.18535	0.15503
01-Jan-33		0.54393	0.26128		0.20203	0.17054
01-Jan-34		0.58201	0.28088		0.22022	0.18759
01-Jan-35		0.62275	0.30195		0.24004	0.20635
01-Jan-36		0.66634	0.32459		0.26164	0.22699
01-Jan-37		0.71299	0.34894		0.28519	0.24968
01-Jan-38		0.76290	0.37511		0.31086	0.27465
01-Jan-39		0.81630	0.40324		0.33883	0.30212
01-Jan-40		0.87344	0.43348		0.36933	0.33233
01-Jan-41		0.93458	0.46599		0.40257	0.36556
01-Jan-42		1.00000	0.50094		0.43880	0.40212
01-Jan-43			0.53851		0.47829	0.44233
01-Jan-44			0.57890		0.52134	0.48656
01-Jan-45			0.62232		0.56826	0.53522
01-Jan-46			0.66899		0.61940	0.58874
01-Jan-47			0.71917		0.67515	0.64762
01-Jan-48			0.77310		0.73591	0.71238
01-Jan-49			0.83109		0.80214	0.78362
01-Jan-50			0.89342		0.87433	0.86198
01-Jan-51			0.96043		0.95302	0.94818
22-Jul-51			1.00000		1.00000	1.00000

**IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA**

In re:

Connector 2000 Association, Inc.,

Debtor.

Case No. 10-04467-dd
Chapter 9

MEMORANDUM CONCERNING MANDATORY BOND EXCHANGE

At the request of the Beneficial Owners (the “*Majority Holders*”) of a majority of its Series 2011 Bonds, Connector 2000 Association, Inc. (the “*Debtor*”) obtained an order (the “*Exchange Order*”) from the United States Bankruptcy Court for the District of South Carolina (the “*Court*”) which, among other things, (I) approved a supplement to the First Amended and Restated Master Indenture of Trust between the Debtor and U.S. Bank National Association, as trustee (the “*Trustee*”) dated as of April 1, 2011 (the “*Indenture*”) authorizing a mandatory exchange with option to retain (the “*Exchange*”) of certain Term Bonds (as defined below); and (II) approved this Memorandum and the associated exchange materials and procedures for the Term Bonds. The Exchange is intended to address certain impediments to the secondary market trading of the Term Bonds arising from the structure of the Term Bonds which affected their registration with The Depository Trust Corporation (“*DTC*”), as more fully described herein.

The Exchange Order authorizes the Debtor and the Trustee to take necessary action, including amending the Indenture and conducting an exchange of the current Term Bonds for “by-lot” bonds (the “*By-lot Bonds*”) to permit secondary market trading, as further discussed below. However, since this change to “by-lot” distributions would mean that holders will not receive pro rata distributions of payments on such bonds, it is possible that some holders may prefer to retain their current Term Bonds with pro rata distributions and suffer the illiquidity of those obligations, instead of exchanging them for By-Lot Bonds without pro rata distributions. For this reason, Beneficial Owners of the Term Bonds may elect to retain their current Term Bonds (a “*Retention Election*”). If no Retention Election is made by a holder, that holder will automatically receive new By-Lot Bonds in exchange for the holder’s existing Term Bonds. The foregoing exchange is, therefore, a mandatory exchange with an option to retain.

I. The Term Bonds-Pro Rata Distribution.

A. The Debtor issued its Toll Road Revenue Bonds (Southern Connector Project – Greenville, South Carolina), Series 2011 (the “*Bonds*”) on April 21, 2011 (the “*Effective Date*”) pursuant to its First Amended Plan for Adjustment of Debts, as supplemented, modified and amended (the “*Plan*”) which had been confirmed by an order of the Court entered April 1, 2011 (the “*Confirmation Order*”).¹ The Bonds were issued to restructure the Debtor’s prepetition

¹ Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Indenture, the Plan or the Confirmation Order, if defined therein. Copies of the Plan, the Confirmation Order and certain other documents relating to the Debtor’s bankruptcy proceeding may be found on the debtor’s website at: <http://www.southernconnector.com/Zbankruptcy.htm>.

defaulted bonds (the “**Original Bonds**”)² under the terms of the Plan and as further described in the Disclosure Statement. Pursuant to the Plan, the owners of the Original Bonds received a pro rata amount of the Bonds. In addition, the Plan contemplated that all payments under the Term Bonds would be distributed to the Beneficial Owners of the Term Bonds pro-rata, so that each such Beneficial Owner would receive his or her pro-rata share of the cash flow payable for the Tier and maturity of such Term Bonds owned by such Owner.

B. The Bonds consist of the following three series: (A) The Series 2011A Bonds are senior secured zero coupon bonds issued in the aggregate Original Principal Amount of \$126,899,826.00; they consist of 11 serial bonds maturities maturing January 1 of the years 2012 through 2022 (inclusive) and three term bonds, each subject to mandatory pro rata prepayment, maturing January 1, 2032, January 1, 2042 and July 22, 2051 (the “**Series 2011A Bonds**”); (B) The Series 2011B Bonds are senior subordinated secured zero coupon bonds issued in the aggregate Original Principal Amount of \$21,085,708.00; they consist of two term bonds, each subject to mandatory pro rata prepayment, maturing January 1, 2032 and July 22, 2051 (the “**Series 2011B Bonds**”); and (C) The Series 2011C Bonds are junior subordinated secured zero coupon term bonds issued in the aggregate Original Principal Amount of \$2,160,434; they mature, subject to mandatory pro rata prepayment, on July 22, 2051 (the “**Series 2011C Bonds**”).

C. **The Series 2011A Bonds maturing January 1 of the years 2012 through 2022 (inclusive) are not affected by the Exchange Order and will remain Outstanding under the Indenture as originally issued.** The Bonds affected by the Exchange Order (the “**Term Bonds**”) are as follows:

Term Series 2011A Bonds

<u>Maturity Date</u>	<u>Original Principal Amount</u>	<u>Yield</u>	<u>CUSIP</u>
1/1/2032	\$40,619,653.00	6.50%	20786LDL2
1/1/2042	31,463,671.00	7.00%	20786LDM0
7/22/2051	18,190,852.00	7.50%	20786LDN8
Total:	90,274,176.00		

Term Series 2011B Bonds

<u>Maturity Date</u>	<u>Original Principal Amount</u>	<u>Yield</u>	<u>CUSIP</u>
1/1/2032	\$14,027,683.00	8.50%	20786LDP3
7/22/2051	7,058,025.00	9.00%	20786LDQ1
Total:	\$21,085,708.00		

Term Series 2011C Bonds

<u>Maturity Date</u>	<u>Original Principal Amount</u>	<u>Yield</u>	<u>CUSIP</u>
7/22/2051	\$2,160,434.00	10.00%	20786LDR9

² The Original Bonds consisted of the Debtor's Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina) Series 1998A, Series 1998B and Series 1998C.

II. Zero Coupon Bonds-Discount Bonds and Capital Appreciation Bonds.

A. As noted above, the Bonds are all zero coupon bonds. Zero coupon bonds can be described in two general ways, either as Discount Bonds or as Capital Appreciation Bonds. Generally, “**Discount Bonds**” are zero coupon bonds which are issued at a discount from their stated maturity value and then “accrete” to their final stated maturity value (e.g., \$1.00). In contrast, “**Capital Appreciation Bonds**” are issued at a stated original principal amount (e.g., \$1.00) and then accrete forward from such stated original principal amount to a higher maturity value. The difference is descriptive – i.e., whether the stated “amount” of the bond is determined by reference to its final maturity value or its original principal amount.³

B. The Debtor intended for the Bonds to be issued in authorized denominations of \$1.00 in Maturity Value per Bond (such that the Bonds were Discount Bonds registered at stated Maturity Value). However, the Plan also contemplated that all payments made by the Debtor to the Trustee would be distributed to the beneficial owners of the Bonds entitled to payment on a “**pro-rata**” basis within a given series of Bonds, so that each holder would receive a pro-rata share of any distributions on their series of Bonds.

III. The DTC Registration Problem-Redemptions Only By Lot.

A. The Plan anticipated that the Bonds would be “**book-entry only**” securities registered with and paid through DTC as Securities Depository. DTC serves as a clearinghouse for the vast majority of publicly-traded municipal bond issues, allowing such bonds to meet the regulatory requirements for timely transfer of securities. Under the DTC book entry system, the beneficial ownership interest in obligations such as the Bonds is made in book-entry-only form through brokers and dealers who are, or act through, DTC participants (“**DTC Participants**”). The beneficial owners of the Bonds (collectively, the “**Beneficial Holders**”) are not entitled to receive physical delivery of the Bonds. For so long as any person is the Beneficial Holder of a Bond, such person must maintain an account with a broker or dealer who is, or acts through, a DTC Participant in order to receive payment of principal and interest on such Bond. Consequently, the Debtor does not have a record of the identity of any Beneficial Holders, and the Trustee reflects only DTC as the owner of the Bonds.

³ A simple example will illustrate this point. Assume Company borrows \$100.00 from Bank but does not want to make any payment on the loan until the maturity of the loan 10 years later. Bank agrees to make the loan at an annually compounded yield of 7.717735% so that the amount Company will pay Bank in 10 years is \$200. The Company’s note evidencing its obligation to repay this loan can be drafted in two alternative ways. Company may issue a single \$100 note that accretes interest at an annually compounded yield of 7.717735% and matures in year 10 in the amount of \$200. This note is a “capital appreciation” debt instrument. If it is redeemed or prepaid any time after it is issued and before it matures, the accreted value of the instrument will be greater than \$100 and less than \$200, depending on when the payment is made and the resulting interest accrued on the \$100 loan. Alternatively, the same loan could result in two notes each maturing in the amount of \$100 in year 10, delivered by Company to Bank discounted at the annually compounded yield of 7.717735% to their original principal amount of \$50.00. These are two “discount” debt instruments each of which accretes interest and matures in the amount of \$100 in year 10. If they are redeemed or prepaid any time after they are issued and before their maturity, the accreted value of each of the instruments will be greater than \$50.00 and less than \$100, depending on when the payment is made and the resulting interest accrued on the loan. Thus the zero coupon debt obligation resulting from the loan can be described either as a single capital appreciation note or as two discount obligations, each of which reflect the exact same debtor-creditor relationship. The Series 1998B Bonds and Series 1998C Bonds were documented as Discount Bonds.

B. It is industry standard for obligations such as the Bonds to be registered with DTC. To be eligible for registration with DTC, obligations such as the Bonds must conform to DTC's rules and requirements for book-entry registration of the obligations. Certain features of the Bonds, however, created issues in trying to obtain DTC registration as contemplated because they were not consistent with DTC's standard Operational Arrangements. All of the Bonds are "zero coupon bonds" documented as Capital Appreciation Bonds. Generally, publicly issued zero coupon bonds are issued as Discount Bonds registered with DTC at Maturity Value.⁴ The Plan called for the Bonds to be so structured and registered at Maturity Value. The documents further contemplated that each Beneficial Holder would receive his or her pro rata share of any payments made prior to maturity on a series of Bonds; however, under DTC's Operational Arrangements, this did not meet DTC's eligibility requirements for redemption payments.

C. Because of the Plan's provision for redemption payments to be distributed pro-rata to holders, which did not comply with DTC's procedures, difficulties arose with registration of the Bonds for book entry clearing with DTC as contemplated. As outlined in DTC's Operational Arrangements, to permit the distribution of prepayments to the beneficial owners of the Bonds pro rata under its "**Pro-Rata Paydown Program**", DTC required that the Bonds be registered based on authorized denominations of \$1.00 in Original Principal Amount (as Capital Appreciation Bonds) rather than based on authorized denominations of \$1.00 in Maturity Value (as Discount Bonds). Currently, the Term Bonds are reflected by DTC at their Original Principal Amount (as Capital Appreciation Bonds) to permit pro-rata distribution of prepayments on the Term Bonds under DTC's "**Pro-Rata Paydown**" program.

D. In addition, several technical changes to the Indenture were necessary to satisfy DTC's requirements under the Pro-Rata Paydown Program. First, the Debtor's pre-maturity payments to amortize the Term Bonds needed to be renamed from "sinking fund redemption payments" to "pro-rata paydown amounts". (The latter is how the Indenture now reflects such payments.) Second, the accreted value tables for the Bonds also had to be modified (to reflect accretion starting at \$1.00 in Original Principal Amount up to maturity amount at the yield of each Bond).⁵ DTC worked cooperatively with the Debtor and Trustee to explain what changes were necessary for DTC to register the Bonds based on its Pro-Rata Paydown Program.⁶ Effective April 21, 2011, the Bonds were registered with DTC at Original Principal Amount under the Pro-Rata Paydown Program discussed above.

⁴ For example, U.S. Treasury Bills are Discount Bonds, as they are issued at face maturity value (in \$100,000 amounts), but the amounts paid for those obligations at their original issue date are lower than maturity value, with the difference between the price at issue and the amount paid at maturity being original issue discount treated as interest for federal income tax purposes. Secondary market trading of Discount Bonds are at prices reflecting that discount to their maturity value. Until its maturity, the accreted value of a Discount Bond is always less than its maturity value per authorized denomination (less than \$100,000 for Treasury Bills).

⁵ The Bonds accrete in value from Original Principal Amount at issuance at the yield on each Bond. For example, Exhibit "T" to the Indenture lists the accreted values of the Bonds. The accreted value of the 6.5% Term Series 2011A Bond maturing on January 1, 2032 is \$1.00 on April 1, 2011 and accretes to a maturity value of \$3.69406.

⁶ The name and table changes did not modify the amounts to be paid to the Beneficial Holders of the Bonds, but changed the face amount of the Term Bonds (to Original Principal Amount from Maturity Value) and the characterization of periodic interest and principal payments to be made under the Bonds (from sinking fund payments to pro rata paydowns).

IV. The Secondary Market Trading Problem.

A. Shortly after the Bonds were issued, certain institutional holders and broker dealers began contacting the Trustee regarding the Bonds. Because the Term Bonds were listed by DTC as set forth above, they did not “fit” into the brokers’ systems or into industry pricing systems. The Term Bonds thus were untradeable in the public secondary market. More specifically, the brokers’ and industry pricing systems for trading zero coupon bonds are based upon the assumption that they are registered at Maturity Value, and trade at a price discount from such “face” amount at maturity. Consequently, the Term Bonds as registered through DTC under the Pro-Rata Paydown Program could not be priced or traded.

B. The Debtor has been informed by the Trustee and certain institutional bondholders that DTC agreed to reflect the Serial Bonds at Maturity Value in conformity with DTC’s Operational Arrangements. Consequently, the Series 2011A Serial Bonds will not be amended or exchanged. However, DTC informed the Trustee that the Term Bonds could be listed at Maturity Value only if any annual sinking fund redemption payments for a series of Term Bonds are made by DTC to Beneficial Holders on a “by lot” basis, rather than pro-rata.

V. The Proposed Solution-Mandatory Exchange Subject to Retention Election.

A. The Majority Holders have requested that the Debtor facilitate the exchange of the Term Bonds for new term bonds which provide for DTC’s distribution of redemption payments to the Beneficial Holders by lot (the “***By-Lot Bonds***”). The By-Lot Bonds and corresponding revisions to the Indenture will be reflected in a First Supplemental Indenture of Trust (the “***First Supplement***”). The First Supplement will be substantially in the form attached hereto as ***Exhibit A*** (but with such changes as agreed upon and determined necessary or advisable by the Debtor and Trustee to effectuate the intent and purposes of the exchange (including changes required by law, regulatory agencies or DTC), provided that such changes do not materially adversely affect the Bondholders or the Bonds).

B. The By-Lot Bonds will be dated the Effective Date and have identical yields, aggregate Original Principal Amounts, maturities and pay-down schedules as the Term Bonds for which they are exchanged, but will provide for by-lot distribution of redemption proceeds instead of pro-rata. This would mean that the Beneficial Holders of the By-Lot Bonds would not be assured of the timing of any particular payments prior to maturity, since distribution of redemption proceeds would be distributed under DTC’s lottery process. However, Beneficial Holders may elect to retain their current Term Bonds.

C. Under the Exchange Order, Beneficial Holders of the Term Bonds are given the option to retain their Term Bonds as set forth in “***VI – Exchange Procedures and Retention Election***” below. If a Beneficial Holder does not affirmatively elect to opt out of the exchange, the Term Bonds owned by such Beneficial Holder will be exchanged for By-Lot Bonds. If a Beneficial Holder opts out of the exchange, such holder will retain its current Term Bonds as Retained Bonds, which will be paid based on their pro rata paydown provisions. **UNLESS A BENEFICIAL HOLDER AFFIRMATIVELY AND TIMELY FILES A RETENTION ELECTION, HIS OR HER TERM BONDS WILL AUTOMATICALLY BE EXCHANGED FOR THE BY-LOT BONDS PURSUANT TO THE EXCHANGE ORDER.**

D. The By-Lot Bonds will be issued as new series of bonds with new CUSIP numbers. **Each series of By-Lot Bonds will have the same maturity, interest accrual yield and aggregate redemption amounts as the Term Bonds of that Series for which they are being exchanged under the First Supplement. In addition, By-Lot Bonds will have the same priority in security and payment as do the Retained Bonds of the same Tier and maturity.** The Exchange is intended solely to address the secondary marketability issue relating to the Term Bonds.

E. The change from a pro-rata distribution to redemption also introduces a time constraint not currently present in the Indenture. Pro-rata distributions take place on each January 1 Bond Payment Date, without the need for any notices to the beneficial owners of the Term Bonds. However, since by-lot distributions of redemption proceeds involve the selection of certain By-Lot Bonds for payment, the First Supplement will obligate the Trustee to send notices of redemption of the By-Lot Bonds (at the times and in the amount of the Sinking Fund Installments set forth in subsections (1), (2) and (3) of Section 302 of the First Supplement). At the time such notices of redemption are delivered, there will not be funds in the debt service accounts for the various Tiers of the By-Lot Bonds, so such notices of redemption will be conditioned on the deposit of funds into such debt service accounts sufficient to pay the Redemption Price of the Sinking Fund Installments to be redeemed. In the event that any mandatory sinking fund redemption of any By-Lot Bonds on any January 1 is cancelled due to insufficient funds being available in the applicable debt service accounts to pay any Sinking Fund Installment in full, the First Supplement will obligate the Trustee to deliver notice of the redemption of such By-Lot Bonds for February 15 of that same calendar year, as provided in Section 305 of the First Supplement, in the aggregate Redemption Price not greater than the available balance in the applicable debt service accounts on such January 1 without further accretion. The Redemption Price of By-Lot Bonds so called for redemption on February 15 will be equal to the Accreted Value of such Bonds as of such January 1 (of the same calendar year), not the Accreted Value of such Bonds as of the February 15 Redemption Date. **IN THE EVENT OF ANY SUCH DELAYED REDEMPTION, THE BENEFICIAL OWNERS SELECTED FOR REDEMPTION WILL NOT RECEIVE INTEREST ACCRETIONS ON THE AMOUNT BEING DISTRIBUTED ON FEBRUARY 15 FOR THE PERIOD FROM JANUARY 1 TO FEBRUARY 15.**

VI. Exchange Procedures and Retention Election.

A. After the exchange date for By-Lot Bonds which shall be May 31, 2012 or as soon thereafter as is practicable (the “*Exchange Date*”) and effective as of the Effective Date, the By-Lot Bonds will have the terms set forth in the revised Bond certificate. If you hold Term Bonds, you are not required to do anything as a condition to having your Term Bonds exchanged for By-Lot Bonds of a series.

B. However, if you do not want to participate in the exchange, you have the right to elect not to have your Term Bonds exchanged by the following procedure: **On or prior to 5:00 p.m., prevailing Eastern Time on May 17, 2012 (“ATOP Deadline”),** you may elect to opt out of the exchange and retain your Term Bonds by providing a notice through your broker or other person through whom you own your Term Bonds to DTC to instruct that your holdings be withheld from the exchange (the “*Retained Bonds*”). Your broker or other person through

whom you own your Term Bonds must provide this notice to DTC by entering an instruction via DTC's Automated Tender Offer Program ("**ATOP**") prior to the ATOP Deadline. Retention elections must be timely and made as to all of your investment in the Term Bonds; no elections to retain part (but not all) of your investment in the Term Bonds will be accepted. If you want to elect to opt out of the exchange, you must contact your broker or other person through whom you hold an ownership interest in the Term Bonds participating in ATOP to process an election to opt out of the exchange and provide any related requested information necessary to allow your broker or such other person to timely process your ATOP election. If you do not affirmatively opt out of the exchange in accordance with the foregoing, your Term Bonds will be exchanged for By-Lot Bonds.

If you elect to opt out of the exchange, you may reverse such election provided you timely do so prior to the ATOP Deadline. In order to reverse your election to opt out, you would again contact your broker or other person through whom you hold your Bonds. In order to opt out or reverse an election to opt out, you will need to give your broker, or such other person holding your interest in the Bonds, some lead time of your election so it can help you meet the above ATOP Deadline.

C. If you elect to keep the Retained Bonds in accordance with the above, such Retained Bonds will retain their feature of having any redemption proceeds paid on a pro rata basis. However, any such Retained Bonds also will remain registered at DTC at their original issuance amount and subject to the resulting negative impact on trading noted earlier. The CUSIPs for any Retained Bonds will not change as a result of the exchange.

D. No future opportunities to exchange the Retained Bonds for By-Lot Bonds are contemplated. If you decide to opt out of the exchange and retain your current Term Bonds, you thus should anticipate that you will not be able to convert your Retained Bonds to By-Lot Bonds in the future, regardless of any value or trading differences among the bonds or any other issues that may exist or arise with respect to the Retained Bonds or other bonds in the future (which issues may or may not be similar to those described in the exchange documents).

E. The Exchange Order requires, as a condition to the effectiveness of the exchange, the delivery of an opinion of bond counsel, substantially to the effect that the By-Lot Bonds are valid and enforceable obligations of the Debtor under the Indenture and that original issue discount properly allocated to such By-Lot Bonds will be excludable from gross income for federal income tax purposes and that the exchange of the By-Lot Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of original issue discount properly allocated to the Bonds.

F. Through the ATOP Deadline, current bondholders are entitled to participate in the exchange based on the foregoing procedures. The By-Lot Bonds will be issued on the Exchange Date. Due to the nature of the Bonds as book entry securities held through DTC, the effectuation of the exchange may involve some time delay to complete the exchange process. (As a point of note, the exchange will be considered effective retroactive to the "Effective Date" of April 21, 2011, when the Bonds were issued, as further set forth in the Motion, but this does not affect retention of any payments previously received on the Bonds as of January 1, 2012, if applicable).

VII. The First Supplement.

A. The First Supplement includes the forms of the new By-lot Bonds and makes certain amendments to the Indenture to accommodate the splitting of the 2011 Term Bonds into By-lot Bonds and Retained Bonds. The Exchange Order also provides that funds in the amount of \$583,463.75 in the “Cost of Issuance Fund” established under Section 503 of the Indenture will be used to pay the additional fees and costs incurred by the Debtor and the Trustee in connection with their efforts to resolve the DTC issues and implement the exchange. The First Supplement provides that the date to which the Cost of Issuance Fund will be left open will be changed from the original date of August 22, 2011 to a date that is six months from the date of entry of the Exchange Order. Costs of the exchange may only be paid from the Costs of Issuance Fund; no Costs of Issuance will be paid from the Revenue Fund. Section 503 of the Indenture provides that the Trustee thereafter will transfer any remaining amounts in the Cost of Issuance Fund to the Series 2011 Bonds Debt Service Reserve Account.

VIII. Other Information.

A. Copies of the Plan, the Confirmation Order and certain other documents relating to the Debtor’s bankruptcy proceeding may be found on the debtor’s website at: <http://www.southernconnector.com/Zbankruptcy.htm>. In addition, certain documents relating to the Debtor’s operations or financial results may be found at the Debtor’s website or on the EMMA system.

**THE ATTACHMENTS TO THIS DOCUMENT
ARE INCLUDED ELSEWHERE IN THESE CLOSING DOCUMENTS.**

UCC FINANCING STATEMENT AMENDMENT (UCC-3)

FOLLOW INSTRUCTIONS CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

John Van Duys, Esq.
Haynsworth Sinkler Boyd, P.A.
Post Office Box 11889
Columbia, SC 29211

SC Secretary of State

File ID: 120531-1341282

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #

110421-0937526

1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☐ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☐ CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. ☐ DELETE name: Give record name to be deleted in item 6a or 6b. ☐ ADD name: Complete item 7a or 7b, and also item 7c, also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR 6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR 7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

7d. TAX ID# (Organizations) ADD'L INFO RE ORGANIZATION DEBTOR 7e. TYPE OF ORGANIZATION 7f. JURISDICTION OF ORGANIZATION 7g. ORGANIZATIONAL ID #, if any ☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral ☐ deleted or ☐ added, or give entire ☒ restated collateral description, or describe collateral ☐ assigned.

See attached.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

U.S. Bank National Association, as Trustee

OR 9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA

#8707.26

ATTACHMENT TO UCC-3 FINANCING STATEMENT

In order to secure the payment of Bonds issued from time to time under the First Amended and Restated Master Indenture of Trust dated as of April 1, 2011 between Connector 2000 Association, Inc. (the “**Debtor**” or the “**Association**”) and U.S. Bank National Association, as trustee (the “**Trustee**”), as supplemented and amended by that certain First Supplemental Indenture of Trust dated as of May 1, 2012, and as further amended and supplemented from time to time in accordance with its terms (together with all such amendments and supplements thereto, the “**Indenture**”), including without limitation the principal, Annual Pro Rata Paydown Payments, Prepayment Price, Sinking Fund Installments, Redemption Price, and Maturity Value of and interest and Accreted Value of such Bonds as the same become due and payable (whether at maturity, by prior prepayment, redemption, or otherwise) and the performance and observance of all of the covenants and conditions contained in the Indenture, the Association has granted to the Trustee and its successors in trust under the Indenture a pledge of and lien on the Trust Estate, with all rights and privileges appurtenant thereto, subject, however, to the terms and provisions of the Indenture. Capitalized terms not defined herein shall have the meaning assigned in the Indenture.

Such pledge and lien shall be for the equal and proportionate benefit and security of the Owners from time to time of the Bonds issued and to be issued under the Indenture, or any of them, without preference, priority or distinction as to lien or otherwise of any Bond over any other Bond, except that, as further provided in and subject to the further terms of the Indenture, (i) the Owners of the Bonds of each Tier shall have an exclusive lien on the Debt Service Account and the Debt Service Reserve Account with the designation as such Tier of Bonds, (ii) the lien and right and priority of payment of the Owners of the Senior Bonds is superior to the lien and right and priority of payment of the Owners of the Senior Subordinate Bonds and Junior Subordinate Bonds, and the lien and right and priority of payment of the Owners of the Senior Subordinate Bonds is superior to the lien and right and priority of payment of the Junior Subordinate Bonds, and (iii) there are various differences in the rights of, and priorities for the benefit of, the Owners of the Bonds of different Tiers with respect to various other matters, including but not limited to the exercise of remedies.

At the time of the filing of this Amendment the following Bonds are Outstanding under the Indenture: (i) Connector 2000 Association, Inc. Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A Serial Capital Appreciation Bonds maturing January 1, 2013 through January 1, 2022 in the aggregate Original Principal Amount equal to \$34,987,331.00, (ii) Connector 2000 Association, Inc. Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A, 2011B and 2011C, Retained Pro-rata Term Bonds maturing January 1, 2032, January 1, 2042 and July 22, 2051 in the aggregate Original Principal Amount equal to \$467,403.00, and (iii) Connector 2000 Association, Inc. Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A1, 2011B1 and 2011C1 By-Lot Term Bonds maturing January 1, 2032, January 1, 2042 and July 22, 2051 in the aggregate Original Principal Amount equal to \$113,052,915.00. The pledge of the Trust Estate secures such obligations together with any additional bonds issued from time to time under the Indenture.

Description of Collateral

“*Trust Estate*” means:

(a) All right, title and interest of the Association now owned or hereafter acquired in and to the Funds (except for the Rebate Fund and the Renewal and Replacement Fund) including amounts deposited therein (together with all investments thereof and investment income earned thereon, including Investment Securities held therein), provided, that the Association may establish one or more separate accounts in the Funds and Accounts, which accounts and the amounts deposited therein (together with all investments thereof and investment income earned thereon) may be pledged exclusively to the payment of one or more designated Series of Bonds or portions thereof for any designated purpose, or otherwise, all as provided in the Indenture or in any Supplemental Indenture;

(b) All right, title and interest of the Association in and to (i) the Revenues, (ii) any proceeds from insurance or condemnation awards with respect to the Association’s interest in the Southern Connector Project; and (iii) all amounts derived as loans or otherwise from the United States of America, the State or any other Person relating to the Southern Connector;

(c) All right, title and interest of the Association in and to the License Agreement, any Project Agreement or any Operating Agreement; and

(d) Any and all property of every kind and nature (including, without limitation, cash, obligations or securities) which may from time to time hereafter be assigned, hypothecated, endorsed, pledged, granted, or delivered to or deposited with the Trustee as additional security under the Indenture by the Association or anyone on its behalf (including without limitation all of the Association's rights with respect to any liquidated damages payable by the Developer under the Development Agreement), or which pursuant to any of the provisions hereof may come into the possession or control of the Trustee as security under the Indenture, or of a receiver lawfully appointed under the Indenture, all of which the Trustee is authorized to receive, hold and apply according to the terms of the Indenture.

SC Secretary of State

File ID: 120531-1341282

Acknowledgment Copy

REGISTERED

MATURITY VALUE

2011A1 - 1

\$149,446,102.00

**CONNECTOR 2000 ASSOCIATION, INC.
SENIOR CAPITAL APPRECIATION TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011A1**

MATURITY DATE	DATED DATE	YIELD	CUSIP
January 1, 2032	April 1, 2011	6.50%	20786LDS7

REGISTERED OWNER: CEDE & CO.
Tax Identification Number 13-2555119

MATURITY VALUE: One Hundred Forty Nine Million Four Hundred Forty Six Thousand One Hundred Two Dollars (\$149,446,102.00).

MANDATORY SINKING FUND REDEMPTION SCHEDULE:

	Redemption Amount
<u>Redemption Date</u>	<u>(Accreted Value)</u>
1/1/2023	\$8,487,007.94
1/1/2024	8,970,982.87
1/1/2025	10,292,808.60
1/1/2026	10,735,565.61
1/1/2027	11,058,236.71
1/1/2028	11,375,059.91
1/1/2029	12,711,576.32
1/1/2030	13,076,349.99
1/1/2031	13,452,214.74
1/1/2032	13,683,044.00
(Maturity)	

CONNECTOR 2000 ASSOCIATION, INC. (the “*Association*”), for value received, hereby promises to pay to the order of the registered owner (the “*Owner*”) named above, or registered assigns, solely from the sources and as herein provided, the Maturity Value stated above on the Maturity Date stated above, together with accreted interest thereon at the yield stated above, payable on the Maturity Date stated above, subject to prior redemption as herein provided. The Maturity Value, Accreted Value and Redemption Price of this Series 2011A1 Bond is payable to the Owner hereof upon presentation and surrender of this Series 2011A1 Bond at the corporate trust office of U.S. Bank National Association (the “*Trustee*” or “*Paying Agent*”) in St. Paul, Minnesota or such other office designated by the Trustee. Notwithstanding the foregoing, so long as Cede & Co. is the Owner of this Series 2011A1 Bond, the Debt Service on this Series 2011A1 Bond shall be paid by wire transfer to Cede & Co. Any payment of Debt Service on this Series 2011A1 Bond that is due on a day which is not a Business Day shall be made on the next succeeding Business Day with the same effect as if made on the day on which it was originally scheduled. All payments of Debt Service on this Series 2011A1 Bond shall be made in lawful money of the United States of America.

Notwithstanding any other provision hereof, this Series 2011A1 Bond is issued in book-entry form maintained by DTC, and the payment of principal, premium, if any, and interest, the providing of notices and other matters shall be made as described in the Association's Letter of Representations to DTC.

This Series 2011A1 Bond is one of an issue of Connector 2000 Association, Inc. Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A1 (the "**Series 2011A1 Bonds**"), having an aggregate Maturity Value of \$734,692,937.00, being issued concurrently with the Association's (i) Connector 2000 Association, Inc. Senior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011B1 (the "**Series 2011B1 Bonds**"), issued in the aggregate Maturity Value of \$300,684,532.00, and (ii) Connector 2000 Association, Inc. Junior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011C1 issued in the aggregate Maturity Value of \$97,782,636.00 (the "**Series 2011C1 Bonds**" and, together with the Series 2011A1 Bonds and the Series 2011B1 Bonds, the "**Series 2011 New Term Bonds**"), issued under that certain First Amended and Restated Master Indenture of Trust dated as of April 1, 2011 as supplemented and amended by that certain First Supplemental Indenture of Trust dated as of May 1, 2012 effective as of April 21, 2011 (together, the "**Indenture**") between the Association and the Trustee and that certain Order (I) Authorizing A Supplement To The Indenture In Aid Of Implementation Of The Plan: and (II) Approving Bond Exchange Materials And Procedures For Term Bonds of the United States Bankruptcy Court for the District of South Carolina entered on April 10, 2012 (the "**Order**"). The Series 2011 New Term Bonds are issued in exchange for certain Series 2011 Bonds as provided in the Indenture and the Order. The Series 2011 New Term Bonds continue to evidence debt of the Association incurred for the construction and financing of the Southern Connector Project, as defined in the Indenture. Capitalized terms not otherwise defined herein are intended to have the meanings assigned thereto in the Indenture or the Order, if defined therein.

This Series 2011A1 Bond and the premium, if any, and the interest hereon are special, limited, non-recourse obligations of the Association payable solely from the Trust Estate, as defined in the Indenture, including the Revenues, as defined in the Indenture, in accordance with the Indenture. Such Revenues are pledged to the payment of the Bonds to the extent and as provided in the Indenture. Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Association, the rights of the Owners, as defined in the Indenture, of the Series 2011A1 Bonds and the terms upon which the Series 2011A1 Bonds are issued and secured. Additional Bonds ranking on parity with or subordinate to the Series 2011A1 Bonds may be issued on the terms provided in the Indenture. The Indenture constitutes a contract between the Owner of this Series 2011A1 Bond and the Association. This Series 2011A1 Bond certificate is only the evidence of such contract and, as such, is subject in all respects to the terms of the Indenture, which supersedes any inconsistent statement herein.

THE SERIES 2011A1 BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE STATE OF SOUTH CAROLINA (THE "**STATE**") OR THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION ("**SCDOT**") WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OR AN OBLIGATION (LEGAL, MORAL OR OTHERWISE) OF THE STATE, SCDOT OR ANY AGENCY, DEPARTMENT OR POLITICAL SUBDIVISION OF THE STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF GREENVILLE, SOUTH CAROLINA OR THE CITY OF GREENVILLE, SOUTH CAROLINA) OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE STATE, SCDOT OR ANY AGENCY, DEPARTMENT OR POLITICAL SUBDIVISION OF THE

STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF GREENVILLE, SOUTH CAROLINA OR THE CITY OF GREENVILLE, SOUTH CAROLINA).

The Series 2011A1 Bonds may be called for optional, extraordinary and mandatory redemption by the Association as provided in the Indenture. The Trustee shall timely send notices of redemption of this Series 2011A1 Bond at the times and in the amounts provided in the Indenture. In the case of Mandatory Sinking Fund Redemption at the time such notices of redemption are delivered, there will not be funds in the Senior Bonds Debt Service Account so such notices of redemption will be conditioned on the deposit of funds into such Senior Bonds Debt Service Account sufficient to pay the Redemption Price of the Sinking Fund Installments of the Series 2011A1 Bonds to be redeemed. In the event that any Mandatory Sinking Fund Redemption of any part of this Series 2011A1 Bond on any January 1 is cancelled due to insufficient funds available in the Senior Bonds Debt Service Account to pay any Sinking Fund Installment in full, the Trustee will timely deliver notice of the redemption for February 15 of that same calendar year as provided in Section 305 of the Indenture in the aggregate Redemption Price not greater than the available balance in the Senior Bonds Debt Service Account without further accretion. The Redemption Price of this Series 2011A1 Bond called for redemption on such February 15 will be equal to its Accreted Value as of such January 1 (of the same calendar year), not its Accreted Value as of the February 15 Redemption Date.

No Owner of any Series 2011A1 Bond shall have any right to institute any suit, action or proceedings at law or in equity for the appointment of a receiver or for any other remedy under the Indenture or by reason thereof, except to the extent and in the circumstances permitted by the Indenture.

The Series 2011A1 Bonds are issued in fully registered form in denominations of \$1.00 in Maturity Value and integral multiples thereof (the “*Authorized Denominations*”). Upon surrender for transfer or exchange of this Series 2011A1 Bond at the designated office of the Registrar, together with a written instrument of transfer or written request for exchange, as the case may be, satisfactory to the Registrar duly executed by the Owner or the Owner’s duly authorized attorney, the Association shall execute and the Trustee or the duly authorized Authenticating Agent, as defined in the Indenture, shall authenticate and deliver Series 2011A1 Bonds in accordance with the provisions of, and subject to the limitations and conditions contained in, the Indenture, a new Series 2011A1 Bond or Series 2011A1 Bonds of the same aggregate Maturity Value, Accreted Value and maturity as the surrendered Series 2011A1 Bond. For every such transfer of Series 2011A1 Bonds pursuant to the Indenture, whether temporary or definitive, the Association, the Trustee, the Registrar, and any Authenticating Agent may make a charge sufficient to reimburse it or them for any expense, tax, fee or other governmental charge required to be paid with respect to such transfer. In addition, for every exchange of Series 2011A1 Bonds (other than the exchange of temporary Series 2011A1 Bonds for definitive Series 2011A1 Bonds), the Association, the Trustee, the Registrar, and any Authenticating Agent may make reasonable charges to cover the costs of printing Series 2011A1 Bonds including any Trustee’s, Registrar’s, or Authenticating Agent’s charges in connection therewith. The payment of such sum or sums shall be made by the Owner requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Registrar shall not be required to transfer or exchange Series 2011A1 Bonds for a period of 15 days next preceding the selection of Series 2011A1 Bonds for redemption or to transfer or exchange any Series 2011A1 Bonds called for redemption.

The Association, the Trustee, and any other Fiduciary, as defined in the Indenture, may deem and treat the person in whose name this Series 2011A1 Bond shall be registered in the Register as the absolute Owner of this Series 2011A1 Bond, whether this Series 2011A1 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Debt Service and Redemption Price of this Series 2011A1 Bond and for all other purposes, and all such payments so made to any such Owner or upon the Owner’s order shall be valid and effectual to satisfy and discharge the liability upon this Series 2011A1

Bond to the extent of the sum or sums so paid, and the Association, the Trustee, and any other Fiduciary shall not be affected by any notice to the contrary.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Series 2011A1 Bond have happened, exist and have been performed.

This Series 2011A1 Bond shall not be valid or entitled to any security or benefit under the Indenture until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, the Connector 2000 Association, Inc. has caused this Series 2011A1 Bond to be signed by its Chairman by his manual signature and its corporate seal to be impressed thereon and attested to by the manual signature of its Secretary, and this Series 2011A1 Bond to be dated the Dated Date set forth above.

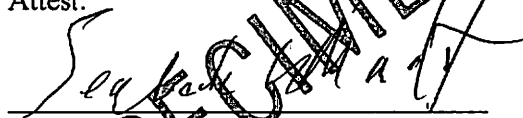
CONNECTOR 2000 ASSOCIATION, INC.

By:


Chairman

(SEAL)

Attest:



Secretary

CERTIFICATE OF AUTHENTICATION

Date of Authentication: 5/31/2012

This Series 2011A1 Bond is one of the Series 2011A1 Bonds of the issue described in the within-mentioned Indenture.

U. S. Bank National Association, as Trustee

By: 
Authorized Officer

SPECIMEN

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please print or typewrite Name and Address
including postal zip code of Transferee)

**PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFeree**

--

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing _____
_____, Attorney, to transfer said Bond on the books kept for the registration
thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed
by an Eligible Guarantor Institution
such as a Commercial Bank, Trust
Company, Securities Broker/Dealer,
Credit Union, or Savings Association who
is a member of a medallion program
approved by The Securities Transfer
Association, Inc.

REGISTERED

MATURITY VALUE

2011A1 - 2

\$250,959,619.00

**CONNECTOR 2000 ASSOCIATION, INC.
SENIOR CAPITAL APPRECIATION TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011A1**

MATURITY DATE	DATED DATE	YIELD	CUSIP
January 1, 2042	April 1, 2011	7.00%	20786LDT5

REGISTERED OWNER: CEDE & CO.
Tax Identification Number 13-2555119

MATURITY VALUE: Two Hundred Fifty Million Nine Hundred Fifty-Nine Thousand Six Hundred Nineteen Dollars (\$250,959,619.00).

MANDATORY SINKING FUND REDEMPTION SCHEDULE:

	Redemption Amount
<u>Redemption Date</u>	<u>(Accreted Value)</u>
1/1/2033	\$15,698,783.10
1/1/2034	15,973,393.07
1/1/2035	16,250,644.44
1/1/2036	16,533,390.67
1/1/2037	18,748,934.77
1/1/2038	19,078,056.20
1/1/2039	19,412,997.63
1/1/2040	19,753,049.98
1/1/2041	22,186,026.40
1/1/2042	22,305,954.00
(Maturity)	

CONNECTOR 2000 ASSOCIATION, INC. (the “*Association*”), for value received, hereby promises to pay to the order of the registered owner (the “*Owner*”) named above, or registered assigns, solely from the sources and as herein provided, the Maturity Value stated above on the Maturity Date stated above, together with accreted interest thereon at the yield stated above, payable on the Maturity Date stated above, subject to prior redemption as herein provided. The Maturity Value, Accreted Value and Redemption Price of this Series 2011A1 Bond is payable to the Owner hereof upon presentation and surrender of this Series 2011A1 Bond at the corporate trust office of U.S. Bank National Association (the “*Trustee*” or “*Paying Agent*”) in St. Paul, Minnesota or such other office designated by the Trustee. Notwithstanding the foregoing, so long as Cede & Co. is the Owner of this Series 2011A1 Bond, the Debt Service on this Series 2011A1 Bond shall be paid by wire transfer to Cede & Co. Any payment of Debt Service on this Series 2011A1 Bond that is due on a day which is not a Business Day shall be made on the next succeeding Business Day with the same effect as if made on the day on which it was originally scheduled. All payments of Debt Service on this Series 2011A1 Bond shall be made in lawful money of the United States of America.

Notwithstanding any other provision hereof, this Series 2011A1 Bond is issued in book-entry form maintained by DTC, and the payment of principal, premium, if any, and interest, the providing of notices and other matters shall be made as described in the Association's Letter of Representations to DTC.

This Series 2011A1 Bond is one of an issue of Connector 2000 Association, Inc. Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A1 (the "**Series 2011A1 Bonds**"), having an aggregate Maturity Value of \$734,692,937.00, being issued concurrently with the Association's (i) Connector 2000 Association, Inc. Senior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011B1 (the "**Series 2011B1 Bonds**"), issued in the aggregate Maturity Value of \$300,684,532.00, and (ii) Connector 2000 Association, Inc. Junior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011C1 issued in the aggregate Maturity Value of \$97,782,636.00 (the "**Series 2011C1 Bonds**" and, together with the Series 2011A1 Bonds and the Series 2011B1 Bonds, the "**Series 2011 New Term Bonds**"), issued under that certain First Amended and Restated Master Indenture of Trust dated as of April 1, 2011 as supplemented and amended by that certain First Supplemental Indenture of Trust dated as of May 1, 2012 effective as of April 21, 2011 (together, the "**Indenture**") between the Association and the Trustee and that certain Order (I) Authorizing A Supplement To The Indenture In Aid Of Implementation Of The Plan: and (II) Approving Bond Exchange Materials And Procedures For Term Bonds of the United States Bankruptcy Court for the District of South Carolina entered on April 10, 2012 (the "**Order**"). The Series 2011 New Term Bonds are issued in exchange for certain Series 2011 Bonds as provided in the Indenture and the Order. The Series 2011 New Term Bonds continue to evidence debt of the Association incurred for the construction and financing of the Southern Connector Project, as defined in the Indenture. Capitalized terms not otherwise defined herein are intended to have the meanings assigned thereto in the Indenture or the Order, if defined therein.

This Series 2011A1 Bond and the premium, if any, and the interest hereon are special, limited, non-recourse obligations of the Association payable solely from the Trust Estate, as defined in the Indenture, including the Revenues, as defined in the Indenture, in accordance with the Indenture. Such Revenues are pledged to the payment of the Bonds to the extent and as provided in the Indenture. Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Association, the rights of the Owners, as defined in the Indenture, of the Series 2011A1 Bonds and the terms upon which the Series 2011A1 Bonds are issued and secured. Additional Bonds ranking on parity with or subordinate to the Series 2011A1 Bonds may be issued on the terms provided in the Indenture. The Indenture constitutes a contract between the Owner of this Series 2011A1 Bond and the Association. This Series 2011A1 Bond certificate is only the evidence of such contract and, as such, is subject in all respects to the terms of the Indenture, which supersedes any inconsistent statement herein.

THE SERIES 2011A1 BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE STATE OF SOUTH CAROLINA (THE "**STATE**") OR THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION ("**SCDOT**") WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OR AN OBLIGATION (LEGAL, MORAL OR OTHERWISE) OF THE STATE, SCDOT OR ANY AGENCY, DEPARTMENT OR POLITICAL SUBDIVISION OF THE STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF GREENVILLE, SOUTH CAROLINA OR THE CITY OF GREENVILLE, SOUTH CAROLINA) OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE STATE, SCDOT OR ANY AGENCY, DEPARTMENT OR POLITICAL SUBDIVISION OF THE

STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF GREENVILLE, SOUTH CAROLINA OR THE CITY OF GREENVILLE, SOUTH CAROLINA).

The Series 2011A1 Bonds may be called for optional, extraordinary and mandatory redemption by the Association as provided in the Indenture. The Trustee shall timely send notices of redemption of this Series 2011A1 Bond at the times and in the amounts provided in the Indenture. In the case of Mandatory Sinking Fund Redemption at the time such notices of redemption are delivered, there will not be funds in the Senior Bonds Debt Service Account so such notices of redemption will be conditioned on the deposit of funds into such Senior Bonds Debt Service Account sufficient to pay the Redemption Price of the Sinking Fund Installments of the Series 2011A1 Bonds to be redeemed. In the event that any Mandatory Sinking Fund Redemption of any part of this Series 2011A1 Bond on any January 1 is cancelled due to insufficient funds available in the Senior Bonds Debt Service Account to pay any Sinking Fund Installment in full, the Trustee will timely deliver notice of the redemption for February 15 of that same calendar year as provided in Section 305 of the Indenture in the aggregate Redemption Price not greater than the available balance in the Senior Bonds Debt Service Account without further accretion. The Redemption Price of this Series 2011A1 Bond called for redemption on such February 15 will be equal to its Accreted Value as of such January 1 (of the same calendar year), not its Accreted Value as of the February 15 Redemption Date.

No Owner of any Series 2011A1 Bond shall have any right to institute any suit, action or proceedings at law or in equity for the appointment of a receiver or for any other remedy under the Indenture or by reason thereof, except to the extent and in the circumstances permitted by the Indenture.

The Series 2011A1 Bonds are issued in fully registered form in denominations of \$1.00 in Maturity Value and integral multiples thereof (the “*Authorized Denominations*”). Upon surrender for transfer or exchange of this Series 2011A1 Bond at the designated office of the Registrar, together with a written instrument of transfer or written request for exchange, as the case may be, satisfactory to the Registrar duly executed by the Owner or the Owner’s duly authorized attorney, the Association shall execute and the Trustee or the duly authorized Authenticating Agent, as defined in the Indenture, shall authenticate and deliver Series 2011A1 Bonds in accordance with the provisions of, and subject to the limitations and conditions contained in, the Indenture, a new Series 2011A1 Bond or Series 2011A1 Bonds of the same aggregate Maturity Value, Accreted Value and maturity as the surrendered Series 2011A1 Bond. For every such transfer of Series 2011A1 Bonds pursuant to the Indenture, whether temporary or definitive, the Association, the Trustee, the Registrar, and any Authenticating Agent may make a charge sufficient to reimburse it or them for any expense, tax, fee or other governmental charge required to be paid with respect to such transfer. In addition, for every exchange of Series 2011A1 Bonds (other than the exchange of temporary Series 2011A1 Bonds for definitive Series 2011A1 Bonds), the Association, the Trustee, the Registrar, and any Authenticating Agent may make reasonable charges to cover the costs of printing Series 2011A1 Bonds including any Trustee’s, Registrar’s, or Authenticating Agent’s charges in connection therewith. The payment of such sum or sums shall be made by the Owner requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Registrar shall not be required to transfer or exchange Series 2011A1 Bonds for a period of 15 days next preceding the selection of Series 2011A1 Bonds for redemption or to transfer or exchange any Series 2011A1 Bonds called for redemption.

The Association, the Trustee, and any other Fiduciary, as defined in the Indenture, may deem and treat the person in whose name this Series 2011A1 Bond shall be registered in the Register as the absolute Owner of this Series 2011A1 Bond, whether this Series 2011A1 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Debt Service and Redemption Price of this Series 2011A1 Bond and for all other purposes, and all such payments so made to any such Owner or upon the Owner’s order shall be valid and effectual to satisfy and discharge the liability upon this Series 2011A1

Bond to the extent of the sum or sums so paid, and the Association, the Trustee, and any other Fiduciary shall not be affected by any notice to the contrary.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Series 2011A1 Bond have happened, exist and have been performed.

This Series 2011A1 Bond shall not be valid or entitled to any security or benefit under the Indenture until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, the Connector 2000 Association, Inc. has caused this Series 2011A1 Bond to be signed by its Chairman by his manual signature and its corporate seal to be impressed thereon and attested to by the manual signature of its Secretary, and this Series 2011A1 Bond to be dated the Dated Date set forth above.

CONNECTOR 2000 ASSOCIATION, INC.

By: William L. Gifford
Chairman

(SEAL)

Attest:

Robert A. Mench
Secretary

CERTIFICATE OF AUTHENTICATION

Date of Authentication: 5/31/2012

This Series 2011A1 Bond is one of the Series 2011A1 Bonds of the issue described in the within-mentioned Indenture.

U. S. Bank National Association, as Trustee

By: [Signature]
Authorized Officer

SPECIMEN

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please print or typewrite Name and Address
including postal zip code of Transferee)

**PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFeree**

--

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing _____
_____, Attorney, to transfer said Bond on the books kept for the registration
thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed
by an Eligible Guarantor Institution
such as a Commercial Bank, Trust
Company, Securities Broker/Dealer,
Credit Union, or Savings Association who
is a member of a medallion program
approved by The Securities Transfer
Association, Inc.

REGISTERED

MATURITY VALUE

2011A1 - 3

\$334,287,216.00

**CONNECTOR 2000 ASSOCIATION, INC.
SENIOR CAPITAL APPRECIATION TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011A1**

MATURITY DATE	DATED DATE	YIELD	CUSIP
July 22, 2051	April 1, 2011	7.50%	20786LDU2

REGISTERED OWNER: CEDE & CO.
Tax Identification Number 13-2555119

MATURITY VALUE: Three Hundred Thirty Four Million Two Hundred Eighty Seven Thousand Two Hundred Sixteen Dollars (\$334,287,216.00).

MANDATORY SINKING FUND REDEMPTION SCHEDULE:

Redemption Amount	
<u>Redemption Date</u>	<u>(Accreted Value)</u>
1/1/2043	\$22,424,075.52
1/1/2044	22,540,472.42
1/1/2045	24,826,174.42
1/1/2046	24,960,253.05
1/1/2047	25,092,377.08
1/1/2048	25,220,876.09
1/1/2049	27,608,177.34
1/1/2050	27,755,670.08
1/1/2051	27,900,333.99
7/22/2051	15,656,599.00
(Maturity)	

CONNECTOR 2000 ASSOCIATION, INC. (the “*Association*”), for value received, hereby promises to pay to the order of the registered owner (the “*Owner*”) named above, or registered assigns, solely from the sources and as herein provided, the Maturity Value stated above on the Maturity Date stated above, together with accreted interest thereon at the yield stated above, payable on the Maturity Date stated above, subject to prior redemption as herein provided. The Maturity Value, Accreted Value and Redemption Price of this Series 2011A1 Bond is payable to the Owner hereof upon presentation and surrender of this Series 2011A1 Bond at the corporate trust office of U.S. Bank National Association (the “*Trustee*” or “*Paying Agent*”) in St. Paul, Minnesota or such other office designated by the Trustee. Notwithstanding the foregoing, so long as Cede & Co. is the Owner of this Series 2011A1 Bond, the Debt Service on this Series 2011A1 Bond shall be paid by wire transfer to Cede & Co. Any payment of Debt Service on this Series 2011A1 Bond that is due on a day which is not a Business Day shall be made on the next succeeding Business Day with the same effect as if made on the day on which it was originally scheduled. All payments of Debt Service on this Series 2011A1 Bond shall be made in lawful money of the United States of America.

Notwithstanding any other provision hereof, this Series 2011A1 Bond is issued in book-entry form maintained by DTC, and the payment of principal, premium, if any, and interest, the providing of notices and other matters shall be made as described in the Association's Letter of Representations to DTC.

This Series 2011A1 Bond is one of an issue of Connector 2000 Association, Inc. Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A1 (the "**Series 2011A1 Bonds**"), having an aggregate Maturity Value of \$734,692,937.00, being issued concurrently with the Association's (i) Connector 2000 Association, Inc. Senior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011B1 (the "**Series 2011B1 Bonds**"), issued in the aggregate Maturity Value of \$300,684,532.00, and (ii) Connector 2000 Association, Inc. Junior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011C1 issued in the aggregate Maturity Value of \$97,782,636.00 (the "**Series 2011C1 Bonds**" and, together with the Series 2011A1 Bonds and the Series 2011B1 Bonds, the "**Series 2011 New Term Bonds**"), issued under that certain First Amended and Restated Master Indenture of Trust dated as of April 1, 2011 as supplemented and amended by that certain First Supplemental Indenture of Trust dated as of May 1, 2012 effective as of April 21, 2011 (together, the "**Indenture**") between the Association and the Trustee and that certain Order (I) Authorizing A Supplement To The Indenture In Aid Of Implementation Of The Plan: and (II) Approving Bond Exchange Materials And Procedures For Term Bonds of the United States Bankruptcy Court for the District of South Carolina entered on April 10, 2012 (the "**Order**"). The Series 2011 New Term Bonds are issued in exchange for certain Series 2011 Bonds as provided in the Indenture and the Order. The Series 2011 New Term Bonds continue to evidence debt of the Association incurred for the construction and financing of the Southern Connector Project, as defined in the Indenture. Capitalized terms not otherwise defined herein are intended to have the meanings assigned thereto in the Indenture or the Order, if defined therein.

This Series 2011A1 Bond and the premium, if any, and the interest hereon are special, limited, non-recourse obligations of the Association payable solely from the Trust Estate, as defined in the Indenture, including the Revenues, as defined in the Indenture, in accordance with the Indenture. Such Revenues are pledged to the payment of the Bonds to the extent and as provided in the Indenture. Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Association, the rights of the Owners, as defined in the Indenture, of the Series 2011A1 Bonds and the terms upon which the Series 2011A1 Bonds are issued and secured. Additional Bonds ranking on parity with or subordinate to the Series 2011A1 Bonds may be issued on the terms provided in the Indenture. The Indenture constitutes a contract between the Owner of this Series 2011A1 Bond and the Association. This Series 2011A1 Bond certificate is only the evidence of such contract and, as such, is subject in all respects to the terms of the Indenture, which supersedes any inconsistent statement herein.

THE SERIES 2011A1 BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE STATE OF SOUTH CAROLINA (THE "**STATE**") OR THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION ("**SCDOT**") WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OR AN OBLIGATION (LEGAL, MORAL OR OTHERWISE) OF THE STATE, SCDOT OR ANY AGENCY, DEPARTMENT OR POLITICAL SUBDIVISION OF THE STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF GREENVILLE, SOUTH CAROLINA OR THE CITY OF GREENVILLE, SOUTH CAROLINA) OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE STATE, SCDOT OR ANY AGENCY, DEPARTMENT OR POLITICAL SUBDIVISION OF THE

STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF GREENVILLE, SOUTH CAROLINA OR THE CITY OF GREENVILLE, SOUTH CAROLINA).

The Series 2011A1 Bonds may be called for optional, extraordinary and mandatory redemption by the Association as provided in the Indenture. The Trustee shall timely send notices of redemption of this Series 2011A1 Bond at the times and in the amounts provided in the Indenture. In the case of Mandatory Sinking Fund Redemption at the time such notices of redemption are delivered, there will not be funds in the Senior Bonds Debt Service Account so such notices of redemption will be conditioned on the deposit of funds into such Senior Bonds Debt Service Account sufficient to pay the Redemption Price of the Sinking Fund Installments of the Series 2011A1 Bonds to be redeemed. In the event that any Mandatory Sinking Fund Redemption of any part of this Series 2011A1 Bond on any January 1 is cancelled due to insufficient funds available in the Senior Bonds Debt Service Account to pay any Sinking Fund Installment in full, the Trustee will timely deliver notice of the redemption for February 15 of that same calendar year as provided in Section 305 of the Indenture in the aggregate Redemption Price not greater than the available balance in the Senior Bonds Debt Service Account without further accretion. The Redemption Price of this Series 2011A1 Bond called for redemption on such February 15 will be equal to its Accreted Value as of such January 1 (of the same calendar year), not its Accreted Value as of the February 15 Redemption Date.

No Owner of any Series 2011A1 Bond shall have any right to institute any suit, action or proceedings at law or in equity for the appointment of a receiver or for any other remedy under the Indenture or by reason thereof, except to the extent and in the circumstances permitted by the Indenture.

The Series 2011A1 Bonds are issued in fully registered form in denominations of \$1.00 in Maturity Value and integral multiples thereof (the “*Authorized Denominations*”). Upon surrender for transfer or exchange of this Series 2011A1 Bond at the designated office of the Registrar, together with a written instrument of transfer or written request for exchange, as the case may be, satisfactory to the Registrar duly executed by the Owner or the Owner’s duly authorized attorney, the Association shall execute and the Trustee or the duly authorized Authenticating Agent, as defined in the Indenture, shall authenticate and deliver Series 2011A1 Bonds in accordance with the provisions of, and subject to the limitations and conditions contained in, the Indenture, a new Series 2011A1 Bond or Series 2011A1 Bonds of the same aggregate Maturity Value, Accreted Value and maturity as the surrendered Series 2011A1 Bond. For every such transfer of Series 2011A1 Bonds pursuant to the Indenture, whether temporary or definitive, the Association, the Trustee, the Registrar, and any Authenticating Agent may make a charge sufficient to reimburse it or them for any expense, tax, fee or other governmental charge required to be paid with respect to such transfer. In addition, for every exchange of Series 2011A1 Bonds (other than the exchange of temporary Series 2011A1 Bonds for definitive Series 2011A1 Bonds), the Association, the Trustee, the Registrar, and any Authenticating Agent may make reasonable charges to cover the costs of printing Series 2011A1 Bonds including any Trustee’s, Registrar’s, or Authenticating Agent’s charges in connection therewith. The payment of such sum or sums shall be made by the Owner requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Registrar shall not be required to transfer or exchange Series 2011A1 Bonds for a period of 15 days next preceding the selection of Series 2011A1 Bonds for redemption or to transfer or exchange any Series 2011A1 Bonds called for redemption.

The Association, the Trustee, and any other Fiduciary, as defined in the Indenture, may deem and treat the person in whose name this Series 2011A1 Bond shall be registered in the Register as the absolute Owner of this Series 2011A1 Bond, whether this Series 2011A1 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Debt Service and Redemption Price of this Series 2011A1 Bond and for all other purposes, and all such payments so made to any such Owner or upon the Owner’s order shall be valid and effectual to satisfy and discharge the liability upon this Series 2011A1

Bond to the extent of the sum or sums so paid, and the Association, the Trustee, and any other Fiduciary shall not be affected by any notice to the contrary.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Series 2011A1 Bond have happened, exist and have been performed.

This Series 2011A1 Bond shall not be valid or entitled to any security or benefit under the Indenture until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, the Connector 2000 Association, Inc. has caused this Series 2011A1 Bond to be signed by its Chairman by his manual signature and its corporate seal to be impressed thereon and attested to by the manual signature of its Secretary, and this Series 2011A1 Bond to be dated the Dated Date set forth above.

CONNECTOR 2000 ASSOCIATION, INC.

By: William L. Carpus
Chairman

(SEAL)

Attest:

Leah J. O'Connell
Secretary

CERTIFICATE OF AUTHENTICATION

Date of Authentication: 5/31/2012

This Series 2011A1 Bond is one of the Series 2011A1 Bonds of the issue described in the within-mentioned Indenture.

U. S. Bank National Association, as Trustee

By: [Signature]
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please print or typewrite Name and Address
including postal zip code of Transferee)

**PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFeree**

--

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing _____
_____, Attorney, to transfer said Bond on the books kept for the registration
thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed
by an Eligible Guarantor Institution
such as a Commercial Bank, Trust
Company, Securities Broker/Dealer,
Credit Union, or Savings Association who
is a member of a medallion program
approved by The Securities Transfer
Association, Inc.

REGISTERED**MATURITY VALUE****2011B1 - 1****\$73,945,516.00**

**CONNECTOR 2000 ASSOCIATION, INC.
 SENIOR SUBORDINATE CAPITAL APPRECIATION TOLL ROAD REVENUE BONDS
 (SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
 SERIES 2011B1**

MATURITY DATE	DATED DATE	YIELD	CUSIP
January 1, 2032	April 1, 2011	8.50%	20786LDV0

REGISTERED OWNER: CEDE & CO.
 Tax Identification Number 13-2555119

MATURITY VALUE: Seventy Three Million Nine Hundred Forty Five Thousand Five Hundred Sixteen Dollars (\$73,945,516.00).

MANDATORY SINKING FUND REDEMPTION SCHEDULE:

Redemption Date (January 1)	Redemption Amount	Redemption Date (January 1)	Redemption Amount
2013	\$662,274.76	2023	\$1,960,198.95
2014	692,723.92	2024	2,071,969.30
2015	749,027.81	2025	2,377,254.25
2016	834,924.29	2026	2,479,548.25
2017	1,129,556.43	2027	2,554,070.66
2018	1,248,299.51	2028	2,627,210.39
2019	1,358,990.29	2029	2,935,910.93
2020	1,478,151.45	2030	3,020,170.93
2021	1,753,281.24	2031	3,106,955.49
2022	1,854,083.22	2032 (Maturity)	3,160,274.00

CONNECTOR 2000 ASSOCIATION, INC. (the “*Association*”), for value received, hereby promises to pay to the order of the registered owner (the “*Owner*”) named above, or registered assigns, solely from the sources and as herein provided, the Maturity Value stated above on the Maturity Date stated above, together with accreted interest thereon at the yield stated above, payable on the Maturity Date stated above, subject to prior redemption as herein provided. The Maturity Value, Accreted Value and Redemption Price of this Series 2011B1 Bond is payable to the Owner hereof upon presentation and surrender of this Series 2011B1 Bond at the corporate trust office of U.S. Bank National Association (the “*Trustee*” or “*Paying Agent*”) in St. Paul, Minnesota or such other office designated by the Trustee. Notwithstanding the foregoing, so long as Cede & Co. is the Owner of this Series 2011B1 Bond, the Debt Service on this Series 2011B1 Bond shall be paid by wire transfer to Cede & Co. Any payment of Debt Service on this Series 2011B1 Bond that is due on a day which is not a Business Day shall be made on the next succeeding Business Day with the same effect as if made on the day on which it was originally scheduled. All payments of Debt Service on this Series 2011B1 Bond shall be made in lawful money of the United States of America.

Notwithstanding any other provision hereof, this Series 2011B1 Bond is issued in book-entry form maintained by DTC, and the payment of principal, premium, if any, and interest, the providing of notices and other matters shall be made as described in the Association's Letter of Representations to DTC.

This Series 2011B1 Bond is one of an issue of Connector 2000 Association, Inc. Senior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011B1 (the "**Series 2011B1 Bonds**"), having an aggregate Maturity Value of \$300,684,532.00, being issued concurrently with the Association's (i) Connector 2000 Association, Inc. Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A1 (the "**Series 2011A1 Bonds**"), issued in the aggregate Maturity Value of \$734,692,937.00, and (ii) Connector 2000 Association, Inc. Junior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011C1 issued in the aggregate Maturity Value of \$97,782,636.00 (the "**Series 2011C1 Bonds**" and, together with the Series 2011B1 Bonds and the Series 2011A1 Bonds, the "**Series 2011 New Term Bonds**"), issued under that certain First Amended and Restated Master Indenture of Trust dated as of April 1, 2011 as supplemented and amended by that certain First Supplemental Indenture of Trust dated as of May 1, 2012 effective as of April 21, 2011 (together, the "**Indenture**") between the Association and the Trustee and that certain Order (I) Authorizing A Supplement To The Indenture In Aid Of Implementation Of The Plan: and (II) Approving Bond Exchange Materials And Procedures For Term Bonds of the United States Bankruptcy Court for the District of South Carolina entered on April 10, 2012 (the "**Order**"). The Series 2011 New Term Bonds are issued in exchange for certain Series 2011 Bonds as provided in the Indenture and the Order. The Series 2011 New Term Bonds continue to evidence debt of the Association incurred for the construction and financing of the Southern Connector Project, as defined in the Indenture. Capitalized terms not otherwise defined herein are intended to have the meanings assigned thereto in the Indenture or the Order, if defined therein.

This Series 2011B1 Bond and the premium, if any, and the interest hereon are special, limited, non-recourse obligations of the Association payable solely from the Trust Estate, as defined in the Indenture, including the Revenues, as defined in the Indenture, in accordance with the Indenture. Such Revenues are pledged to the payment of the Bonds to the extent and as provided in the Indenture. Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Association, the rights of the Owners, as defined in the Indenture, of the Series 2011B1 Bonds and the terms upon which the Series 2011B1 Bonds are issued and secured. Additional Bonds ranking senior to, on parity with or subordinate to the Series 2011B1 Bonds may be issued on the terms provided in the Indenture. The Indenture constitutes a contract between the Owner of this Series 2011B1 Bond and the Association. This Series 2011B1 Bond certificate is only the evidence of such contract and, as such, is subject in all respects to the terms of the Indenture, which supersedes any inconsistent statement herein.

THE SERIES 2011B1 BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE STATE OF SOUTH CAROLINA (THE "**STATE**") OR THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION ("**SCDOT**") WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OR AN OBLIGATION (LEGAL, MORAL OR OTHERWISE) OF THE STATE, SCDOT OR ANY AGENCY, DEPARTMENT OR POLITICAL SUBDIVISION OF THE STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF GREENVILLE, SOUTH CAROLINA OR THE CITY OF GREENVILLE, SOUTH CAROLINA) OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE STATE, SCDOT OR ANY AGENCY, DEPARTMENT OR POLITICAL SUBDIVISION OF THE

STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF GREENVILLE, SOUTH CAROLINA OR THE CITY OF GREENVILLE, SOUTH CAROLINA).

The Series 2011B1 Bonds may be called for optional, extraordinary and mandatory redemption by the Association as provided in the Indenture. The Trustee shall timely send notices of redemption of this Series 2011B1 Bond at the times and in the amounts provided in the Indenture. In the case of Mandatory Sinking Fund Redemption at the time such notices of redemption are delivered, there will not be funds in the Senior Subordinate Bonds Debt Service Account so such notices of redemption will be conditioned on the deposit of funds into the Senior Subordinate Bonds Debt Service Account sufficient to pay the Redemption Price of the Sinking Fund Installments of the Series 2011B1 Bonds to be redeemed. In the event that any Mandatory Sinking Fund Redemption of any part of this Series 2011B1 Bond on any January 1 is cancelled due to insufficient funds available in the Senior Subordinate Bonds Debt Service Account to pay any Sinking Fund Installment in full, the Trustee will timely deliver notice of the redemption for February 15 of that same calendar year as provided in Section 305 of the Indenture in the aggregate Redemption Price not greater than the available balance in the Senior Subordinate Bonds Debt Service Account without further accretion. The Redemption Price of this Series 2011B1 Bond called for redemption on such February 15 will be equal to its Accreted Value as of such January 1 (of the same calendar year), not its Accreted Value as of the February 15 Redemption Date.

No Owner of any Series 2011B1 Bond shall have any right to institute any suit, action or proceedings at law or in equity for the appointment of a receiver or for any other remedy under the Indenture or by reason thereof, except to the extent and in the circumstances permitted by the Indenture.

The Series 2011B1 Bonds are issued in fully registered form in denominations of \$1.00 in Maturity Value and integral multiples thereof (the “*Authorized Denominations*”). Upon surrender for transfer or exchange of this Series 2011B1 Bond at the designated office of the Registrar, together with a written instrument of transfer or written request for exchange, as the case may be, satisfactory to the Registrar duly executed by the Owner or the Owner’s duly authorized attorney, the Association shall execute and the Trustee or the duly authorized Authenticating Agent, as defined in the Indenture, shall authenticate and deliver Series 2011B1 Bonds in accordance with the provisions of, and subject to the limitations and conditions contained in, the Indenture, a new Series 2011B1 Bond or Series 2011B1 Bonds of the same aggregate Maturity Value, Accreted Value and maturity as the surrendered Series 2011B1 Bond. For every such transfer of Series 2011B1 Bonds pursuant to the Indenture, whether temporary or definitive, the Association, the Trustee, the Registrar, and any Authenticating Agent may make a charge sufficient to reimburse it or them for any expense, tax, fee or other governmental charge required to be paid with respect to such transfer. In addition, for every exchange of Series 2011B1 Bonds (other than the exchange of temporary Series 2011B1 Bonds for definitive Series 2011B1 Bonds), the Association, the Trustee, the Registrar, and any Authenticating Agent may make reasonable charges to cover the costs of printing Series 2011B1 Bonds including any Trustee’s, Registrar’s, or Authenticating Agent’s charges in connection therewith. The payment of such sum or sums shall be made by the Owner requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Registrar shall not be required to transfer or exchange Series 2011B1 Bonds for a period of 15 days next preceding the selection of Series 2011B1 Bonds for redemption or to transfer or exchange any Series 2011B1 Bonds called for redemption.

The Association, the Trustee, and any other Fiduciary, as defined in the Indenture, may deem and treat the person in whose name this Series 2011B1 Bond shall be registered in the Register as the absolute Owner of this Series 2011B1 Bond, whether this Series 2011B1 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Debt Service and Redemption Price of this Series 2011B1 Bond and for all other purposes, and all such payments so made to any such Owner or upon the Owner’s order shall be valid and effectual to satisfy and discharge the liability upon this Series 2011B1

Bond to the extent of the sum or sums so paid, and the Association, the Trustee, and any other Fiduciary shall not be affected by any notice to the contrary.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Series 2011B1 Bond have happened, exist and have been performed.

This Series 2011B1 Bond shall not be valid or entitled to any security or benefit under the Indenture until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, the Connector 2000 Association, Inc. has caused this Series 2011B1 Bond to be signed by its Chairman by his manual signature and its corporate seal to be impressed thereon and attested to by the manual signature of its Secretary, and this Series 2011B1 Bond to be dated the Dated Date set forth above.

CONNECTOR 2000 ASSOCIATION, INC.

By: William A. Chyzak
Chairman

(SEAL)

Attest:

Seahwa Chyzak
Secretary

CERTIFICATE OF AUTHENTICATION

Date of Authentication: 5/31/2012

This Series 2011B1 Bond is one of the Series 2011B1 Bonds of the issue described in the within-mentioned Indenture.

U. S. Bank National Association, as Trustee

By: [Signature]
Authorized Officer

SPECIMEN

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please print or typewrite Name and Address
including postal zip code of Transferee)

**PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFeree**

--

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing _____
_____, Attorney, to transfer said Bond on the books kept for the registration thereof,
with full power of substitution in the premises.

Date: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed
by an Eligible Guarantor Institution
such as a Commercial Bank, Trust
Company, Securities Broker/Dealer,
Credit Union, or Savings Association who
is a member of a medallion program
approved by The Securities Transfer
Association, Inc.

REGISTERED**MATURITY VALUE****2011B1 - 2****\$226,739,016.00**

CONNECTOR 2000 ASSOCIATION, INC.
SENIOR SUBORDINATE CAPITAL APPRECIATION TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011B1

MATURITY DATE	DATED DATE	YIELD	CUSIP
July 22, 2051	April 1, 2011	9.00%	20786LDW8

REGISTERED OWNER: CEDE & CO.
Tax Identification Number 13-2555119

MATURITY VALUE: Two Hundred Twenty Six Million Seven Hundred Thirty Nine Thousand Sixteen Dollars (\$226,739,016.00).

MANDATORY SINKING FUND REDEMPTION SCHEDULE:

Redemption Date (January 1)	Redemption Amount	Redemption Date	Redemption Amount
2033	\$3,626,161.92	1/1/2043	\$5,179,697.99
2034	3,689,692.73	1/1/2044	5,206,630.92
2035	3,753,737.36	1/1/2045	5,734,553.74
2036	3,819,013.87	1/1/2046	5,765,542.44
2037	4,330,768.15	1/1/2047	5,796,039.87
2038	4,406,841.20	1/1/2048	5,825,776.32
2039	4,484,126.03	1/1/2049	6,377,118.88
2040	4,562,738.28	1/1/2050	6,411,202.21
2041	5,124,741.46	1/1/2051	6,444,578.56
2042	5,152,441.38	7/22/2051 (Maturity)	3,616,453.00

CONNECTOR 2000 ASSOCIATION, INC. (the “*Association*”), for value received, hereby promises to pay to the order of the registered owner (the “*Owner*”) named above, or registered assigns, solely from the sources and as herein provided, the Maturity Value stated above on the Maturity Date stated above, together with accreted interest thereon at the yield stated above, payable on the Maturity Date stated above, subject to prior redemption as herein provided. The Maturity Value, Accreted Value and Redemption Price of this Series 2011B1 Bond is payable to the Owner hereof upon presentation and surrender of this Series 2011B1 Bond at the corporate trust office of U.S. Bank National Association (the “*Trustee*” or “*Paying Agent*”) in St. Paul, Minnesota or such other office designated by the Trustee. Notwithstanding the foregoing, so long as Cede & Co. is the Owner of this Series 2011B1 Bond, the Debt Service on this Series 2011B1 Bond shall be paid by wire transfer to Cede & Co. Any payment of Debt Service on this Series 2011B1 Bond that is due on a day which is not a Business Day shall be made on the next succeeding Business Day with the same effect as if made on the day on which it was originally scheduled. All payments of Debt Service on this Series 2011B1 Bond shall be made in lawful money of the United States of America.

Notwithstanding any other provision hereof, this Series 2011B1 Bond is issued in book-entry form maintained by DTC, and the payment of principal, premium, if any, and interest, the providing of notices and other matters shall be made as described in the Association's Letter of Representations to DTC.

This Series 2011B1 Bond is one of an issue of Connector 2000 Association, Inc. Senior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011B1 (the "**Series 2011B1 Bonds**"), having an aggregate Maturity Value of \$300,684,532.00, being issued concurrently with the Association's (i) Connector 2000 Association, Inc. Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A1 (the "**Series 2011A1 Bonds**"), issued in the aggregate Maturity Value of \$734,692,937.00, and (ii) Connector 2000 Association, Inc. Junior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011C1 issued in the aggregate Maturity Value of \$97,782,636.00 (the "**Series 2011C1 Bonds**" and, together with the Series 2011B1 Bonds and the Series 2011A1 Bonds, the "**Series 2011 New Term Bonds**"), issued under that certain First Amended and Restated Master Indenture of Trust dated as of April 1, 2011 as supplemented and amended by that certain First Supplemental Indenture of Trust dated as of May 1, 2012 effective as of April 21, 2011 (together, the "**Indenture**") between the Association and the Trustee and that certain Order (I) Authorizing A Supplement To The Indenture In Aid Of Implementation Of The Plan: and (II) Approving Bond Exchange Materials And Procedures For Term Bonds of the United States Bankruptcy Court for the District of South Carolina entered on April 10, 2012 (the "**Order**"). The Series 2011 New Term Bonds are issued in exchange for certain Series 2011 Bonds as provided in the Indenture and the Order. The Series 2011 New Term Bonds continue to evidence debt of the Association incurred for the construction and financing of the Southern Connector Project, as defined in the Indenture. Capitalized terms not otherwise defined herein are intended to have the meanings assigned thereto in the Indenture or the Order, if defined therein.

This Series 2011B1 Bond and the premium, if any, and the interest hereon are special, limited, non-recourse obligations of the Association payable solely from the Trust Estate, as defined in the Indenture, including the Revenues, as defined in the Indenture, in accordance with the Indenture. Such Revenues are pledged to the payment of the Bonds to the extent and as provided in the Indenture. Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Association, the rights of the Owners, as defined in the Indenture, of the Series 2011B1 Bonds and the terms upon which the Series 2011B1 Bonds are issued and secured. Additional Bonds ranking senior to, on parity with or subordinate to the Series 2011B1 Bonds may be issued on the terms provided in the Indenture. The Indenture constitutes a contract between the Owner of this Series 2011B1 Bond and the Association. This Series 2011B1 Bond certificate is only the evidence of such contract and, as such, is subject in all respects to the terms of the Indenture, which supersedes any inconsistent statement herein.

THE SERIES 2011B1 BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE STATE OF SOUTH CAROLINA (THE "**STATE**") OR THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION ("**SCDOT**") WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OR AN OBLIGATION (LEGAL, MORAL OR OTHERWISE) OF THE STATE, SCDOT OR ANY AGENCY, DEPARTMENT OR POLITICAL SUBDIVISION OF THE STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF GREENVILLE, SOUTH CAROLINA OR THE CITY OF GREENVILLE, SOUTH CAROLINA) OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE STATE, SCDOT OR ANY AGENCY, DEPARTMENT OR POLITICAL SUBDIVISION OF THE

STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF GREENVILLE, SOUTH CAROLINA OR THE CITY OF GREENVILLE, SOUTH CAROLINA).

The Series 2011B1 Bonds may be called for optional, extraordinary and mandatory redemption by the Association as provided in the Indenture. The Trustee shall timely send notices of redemption of this Series 2011B1 Bond at the times and in the amounts provided in the Indenture. In the case of Mandatory Sinking Fund Redemption at the time such notices of redemption are delivered, there will not be funds in the Senior Subordinate Bonds Debt Service Account so such notices of redemption will be conditioned on the deposit of funds into the Senior Subordinate Bonds Debt Service Account sufficient to pay the Redemption Price of the Sinking Fund Installments of the Series 2011B1 Bonds to be redeemed. In the event that any Mandatory Sinking Fund Redemption of any part of this Series 2011B1 Bond on any January 1 is cancelled due to insufficient funds available in the Senior Subordinate Bonds Debt Service Account to pay any Sinking Fund Installment in full, the Trustee will timely deliver notice of the redemption for February 15 of that same calendar year as provided in Section 305 of the Indenture in the aggregate Redemption Price not greater than the available balance in the Senior Subordinate Bonds Debt Service Account without further accretion. The Redemption Price of this Series 2011B1 Bond called for redemption on such February 15 will be equal to its Accreted Value as of such January 1 (of the same calendar year), not its Accreted Value as of the February 15 Redemption Date.

No Owner of any Series 2011B1 Bond shall have any right to institute any suit, action or proceedings at law or in equity for the appointment of a receiver or for any other remedy under the Indenture or by reason thereof, except to the extent and in the circumstances permitted by the Indenture.

The Series 2011B1 Bonds are issued in fully registered form in denominations of \$1.00 in Maturity Value and integral multiples thereof (the “*Authorized Denominations*”). Upon surrender for transfer or exchange of this Series 2011B1 Bond at the designated office of the Registrar, together with a written instrument of transfer or written request for exchange, as the case may be, satisfactory to the Registrar duly executed by the Owner or the Owner’s duly authorized attorney, the Association shall execute and the Trustee or the duly authorized Authenticating Agent, as defined in the Indenture, shall authenticate and deliver Series 2011B1 Bonds in accordance with the provisions of, and subject to the limitations and conditions contained in, the Indenture, a new Series 2011B1 Bond or Series 2011B1 Bonds of the same aggregate Maturity Value, Accreted Value and maturity as the surrendered Series 2011B1 Bond. For every such transfer of Series 2011B1 Bonds pursuant to the Indenture, whether temporary or definitive, the Association, the Trustee, the Registrar, and any Authenticating Agent may make a charge sufficient to reimburse it or them for any expense, tax, fee or other governmental charge required to be paid with respect to such transfer. In addition, for every exchange of Series 2011B1 Bonds (other than the exchange of temporary Series 2011B1 Bonds for definitive Series 2011B1 Bonds), the Association, the Trustee, the Registrar, and any Authenticating Agent may make reasonable charges to cover the costs of printing Series 2011B1 Bonds including any Trustee’s, Registrar’s, or Authenticating Agent’s charges in connection therewith. The payment of such sum or sums shall be made by the Owner requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Registrar shall not be required to transfer or exchange Series 2011B1 Bonds for a period of 15 days next preceding the selection of Series 2011B1 Bonds for redemption or to transfer or exchange any Series 2011B1 Bonds called for redemption.

The Association, the Trustee, and any other Fiduciary, as defined in the Indenture, may deem and treat the person in whose name this Series 2011B1 Bond shall be registered in the Register as the absolute Owner of this Series 2011B1 Bond, whether this Series 2011B1 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Debt Service and Redemption Price of this Series 2011B1 Bond and for all other purposes, and all such payments so made to any such Owner or upon the Owner’s order shall be valid and effectual to satisfy and discharge the liability upon this Series 2011B1

Bond to the extent of the sum or sums so paid, and the Association, the Trustee, and any other Fiduciary shall not be affected by any notice to the contrary.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Series 2011B1 Bond have happened, exist and have been performed.

This Series 2011B1 Bond shall not be valid or entitled to any security or benefit under the Indenture until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, the Connector 2000 Association, Inc. has caused this Series 2011B1 Bond to be signed by its Chairman by his manual signature and its corporate seal to be impressed thereon and attested to by the manual signature of its Secretary, and this Series 2011B1 Bond to be dated the Dated Date set forth above.

CONNECTOR 2000 ASSOCIATION, INC.

By: William A. Carpenter
Chairman

(SEAL)

Attest:

[Signature]
Secretary

CERTIFICATE OF AUTHENTICATION

Date of Authentication: 5/31/2012

This Series 2011B1 Bond is one of the Series 2011B1 Bonds of the issue described in the within-mentioned Indenture.

U. S. Bank National Association, as Trustee

By: [Signature]
Authorized Officer

SPECIMEN

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please print or typewrite Name and Address
including postal zip code of Transferee)

**PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFeree**

--

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing _____
_____, Attorney, to transfer said Bond on the books kept for the registration thereof,
with full power of substitution in the premises.

Date: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed
by an Eligible Guarantor Institution
such as a Commercial Bank, Trust
Company, Securities Broker/Dealer,
Credit Union, or Savings Association who
is a member of a medallion program
approved by The Securities Transfer
Association, Inc.

REGISTERED**MATURITY VALUE****2011C1 - 1****\$97,782,636.00**

**CONNECTOR 2000 ASSOCIATION, INC.
JUNIOR SUBORDINATE CAPITAL APPRECIATION TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011C1**

MATURITY DATE	DATED DATE	YIELD	CUSIP
July 22, 2051	April 1, 2011	10.00%	20786LDX6

REGISTERED OWNER: CEDE & CO.
Tax Identification Number 13-2555119

MATURITY VALUE: Ninety Seven Million Seven Hundred Eighty Two Thousand Six Hundred Thirty Six Dollars (\$97,782,636.00).

MANDATORY SINKING FUND REDEMPTION SCHEDULE:

Redemption Date (January 1)	Redemption Amount	Redemption Date (January 1)	Redemption Amount	Redemption Date	Redemption Amount
2013	\$81,503.14	2026	\$305,126.11	1/1/2039	\$551,768.10
2014	85,236.02	2027	314,287.46	1/1/2040	561,431.99
2015	92,166.08	2028	323,302.29	1/1/2041	630,587.71
2016	102,745.72	2029	361,292.77	1/1/2042	633,994.86
2017	138,988.19	2030	371,664.38	1/1/2043	637,354.62
2018	153,634.39	2031	382,341.61	1/1/2044	640,670.10
2019	167,244.93	2032	388,886.40	1/1/2045	705,639.94
2020	181,909.52	2033	446,202.22	1/1/2046	709,437.00
2021	215,763.27	2034	454,001.57	1/1/2047	713,194.12
2022	228,152.61	2035	461,884.35	1/1/2048	716,842.35
2023	241,221.56	2036	469,932.40	1/1/2049	784,693.56
2024	254,963.44	2037	532,885.53	1/1/2050	788,914.27
2025	292,554.77	2038	542,243.69	1/1/2051	792,985.69
				7/22/2051 (Maturity)	445,033.00

CONNECTOR 2000 ASSOCIATION, INC. (the “*Association*”), for value received, hereby promises to pay to the order of the registered owner (the “*Owner*”) named above, or registered assigns, solely from the sources and as herein provided, the Maturity Value stated above on the Maturity Date stated above, together with accreted interest thereon at the yield stated above, payable on the Maturity Date stated above, subject to prior redemption as herein provided. The Maturity Value, Accreted Value and Redemption Price of this Series 2011C1 Bond is payable to the Owner hereof upon presentation and surrender of this Series 2011C1 Bond at the corporate trust office of U.S. Bank National Association (the “*Trustee*” or “*Paying Agent*”) in St. Paul, Minnesota or such other office designated by the Trustee. Notwithstanding the foregoing, so long as Cede & Co. is the Owner of this Series 2011C1 Bond, the Debt Service on this Series 2011C1 Bond shall be paid by wire transfer to Cede & Co. Any payment of Debt

Service on this Series 2011C1 Bond that is due on a day which is not a Business Day shall be made on the next succeeding Business Day with the same effect as if made on the day on which it was originally scheduled. All payments of Debt Service on this Series 2011C1 Bond shall be made in lawful money of the United States of America.

Notwithstanding any other provision hereof, this Series 2011C1 Bond is issued in book-entry form maintained by DTC, and the payment of principal, premium, if any, and interest, the providing of notices and other matters shall be made as described in the Association's Letter of Representations to DTC.

This Series 2011C1 Bond is one of an issue of Connector 2000 Association, Inc. Junior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011C1 (the "**Series 2011C1 Bonds**"), having an aggregate Maturity Value of \$97,782,636.00, being issued concurrently with the Association's (i) Connector 2000 Association, Inc. Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A1 (the "**Series 2011A1 Bonds**"), issued in the aggregate Maturity Value of \$734,692,937.00, and (ii) Connector 2000 Association, Inc. Senior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011B1 issued in the aggregate Maturity Value of \$300,684,532.00 (the "**Series 2011B1 Bonds**" and, together with the Series 2011C1 Bonds and the Series 2011A1 Bonds, the "**Series 2011 New Term Bonds**"), issued under that certain First Amended and Restated Master Indenture of Trust dated as of April 1, 2011 as supplemented and amended by that certain First Supplemental Indenture of Trust dated as of May 1, 2012 effective as of April 21, 2011 (together, the "**Indenture**") between the Association and the Trustee and that certain Order (I) Authorizing A Supplement To The Indenture In Aid Of Implementation Of The Plan: and (II) Approving Bond Exchange Materials And Procedures For Term Bonds of the United States Bankruptcy Court for the District of South Carolina entered on April 10, 2012 (the "**Order**"). The Series 2011 New Term Bonds are issued in exchange for certain Series 2011 Bonds as provided in the Indenture and the Order. The Series 2011 New Term Bonds continue to evidence debt of the Association incurred for the construction and financing of the Southern Connector Project, as defined in the Indenture. Capitalized terms not otherwise defined herein are intended to have the meanings assigned thereto in the Indenture or the Order, if defined therein.

This Series 2011C1 Bond and the premium, if any, and the interest hereon are special, limited, non-recourse obligations of the Association payable solely from the Trust Estate, as defined in the Indenture, including the Revenues, as defined in the Indenture, in accordance with the Indenture. Such Revenues are pledged to the payment of the Bonds to the extent and as provided in the Indenture. Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Association, the rights of the Owners, as defined in the Indenture, of the Series 2011C1 Bonds and the terms upon which the Series 2011C1 Bonds are issued and secured. Additional Bonds ranking senior to or on parity with the Series 2011C1 Bonds may be issued on the terms provided in the Indenture. The Indenture constitutes a contract between the Owner of this Series 2011C1 Bond and the Association. This Series 2011C1 Bond certificate is only the evidence of such contract and, as such, is subject in all respects to the terms of the Indenture, which supersedes any inconsistent statement herein.

THE SERIES 2011C1 BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE STATE OF SOUTH CAROLINA (THE "**STATE**") OR THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION ("**SCDOT**") WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OR AN OBLIGATION (LEGAL, MORAL OR OTHERWISE) OF THE STATE, SCDOT OR ANY AGENCY, DEPARTMENT

OR POLITICAL SUBDIVISION OF THE STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF GREENVILLE, SOUTH CAROLINA OR THE CITY OF GREENVILLE, SOUTH CAROLINA) OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE STATE, SCDOT OR ANY AGENCY, DEPARTMENT OR POLITICAL SUBDIVISION OF THE STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF GREENVILLE, SOUTH CAROLINA OR THE CITY OF GREENVILLE, SOUTH CAROLINA).

The Series 2011C1 Bonds may be called for optional, extraordinary and mandatory redemption by the Association as provided in the Indenture. The Trustee shall timely send notices of redemption of this Series 2011C1 Bond at the times and in the amounts provided in the Indenture. In the case of Mandatory Sinking Fund Redemption at the time such notices of redemption are delivered, there will not be funds in the Junior Subordinate Bonds Debt Service Account so such notices of redemption will be conditioned on the deposit of funds into the Junior Subordinate Bonds Debt Service Account sufficient to pay the Redemption Price of the Sinking Fund Installments of the Series 2011C1 Bonds to be redeemed. In the event that any Mandatory Sinking Fund Redemption of any part of this Series 2011C1 Bond on any January 1 is cancelled due to insufficient funds available in the Junior Subordinate Bonds Debt Service Account to pay any Sinking Fund Installment in full, the Trustee will timely deliver notice of the redemption for February 15 of that same calendar year as provided in Section 305 of the Indenture in the aggregate Redemption Price not greater than the available balance in the Junior Subordinate Bonds Debt Service Account without further accretion. The Redemption Price of this Series 2011C1 Bond called for redemption on such February 15 will be equal to its Accreted Value as of such January 1 (of the same calendar year), not its Accreted Value as of the February 15 Redemption Date.

No Owner of any Series 2011C1 Bond shall have any right to institute any suit, action or proceedings at law or in equity for the appointment of a receiver or for any other remedy under the Indenture or by reason thereof, except to the extent and in the circumstances permitted by the Indenture.

The Series 2011C1 Bonds are issued in fully registered form in denominations of \$1.00 in Maturity Value and integral multiples thereof (the “**Authorized Denominations**”). Upon surrender for transfer or exchange of this Series 2011C1 Bond at the designated office of the Registrar, together with a written instrument of transfer or written request for exchange, as the case may be, satisfactory to the Registrar duly executed by the Owner or the Owner’s duly authorized attorney, the Association shall execute and the Trustee or the duly authorized Authenticating Agent, as defined in the Indenture, shall authenticate and deliver Series 2011C1 Bonds in accordance with the provisions of, and subject to the limitations and conditions contained in, the Indenture, a new Series 2011C1 Bond or Series 2011C1 Bonds of the same aggregate Maturity Value, Accreted Value and maturity as the surrendered Series 2011C1 Bond. For every such transfer of Series 2011C1 Bonds pursuant to the Indenture, whether temporary or definitive, the Association, the Trustee, the Registrar, and any Authenticating Agent may make a charge sufficient to reimburse it or them for any expense, tax, fee or other governmental charge required to be paid with respect to such transfer. In addition, for every exchange of Series 2011C1 Bonds (other than the exchange of temporary Series 2011C1 Bonds for definitive Series 2011C1 Bonds), the Association, the Trustee, the Registrar, and any Authenticating Agent may make reasonable charges to cover the costs of printing Series 2011C1 Bonds including any Trustee’s, Registrar’s, or Authenticating Agent’s charges in connection therewith. The payment of such sum or sums shall be made by the Owner requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Registrar shall not be required to transfer or exchange Series 2011C1 Bonds for a period of 15 days next preceding the selection of Series 2011C1 Bonds for redemption or to transfer or exchange any Series 2011C1 Bonds called for redemption.

The Association, the Trustee, and any other Fiduciary, as defined in the Indenture, may deem and treat the person in whose name this Series 2011C1 Bond shall be registered in the Register as the absolute

Owner of this Series 2011C1 Bond, whether this Series 2011C1 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Debt Service and Redemption Price of this Series 2011C1 Bond and for all other purposes, and all such payments so made to any such Owner or upon the Owner's order shall be valid and effectual to satisfy and discharge the liability upon this Series 2011C1 Bond to the extent of the sum or sums so paid, and the Association, the Trustee, and any other Fiduciary shall not be affected by any notice to the contrary.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Series 2011C1 Bond have happened, exist and have been performed.

This Series 2011C1 Bond shall not be valid or entitled to any security or benefit under the Indenture until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, the Connector 2000 Association, Inc. has caused this Series 2011C1 Bond to be signed by its Chairman by his manual signature and its corporate seal to be impressed thereon and attested to by the manual signature of its Secretary, and this Series 2011C1 Bond to be dated the Dated Date set forth above.

CONNECTOR 2000 ASSOCIATION, INC.

By:


Chairman

(SEAL)

Attest:


Secretary

CERTIFICATE OF AUTHENTICATION

Date of Authentication: 5/31/2012

This Series 2011C1 Bond is one of the Series 2011C1 Bonds of the issue described in the within-mentioned Indenture.

U. S. Bank National Association, as Trustee

By: [Signature]
Authorized Officer

SPECIMEN

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please print or typewrite Name and Address
including postal zip code of Transferee)

**PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFeree**

--

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing _____
_____, Attorney, to transfer said Bond on the books kept for the registration
thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed
by an Eligible Guarantor Institution
such as a Commercial Bank, Trust
Company, Securities Broker/Dealer,
Credit Union, or Savings Association who
is a member of a medallion program
approved by The Securities Transfer
Association, Inc.

The Depository Trust Company

A subsidiary of the Depository Trust & Clearing Corporation

ISSUER LETTER OF REPRESENTATIONS

(To be completed by Issuer and Co-Issuer(s), if applicable)

Connector 2000 Association, Inc.

(Name of Issuer and Co-Issuer(s), if applicable)

Connector 2000 Association, Inc. Toll Road Revenue Bonds (Southern Connector Project,
Greenville, South Carolina) By-Lot Series 2011A1, 2011B1, and 2011C1

(Security Description, including series designation if applicable)

See attached Schedule

(CUSIP Number(s) of the Securities)

May 17, 2012

(Date)

The Depository Trust Company
55 Water Street, 15L
New York, NY 10041-0099
Attention: Underwriting Department

Ladies and Gentlemen:

This letter sets forth our understanding with respect to the Securities represented by the CUSIP number(s) referenced above (the "Securities"). Issuer requests that The Depository Trust Company ("DTC") accept the Securities as eligible for deposit at DTC.

Issuer is: (Note: **Issuer must represent one and cross out the other.**)

[incorporated in] ~~[formed under the laws of]~~ State of South Carolina

The DTC Clearing Participant N/A will distribute the Securities through DTC.

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Very truly yours,

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Received and Accepted
THE DEPOSITORY TRUST COMPANY

By: *Jeannie Maurer*



The Depository Trust &
Clearing Corporation

Connector 2000 Association, Inc.

By: *Peter C. Femia*

(Authorized Officer's Signature)

Peter C. Femia, General Manager

(Print Name)

PO Box 408

(Street Address)

Piedmont, SC USA 29673

(City)

(State)

(Country)

(Zip Code)

(864) 527-2151

(Phone Number)

peterf@southernconnector.com

(E-mail Address)

ILOR 08-10-11

SCHEDULE "A"

Connector 2000 Association, Inc. Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina) By-Lot Series 2011A1, 2011B1, and Series 2011C1.

Term By-Lot Series 2011A1 Capital Appreciation Bonds

<u>Maturity Date</u>	<u>Original Principal Amount</u>	<u>Maturity Value</u>	<u>Yield</u>	<u>CUSIP</u>
January 1, 2032	\$40,455,704.00	\$149,446,102.00	6.50%	20786LDS7
January 1, 2042	31,336,681.00	250,959,619.00	7.00%	20786LDT5
July 22, 2051	18,117,434.00	334,287,216.00	7.50%	20786LDU2

By-Lot Series 2011B1 Bonds Debt Service Table

Term By-Lot Series 2011B1 Capital Appreciation Bonds

<u>Maturity Date</u>	<u>Original Principal Amount</u>	<u>Maturity Value</u>	<u>Yield</u>	<u>CUSIP</u>
January 1, 2032	\$13,971,071.00	\$73,945,516.00	8.50%	20786LDV0
July 22, 2051	7,029,534.00	226,739,016.00	9.00%	20786LDW8

By-Lot Series 2011C1 Bonds Debt Service Table

Term By-Lot Series 2011C1 Capital Appreciation Bonds

<u>Maturity Date</u>	<u>Original Principal Amount</u>	<u>Maturity Value</u>	<u>Yield</u>	<u>CUSIP</u>
July 22, 2051	\$2,142,491.00	97,782,636.00	10.00%	20786LDX6



Corporate Trust Services
60 Livingston Avenue, EP-MN-WS1D
St. Paul, MN 55107

Notice #2

NOTICE OF HEARING ON MOTION SEEKING EXCHANGE OF TERM BONDS

**Re: Connector 2000 Association, Inc. Toll Road Revenue Bonds
(Southern Connector Project, Greenville, South Carolina),
Series 2011A, Series 2011B and Series 2011C**

CUSIP Prefix 20786L

[Please forward to beneficial owners]

U.S. Bank National Association is the trustee (the “Trustee”) for the holders of the Connector 2000 Association, Inc. Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A, Series 2011B and Series 2011C (the “Bonds”), which were issued under the Amended and Restated Master Indenture of Trust dated as of April 1, 2011 (the “Indenture”) between Connector 2000 Association, Inc. (the “Association”) and the Trustee, as authorized under the Association’s First Amended Plan for Adjustment of Debts under Chapter 9 of the Bankruptcy Code, confirmed on April 1, 2011 (the “Plan”). Holders and beneficial owners of the Bonds are referred to herein as the “Bondholders”.

Capitalized terms used in this notice and not defined herein have the meaning ascribed to such terms in the Indenture.

I. Background for Notice.

A material technical issue has arisen regarding the Bonds which is described below together with a proposed solution. First, it might be helpful to repeat some background related to the Association and the Bonds. This background comes in part from the Plan and the related Disclosure Statement that were utilized and should have been previously made available to you by the Association in connection with its Chapter 9 bankruptcy proceeding (the “Bankruptcy Case”). Although the Plan was confirmed, the Bankruptcy Case is still pending before the United States Bankruptcy Court for the District of South Carolina (the “Bankruptcy Court”) as Chapter 9 Case No. 10-04467-dd.

Pursuant to the confirmed Plan, on April 21, 2011, the Association issued the Bonds under the Indenture. There are three series of Bonds of differing priorities (Series 2011A, 2011B, and 2011C). The Bonds have 17 separate CUSIPs (unique identifiers) and consist of two types of capital appreciation bonds, serial and term. The eleven “serial” capital appreciation bonds mature annually on each January 1st of the years 2012 to 2022 inclusive (the “Serial Bonds”).

The six “term” capital appreciation bonds mature over a term of years in a final specified maturity year (respectively, 2032, 2042, 2051, and 2051) (the “Term Bonds”). The Term Bonds have scheduled annual paydown amounts prior to their maturity.

The Bonds are registered through the Depository Trust Company (“DTC”) as book-entry bonds, as is customary in the municipal bond business. A problem arose with the DTC registration, however. This issue is summarized briefly herein but is further set forth in the Motion (as defined below) and other attachments hereto and qualified by reference thereto. The Plan contemplated that the Bonds would be issued in authorized denominations of \$1.00 of Maturity Value, discounted to their Original Principal Amounts at the yield on each such Series 2011 Term Bond, subject to annual mandatory sinking fund redemption at their Accreted Value (expressed as a discount to their Maturity Value). In addition, it was contemplated that holders would receive pro-rata portions of any redemption payments on the Bonds.

Due to the pro rata payment feature discussed above, DTC was unable to register the Bonds at their maturity value, and would only register the Bonds at their initial issuance amount. Because virtually all public bond issues are registered with DTC in order to facilitate payment upon and trading of the bonds, and the Disclosure Statement provided for the Bonds to be issued through DTC, the Bonds were registered at their issuance value of \$1.00 per authorized denomination as then required by DTC.

A number of institutional holders of the Bonds have informed the Association and the Trustee that registration at issuance value creates a problem in trading the Bonds. We understand this is because the brokers' and industry pricing systems for trading capital appreciation bonds such as the Bonds are set up to use only maturity values as further set forth in the Motion. These holders have informed the Trustee and the Association that it is impossible to convert or translate the “issuance” value listing into maturity value to allow entry and pricing of the bonds on the broker's systems.

The Trustee has been working for months to resolve this issue with DTC and the Association. The Trustee and its advisors conducted a number of extensive discussions with DTC in an attempt to have it reflect the Bonds on the DTC system at maturity value. Following one of these discussions, DTC re-registered the Serial Bonds at their maturity value of a multiple of \$1.00 per authorized denomination. However, with respect to the Term Bonds, DTC has stated that it is unable to register them at their maturity value as currently structured because such registration does not conform to its Operational Arrangements.¹

However, as stated above, DTC has indicated that re-registration of term bonds of the Association at maturity value can occur if any pre-maturity redemption payments thereon are distributed to Bondholders on a “by lot” or lottery basis (rather than on the “pro rata” (proportional) payment method currently utilized under the Indenture) because this satisfies the terms of DTC’s Operational Arrangements. Usage of “by lot” redemptions thus would allow such term bonds to be registered by DTC at maturity value, thereby further allowing the term bonds to be entered into the broker's trading and pricing systems and facilitating trading. The

¹ DTC’s Operational Arrangements are Procedures that have been filed and approved with the U.S. Securities and Exchange Commission.

Trustee understands that holders of a majority of the Bonds are very much in favor of the foregoing “by lot” redemption methodology.

II. Proposed Resolution.

The Trustee (upon consultation with Bondholders owning a majority in principal amount of the Bonds) and the Association have been discussing a possible resolution of this issue. The proposed resolution would be to seek approval from the Bankruptcy Court to provide for amendment of the Indenture and exchange of the existing Term Bonds for new term bonds providing for redemption payments by lot, rather than on a pro rata basis (the “By-Lot Bonds”). As part of this resolution, however, if a holder wanted to retain such right to pro-rata payments under its existing Term Bonds, each Bondholder would be given the right to affirmatively elect to opt out of the exchange (“Opt Out”) and continue to hold its current Term Bonds which are subject to redemption on a pro rata basis rather than on a by lot basis (the “Retained Term Bonds”). If a bondholder does not Opt Out, its Term Bonds will be automatically exchanged for By-Lot Bonds.

If the proposed resolution is implemented, the By-Lot Bonds would be registered at DTC at their maturity value as set forth in the Motion, thus alleviating the trading issue created by current registration of the Term Bonds at issuance value. A Bondholder Opting Out of the exchange for By-Lot Bonds would continue to have redemption of its Retained Term Bonds done on a pro rata basis. However, its Retained Term Bonds also would continue to be registered at DTC at their issuance value, with the above noted negative ability or inability to trade such Retained Term Bonds of which the Trustee has been informed.

Three additional points should be noted about the proposed exchange. First, retention elections as to a holder’s investment in the Term Bonds will be “all or nothing” and must be consistent. In other words, bondholders will not be able to elect to retain part (but not all) of their investment in the Term Bonds. Second, the elections to receive By-Lot Bonds will be “now or never” from a timing perspective. If a holder Opts Out and elects to retain its current bonds, such holder will not be able in the future to convert such Retained Term Bonds to By-Lot Bonds. The opportunity to exchange will be offered only one time, regardless of any value or trading differences among the bonds or any other issues that may exist or arise with respect to the Retained Term Bonds in the future (which issues may or may not be similar to those described in the exchange documents). The proposed exchange procedures are set forth more fully in the Motion (as defined below) and accompanying documents.

Third, the change from a pro-rata distribution to redemption also introduces a time constraint not currently present in the Indenture. The current pro-rata distributions take place on each January 1 Bond Payment Date, without the need for notice thereof to the beneficial owners of the Term Bonds. However, since by-lot distributions of redemption proceeds involve the selection of certain By-Lot Bonds for payment, the Trustee will send notices of redemption of the By-Lot Bonds under the First Supplemental Indenture (as defined below) at the times and in amount of the Sinking Fund Installments set forth therein. At the time such redemption notices are delivered, there will not be funds in the debt service accounts for the various Tiers of the By-Lot Bonds, so such notices of redemption will be conditioned on the deposit of funds into such debt service accounts sufficient to pay the Redemption Price of the Sinking Fund Installments to

be redeemed. In the event that any mandatory sinking fund redemption of any By-Lot Bonds on any January 1 is cancelled due to insufficient funds being available in the applicable debt service accounts to pay any Sinking Fund Installment in full, the First Supplemental Indenture provides that the Trustee will deliver notice of the redemption of such By-Lot Bonds for February 15 of that same calendar year, as provided in Section 305 thereof, in the aggregate Redemption Price not greater than the available balance in the applicable debt service accounts on such January 1 without further accretion. The Redemption Price of By-Lot Bonds called for redemption on February 15 will be equal to the Accreted Value of such Bonds as of such January 1 (of the same calendar year), not the Accreted Value of such Bonds as of the February 15 Redemption Date. In other words, in the event of any such delayed redemption, the Bondholders selected for redemption will not receive interest accretions on the amount being distributed on February 15 for the period from January 1 to February 15.

In furtherance of the above proposed resolution providing for the exchange, the Association has filed the attached Debtor's Motion for an Order (I) Authorizing Supplement to the Indenture in Aid of Implementation of the Plan; and (II) Approving Bond Exchange Materials and Procedures for Term Bonds (the "Motion") with the Bankruptcy Court to approve the foregoing resolution and necessary conforming changes to the Indenture and the forms of the Bonds. The Motion also contains a request for the Court to approve a clarification that allows the parties to use funds in the Cost of Issuance Fund (including amounts reserved by the Trustee as of August 22, 2011 and additional amounts deposited therein as set forth in the Motion currently totaling \$583,463.75)² to pay the various fees and expenses incurred in addressing the above Plan Implementation issue. The Motion seeks to hold the Cost of Issuance Fund open through the date that is 6 months after entry of the Bankruptcy Court's Order approving the Motion. The Motion provides that costs of the exchange may only be paid from the Costs of Issuance Fund; no Costs of Issuance will be paid from the Revenue Fund. Section 503 of the Indenture provides that the Trustee thereafter will transfer any remaining amounts in the Cost of Issuance Fund to the Series 2011 Bonds Debt Service Reserve Account.

A copy of the Motion is attached hereto. You will note that attached to the Motion is a draft of the amendment to the Indenture in the form of a supplemental indenture (the "First Supplemental Indenture") to reflect the foregoing changes. The First Supplemental Indenture makes amendments to the Indenture to accommodate the exchange and resulting splitting of the Term Bonds into By-lot Bonds and Retained Bonds.

We will send a follow up notice after a decision is rendered by the Bankruptcy Court on the Motion. If the Motion is approved, the follow up notice will explain the procedure to Opt Out and affirmatively elect to retain the existing Term Bonds with the pro rata redemption feature if any Bondholders want to do so. Except for any Retained Term Bonds which a Bondholder has affirmatively elected to keep, the Term Bonds will be mandatorily exchanged as set forth above for the By-Lot Bonds, which shall be a new series of term bonds providing for the "by-lot" redemption feature. The By-Lot Bonds will be registered with DTC at their maturity value as further set forth in the Motion and attachments. This exchange to By-Lot Bonds will occur without the Bondholder taking additional action (assuming no Opt Out). These new By-Lot Bonds will have new CUSIPs. The CUSIPs will remain the same for any Retained Term

² As set forth in the Motion, this balance in the Cost of Issuance Fund is held subject to unpaid amounts due.

Bonds which a Bondholder has affirmatively elected to keep.

III. Hearing Date.

The hearing on the Motion is scheduled for 2:00 p.m. (prevailing eastern time) on April 10, 2012, before Judge David R. Duncan, at the following address: J. Bratton Davis United States Court House, 1100 Laurel Street, Columbia, SC 29202.

You are entitled to be present at the hearing and present your support or objection to the Motion. If you desire to object or appear and be heard on the Motion, you need to provide a written objection or response to the Court, on or before 5:00 p.m. (prevailing eastern time) on April 3, 2012 and serve that response on the parties set forth in the attached notice on the Motion. Objections must be timely filed and served, or such objections may be overruled. If you have objections to the Motion and fail to file and serve these objections in writing by the above deadline in accordance with the terms of the notice as applicable, you may be denied the opportunity to appear and be heard as set forth therein.

IV. Additional Information.

The Trustee directs your attention to the detailed background and historical information (i) set forth in our earlier notices (with the more recent notices available to be viewed on the Municipal Securities Rulemaking Board website at www.emma.msrb.org), and (ii) located at the Association website at www.southernconnector.com under News and Filings, Official Filings. The Bondholders are also directed to other potential sources of information, including the Bankruptcy Court's PACER public document system (fee based; PACER subscription required) found at <https://ecf.scb.uscourts.gov/cgi-bin/login.pl> or accessible with instructions through the Bankruptcy Court's website at www.scb.uscourts.gov.

The Trustee may invest funds held under the Indenture in a mutual fund for which either (a) the Trustee receives a service fee from the fund or fund service provider, or (b) investment or advisory services are provided by the Trustee or an affiliate of the Trustee. As such, the Trustee and its affiliates may receive compensation for the investment advisory, custodial, distribution and other services provided. A prospectus that explains the services and costs, including the rate, formula and method of calculating such compensation, is available by contacting U.S. Bank at (800) 934-6802, option #4, or at the following web address: www.usbank.com/corp_trust/bondholder_contact.html.

Holders should not rely on the Trustee as their sole source of information. We encourage Bondholders to keep themselves informed from other sources of available information. The Trustee may conclude that a specific response to particular inquiries from individual holders is not consistent with equal and full dissemination of information to all holders. The Trustee makes no recommendations and gives no investment advice.

Please direct any questions or comments in writing to Susan Jacobsen, U.S. Bank National Association, Corporate Trust Services, 60 Livingston Avenue, EP-MN-WS1D, St. Paul, Minnesota 55107, phone number (651) 495-3954, fax number (651) 495-8100, or by e-mail to susan.jacobsen2@usbank.com.

**U. S. Bank National Association,
as Indenture Trustee**

February 8, 2012

**THE ATTACHMENTS TO THIS DOCUMENT
ARE INCLUDED ELSEWHERE IN THESE CLOSING DOCUMENTS.**



Corporate Trust Services
60 Livingston Avenue, EP-MN-WS1D
St. Paul, MN 55107

Notice #3

**NOTICE OF MANDATORY EXCHANGE OF TERM BONDS FOR BY-LOT BONDS
AND PROCEDURE IF ANY HOLDER DESIRES TO ELECT TO RETAIN**

**Re: Connector 2000 Association, Inc. Toll Road Revenue Bonds
(Southern Connector Project, Greenville, South Carolina),
Series 2011A, Series 2011B and Series 2011C**

CUSIP Prefix 20786L

[Please forward to beneficial owners]

U.S. Bank National Association is the trustee (the “Trustee”) for the holders of the Connector 2000 Association, Inc. Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A, Series 2011B and Series 2011C (the “Bonds”), which were issued as of April 21, 2011 (the “Effective Date”) under the Amended and Restated Master Indenture of Trust dated as of April 1, 2011 (the “Indenture”) between Connector 2000 Association, Inc. (the “Association”) and the Trustee, as authorized under the Association’s First Amended Plan for Adjustment of Debts under Chapter 9 of the Bankruptcy Code, confirmed on April 1, 2011 (the “Plan”). Holders and beneficial owners of the Bonds are referred to herein as the “Bondholders”.

Capitalized terms used in this notice and not defined herein have the meaning ascribed to such terms in the Indenture.

I. Update.

In our last notice we had informed you of a material technical issue pending as to the registration of the Bonds that are term bonds (the “Term Bonds”) as well as a proposed resolution of that issue. This resolution contemplated the filing of a motion (the “Motion”) with the United States Bankruptcy Court for the District of South Carolina (the “Bankruptcy Court”) seeking authorization of an exchange of the Term Bonds (with option to retain), with corresponding changes to the Indenture, to resolve that issue. Attached hereto is a copy of our prior notice #2 dated as of February 8, 2012 (“Notice #2”), the Motion, and the proposed forms of amendment to the Indenture (the “First Supplemental Indenture”) with revised Bond forms to implement the terms of the Motion for which approval from the Bankruptcy Court was being requested.

The hearing on the Motion was held before the Bankruptcy Court on April 10, 2012, and the Motion was approved by the attached Order. Accordingly, except as to those Term Bonds otherwise described herein as Retained Term Bonds, the Term Bonds will be exchanged on May 31, 2012 or as soon thereafter as is practicable (the “Exchange Date”) but effective as of the Effective Date, for a new series of term bonds for which redemptions are on a “by-lot” basis (referred to herein as the “By-Lot Bonds”). The By-Lot Bonds will be registered at the Depository Trust Company (“DTC”) at their maturity value as further described in the Order, Motion and First Supplemental Indenture and related exchange documents.

On and after the Exchange Date, the terms of the By-Lot Bonds and First Supplemental Indenture shall be effective *nunc pro tunc* to the Effective Date (April 21, 2011) for issuance of the Bonds. An aggregate Original Principal Amount of each Series of the Term Bonds shall be exchanged for an aggregate, corresponding amount of the By-Lot Bonds (with adjustment for any 1/1/2012 payment received on the Bonds if applicable). (We will circulate at the time we send a follow up notice regarding the results of the exchange, a table to reflect the exchange rate). There shall be new bond certificates issued for each series of By-Lot Bonds with each By-Lot Bond in the maturity value of that series of Bonds. The calculation of the maturity value and resulting amount of each Bond certificate (as adjusted for any 1/1/2012 payment received on the Bonds if applicable) will reflect a deduction for the amount of Term Bonds for that series that timely file an election as provided herein to opt out of the exchange (the “Retained Term Bonds”). The new CUSIP Nos. for each series of By-Lot Bonds will be as follows:

<u>MATURITY DATE</u>	<u>EXISTING CUSIP</u>	<u>NEW CUSIP</u>
1/1/2032	20786LDL2	20786LDS7
1/1/2042	20786LDM0	20786LDT5
7/22/2051	20786LDN8	20786LDU2
1/1/2032	20786LDP3	20786LDV0
7/22/2051	20786LDQ1	20786LDW8
7/22/2051	20786LDR9	20786LDX6

After the Exchange Date and effective as of the Effective Date, the By-Lot Bonds will otherwise have the terms set forth in the revised Bond certificate. If you hold Term Bonds, you are not required to do anything as a condition to having your Term Bonds exchanged for By-Lot Bonds of a series.

However, if you do not want to participate in the exchange, you have the right to elect not to have your Term Bonds exchanged by the following procedure: **On or prior to 5:00 p.m., prevailing Eastern Time on May 17, 2012 (which is the “ATOP Deadline”)**, you may elect to opt out of the exchange by providing a notice to DTC (“DTC”) through your broker or other participating person through whom you own your Term Bonds to indicate that you want your holdings withheld from the exchange (the “Retained Term Bonds”) by entering an instruction via DTC's Automated Tender Offer Program (“ATOP”). If you elect to opt out of the exchange, you may reverse such election provided you timely do so prior to the ATOP Deadline of 5:00 pm prevailing Eastern Time on May 17, 2012. If you want to elect to opt out of the exchange, or if

you want to reverse an election to opt-out, you must contact your broker or other person through whom you hold an ownership interest in the Term Bonds participating in ATOP to process an election to opt out of the exchange (or reversal thereof) and provide any related requested information. In order to opt out or reverse an election to opt out, you will need to give your broker, or such other person holding your interest in the Bonds, some lead time of your election so it can help you meet the above ATOP Deadline. If you do not affirmatively opt out of the exchange in accordance with the foregoing, your Term Bonds will be exchanged for By-Lot Bonds.

Three additional points should be noted about the exchange. First, you must make a retention election as to all of your investment in the Term Bonds. The retention election is “all or nothing” and must be consistent. You cannot elect to retain part (but not all) of your investment in the Term Bonds. Second, no future opportunities to exchange the Retained Term Bonds for By-Lot Bonds are contemplated. If you decide to opt out of the exchange and retain your current Term Bonds, you thus should anticipate that you will not be able to convert your Retained Term Bonds to By-Lot Bonds in the future, regardless of any value or trading differences among the bonds or any other issues that may exist or arise with respect to the Retained Term Bonds or other bonds in the future (which issues may or may not be similar to those described in the exchange documents).

Third, the change from a pro-rata distribution to redemption also introduces a time constraint not currently present in the Indenture. Pro-rata distributions take place on each January 1 Bond Payment Date, without the need for any notices to the beneficial owners of the Term Bonds. However, since by-lot distributions of redemption proceeds involve the selection of certain By-Lot Bonds for payment, the Trustee will send notices of redemption of the By-Lot Bonds under the First Supplemental Indenture (at the times and in the amount of the Sinking Fund Installments set forth in Section 302 of the First Supplemental Indenture). At the time such notices of redemption are delivered, there will not be funds in the debt service accounts for the various Tiers of the By-Lot Bonds, so such notices of redemption will be conditioned on the deposit of funds into such debt service accounts sufficient to pay the Redemption Price of the Sinking Fund Installments to be redeemed. In the event that any mandatory sinking fund redemption of any By-Lot Bonds on any January 1 is cancelled due to insufficient funds being available in the applicable debt service accounts to pay any Sinking Fund Installment in full, the First Supplemental Indenture provides that the Trustee will deliver notice of the redemption of such By-Lot Bonds for February 15 of that same calendar year, as provided in Section 305 thereof, in the aggregate Redemption Price not greater than the available balance in the applicable debt service accounts on such January 1 without further accretion. The Redemption Price of By-Lot Bonds called for redemption on February 15 will be equal to the Accreted Value of such Bonds as of such January 1 (of the same calendar year), not the Accreted Value of such Bonds as of the February 15 Redemption Date. In other words, in the event of any such delayed redemption, the Bondholders selected for redemption will not receive interest accretions on the amount being distributed on February 15 for the period from January 1 to February 15.

As noted in our last notice, if you elect to keep the Retained Term Bonds in accordance with the above, such Retained Term Bonds will retain their feature of having any redemption proceeds paid on a pro rata basis. However, any such Retained Term Bonds also will remain

registered at DTC at their original issuance amount and subject to the resulting negative impact on trading noted in our earlier Notice #2, which is attached hereto for your ease of reference. The CUSIPs for any Retained Term Bonds will not change as a result of the exchange. In connection with this exchange, the Association has provided us to transmit to you for your consideration the attached Exchange Memorandum, which along with this notice and the First Supplemental Indenture comprises the "Exchange Package" approved by the Bankruptcy Court for dissemination, as further set forth in the Motion and Order.

II. Additional Information.

The Trustee directs your attention to the detailed background and historical information (i) set forth in our earlier notices (with the more recent notices available to be viewed on the Municipal Securities Rulemaking Board website at www.emma.msrb.org), and (ii) located at the Association website at www.southernconnector.com under News and Filings, Official Filings. The Bondholders are also directed to other potential sources of information, including the Bankruptcy Court's PACER public document system (fee based; PACER subscription required) found at <https://ecf.scb.uscourts.gov/cgi-bin/login.pl> or accessible with instructions through the Bankruptcy Court's website at www.scb.uscourts.gov.

The Trustee may invest funds held under the Indenture in a mutual fund for which either (a) the Trustee receives a service fee from the fund or fund service provider, or (b) investment or advisory services are provided by the Trustee or an affiliate of the Trustee. As such, the Trustee and its affiliates may receive compensation for the investment advisory, custodial, distribution and other services provided. A prospectus that explains the services and costs, including the rate, formula and method of calculating such compensation, is available by contacting U.S. Bank at (800) 934-6802, option #4, or at the following web address: www.usbank.com/corp_trust/bondholder_contact.html.

Holders should not rely on the Trustee as their sole source of information. We encourage Bondholders to keep themselves informed from other sources of available information. The Trustee may conclude that a specific response to particular inquiries from individual holders is not consistent with equal and full dissemination of information to all holders. The Trustee makes no recommendations and gives no investment advice. Please direct any questions or comments in writing to Susan Jacobsen, U.S. Bank National Association, Corporate Trust Services, 60 Livingston Avenue, EP-MN-WS1D, St. Paul, Minnesota 55107, phone number (651) 495-3954, fax number (651) 495-8100, or by e-mail to susan.jacobsen2@usbank.com.

**U. S. Bank National Association,
as Indenture Trustee**

April 17, 2012

**THE ATTACHMENTS TO THIS DOCUMENT
ARE INCLUDED ELSEWHERE IN THESE CLOSING DOCUMENTS.**



Corporate Trust Services
60 Livingston Avenue, EP-MN-WS1D
St. Paul, MN 55107

Notice #4

**NOTICE OF MANDATORY EXCHANGE OF TERM BONDS FOR BY-LOT BONDS
FOR HOLDERS WHO DID NOT ELECT TO RETAIN**

**Re: Connector 2000 Association, Inc. Toll Road Revenue Bonds
(Southern Connector Project, Greenville, South Carolina),
Series 2011A, Series 2011B and Series 2011C**

CUSIP Prefix 20786L

[Please forward to beneficial owners]

U.S. Bank National Association is the trustee (the "Trustee") for the holders of the Connector 2000 Association, Inc. Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A, Series 2011B and Series 2011C (the "Bonds"), which were issued as of April 21, 2011 (the "Effective Date") under the Amended and Restated Master Indenture of Trust dated as of April 1, 2011 (the "Indenture") between Connector 2000 Association, Inc. (the "Association") and the Trustee, as authorized under the Association's First Amended Plan for Adjustment of Debts under Chapter 9 of the Bankruptcy Code, confirmed on April 1, 2011 (the "Plan"). Holders and beneficial owners of the Bonds are referred to herein as the "Bondholders".

Capitalized terms used in this notice and not defined herein have the meaning ascribed to such terms in the Indenture.

I. Update.

In our last notice, we had informed you of the bankruptcy court-approved exchange process being implemented to correct a material technical issue relating to the registration of the Bonds that are term bonds (the "Term Bonds"). Attached hereto is a copy of our prior Notice #3, dated as of April 17, 2012 ("Notice #3") but without the voluminous attachments. If you would like to review the referenced attachments, Notice #3 is available in its entirety on the Association's website or on the EMMA system along with other additional information, which may be accessed as described in Part II below.

As further set forth in Notice #3, May 17, 2012 was the ATOP Deadline for a holder of Term Bonds to elect to "opt out" of having its current, pro rata Term Bonds exchanged for a new series of term bonds for which redemptions are on a "by-lot" basis (referred to herein as the "By-

Lot Bonds”). Pursuant to the exchange procedure, holders of .4% of Series A and B Term Bonds elected to opt-out of the exchange, and holders of .83% of Series C Term Bonds elected to opt-out of the exchange. These retained pro rata Term Bonds will not be exchanged.

The remaining Term Bonds (totaling 99.60% of Series A and B and 99.17% of Series C) will be exchanged for the By-Lot Bonds on May 31, 2012 or as soon thereafter as is practicable (the “Exchange Date”).

The By-Lot Bonds will be registered at the Depository Trust Company (“DTC”) at their Maturity Value as further described in the Order, Motion and First Supplemental Indenture and related exchange documents. The new CUSIP Nos. for each series of By-Lot Bonds will be as set forth below:

<u>MATURITY</u>	<u>EXISTING CUSIP</u>	<u>NEW CUSIP</u>	<u>FACTOR</u>
1/1/2032	20786LDL2	20786LDS7	3.694068
1/1/2042	20786LDM0	20786LDT5	8.008494
7/22/2051	20786LDN8	20786LDU2	18.451135
1/1/2032	20786LDP3	20786LDV0	5.292760
7/22/2051	20786LDQ1	20786LDW8	32.255200
7/22/2051	20786LDR9	20786LDX6	45.639700

You will recall that the dollar amount of your pro rata Term Bonds prior to the exchange was determined by the Original Principal Amount of the Bonds. After the exchange, the dollar amount of a By-Lot Bond will be converted and instead shall be reflected at its Maturity Value. This difference is descriptive in nature and does not change the amount that you are owed under the Bonds.

The applicable Factor for each conversion is the number by which \$1.00 of Original Principal Amount of the applicable Term Bonds needs to be multiplied to yield the Maturity Value of the corresponding By-Lot Bonds. A different factor exists for the conversion of each Existing CUSIP to a New CUSIP for the By-Lot Bonds as set forth above. These Factors are calculated to reflect the January 1, 2012 paydown on certain Term Bonds and the results of the opt-out.

Stated differently, for each \$1.00 of Existing CUSIPs held by you (in Original Principal Amount), you will receive new By-Lot Bonds reflected at the Maturity Value set forth in the Factor column. In order to determine the Maturity Value of your new By-Lot Bonds, find the Existing CUSIP for the Term Bonds you originally received and multiply the Original Principal amount of such Term Bonds by the Factor listed across from the Existing CUSIP amount. The product will be the Maturity Value of the corresponding By-Lot Bonds you should receive upon the Exchange Date.

II. Additional Information.

The Trustee directs your attention to the detailed background and historical information (i) set forth in our earlier notices (with the more recent notices available to be viewed on the Municipal Securities Rulemaking Board website at www.emma.msrb.org), and (ii) located at the Association website at www.southernconnector.com under News and Filings, Official Filings. The Bondholders are also directed to other potential sources of information, including the Bankruptcy Court's PACER public document system (fee based; PACER subscription required) found at <https://ecf.scb.uscourts.gov/cgi-bin/login.pl> or accessible with instructions through the Bankruptcy Court's website at www.scb.uscourts.gov.

The Trustee may invest funds held under the Indenture in a mutual fund for which either (a) the Trustee receives a service fee from the fund or fund service provider, or (b) investment or advisory services are provided by the Trustee or an affiliate of the Trustee. As such, the Trustee and its affiliates may receive compensation for the investment advisory, custodial, distribution and other services provided. A prospectus that explains the services and costs, including the rate, formula and method of calculating such compensation, is available by contacting U.S. Bank at (800) 934-6802, option #4, or at the following web address: www.usbank.com/corp_trust/bondholder_contact.html.

Holders should not rely on the Trustee as their sole source of information. We encourage Bondholders to keep themselves informed from other sources of available information. The Trustee may conclude that a specific response to particular inquiries from individual holders is not consistent with equal and full dissemination of information to all holders. The Trustee makes no recommendations and gives no investment advice. Please direct any questions or comments in writing to Susan Jacobsen, U.S. Bank National Association, Corporate Trust Services, 60 Livingston Avenue, EP-MN-WS1D, St. Paul, Minnesota 55107, phone number (651) 495-3954, fax number (651) 495-8100, or by e-mail to susan.jacobsen2@usbank.com.

**U. S. Bank National Association,
as Indenture Trustee**

May 22, 2012



Corporate Trust Services
60 Livingston Avenue, EP-MN-WS1D
St. Paul, MN 55107

Notice #3

**NOTICE OF MANDATORY EXCHANGE OF TERM BONDS FOR BY-LOT BONDS
AND PROCEDURE IF ANY HOLDER DESIRES TO ELECT TO RETAIN**

**Re: Connector 2000 Association, Inc. Toll Road Revenue Bonds
(Southern Connector Project, Greenville, South Carolina),
Series 2011A, Series 2011B and Series 2011C**

CUSIP Prefix 20786L

[Please forward to beneficial owners]

U.S. Bank National Association is the trustee (the "Trustee") for the holders of the Connector 2000 Association, Inc. Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A, Series 2011B and Series 2011C (the "Bonds"), which were issued as of April 21, 2011 (the "Effective Date") under the Amended and Restated Master Indenture of Trust dated as of April 1, 2011 (the "Indenture") between Connector 2000 Association, Inc. (the "Association") and the Trustee, as authorized under the Association's First Amended Plan for Adjustment of Debts under Chapter 9 of the Bankruptcy Code, confirmed on April 1, 2011 (the "Plan"). Holders and beneficial owners of the Bonds are referred to herein as the "Bondholders".

Capitalized terms used in this notice and not defined herein have the meaning ascribed to such terms in the Indenture.

I. Update.

In our last notice we had informed you of a material technical issue pending as to the registration of the Bonds that are term bonds (the "Term Bonds") as well as a proposed resolution of that issue. This resolution contemplated the filing of a motion (the "Motion") with the United States Bankruptcy Court for the District of South Carolina (the "Bankruptcy Court") seeking authorization of an exchange of the Term Bonds (with option to retain), with corresponding changes to the Indenture, to resolve that issue. Attached hereto is a copy of our prior notice #2 dated as of February 8, 2012 ("Notice #2"), the Motion, and the proposed forms of amendment to the Indenture (the "First Supplemental Indenture") with revised Bond forms to implement the terms of the Motion for which approval from the Bankruptcy Court was being requested.

The hearing on the Motion was held before the Bankruptcy Court on April 10, 2012, and the Motion was approved by the attached Order. Accordingly, except as to those Term Bonds otherwise described herein as Retained Term Bonds, the Term Bonds will be exchanged on May 31, 2012 or as soon thereafter as is practicable (the "Exchange Date") but effective as of the Effective Date, for a new series of term bonds for which redemptions are on a "by-lot" basis (referred to herein as the "By-Lot Bonds"). The By-Lot Bonds will be registered at the Depository Trust Company ("DTC") at their maturity value as further described in the Order, Motion and First Supplemental Indenture and related exchange documents.

On and after the Exchange Date, the terms of the By-Lot Bonds and First Supplemental Indenture shall be effective *nunc pro tunc* to the Effective Date (April 21, 2011) for issuance of the Bonds. An aggregate Original Principal Amount of each Series of the Term Bonds shall be exchanged for an aggregate, corresponding amount of the By-Lot Bonds (with adjustment for any 1/1/2012 payment received on the Bonds if applicable). (We will circulate at the time we send a follow up notice regarding the results of the exchange, a table to reflect the exchange rate). There shall be new bond certificates issued for each series of By-Lot Bonds with each By-Lot Bond in the maturity value of that series of Bonds. The calculation of the maturity value and resulting amount of each Bond certificate (as adjusted for any 1/1/2012 payment received on the Bonds if applicable) will reflect a deduction for the amount of Term Bonds for that series that timely file an election as provided herein to opt out of the exchange (the "Retained Term Bonds"). The new CUSIP Nos. for each series of By-Lot Bonds will be as follows:

<u>MATURITY DATE</u>	<u>EXISTING CUSIP</u>	<u>NEW CUSIP</u>
1/1/2032	20786LDL2	20786LDS7
1/1/2042	20786LDM0	20786LDT5
7/22/2051	20786LDN8	20786LDU2
1/1/2032	20786LDP3	20786LDV0
7/22/2051	20786LDQ1	20786LDW8
7/22/2051	20786LDR9	20786LDX6

After the Exchange Date and effective as of the Effective Date, the By-Lot Bonds will otherwise have the terms set forth in the revised Bond certificate. If you hold Term Bonds, you are not required to do anything as a condition to having your Term Bonds exchanged for By-Lot Bonds of a series.

However, if you do not want to participate in the exchange, you have the right to elect not to have your Term Bonds exchanged by the following procedure: **On or prior to 5:00 p.m., prevailing Eastern Time on May 17, 2012 (which is the "ATOP Deadline")**, you may elect to opt out of the exchange by providing a notice to DTC ("DTC") through your broker or other participating person through whom you own your Term Bonds to indicate that you want your holdings withheld from the exchange (the "Retained Term Bonds") by entering an instruction via DTC's Automated Tender Offer Program ("ATOP"). If you elect to opt out of the exchange, you may reverse such election provided you timely do so prior to the ATOP Deadline of 5:00 pm prevailing Eastern Time on May 17, 2012. If you want to elect to opt out of the exchange, or if

you want to reverse an election to opt-out, you must contact your broker or other person through whom you hold an ownership interest in the Term Bonds participating in ATOP to process an election to opt out of the exchange (or reversal thereof) and provide any related requested information. In order to opt out or reverse an election to opt out, you will need to give your broker, or such other person holding your interest in the Bonds, some lead time of your election so it can help you meet the above ATOP Deadline. If you do not affirmatively opt out of the exchange in accordance with the foregoing, your Term Bonds will be exchanged for By-Lot Bonds.

Three additional points should be noted about the exchange. First, you must make a retention election as to all of your investment in the Term Bonds. The retention election is “all or nothing” and must be consistent. You cannot elect to retain part (but not all) of your investment in the Term Bonds. Second, no future opportunities to exchange the Retained Term Bonds for By-Lot Bonds are contemplated. If you decide to opt out of the exchange and retain your current Term Bonds, you thus should anticipate that you will not be able to convert your Retained Term Bonds to By-Lot Bonds in the future, regardless of any value or trading differences among the bonds or any other issues that may exist or arise with respect to the Retained Term Bonds or other bonds in the future (which issues may or may not be similar to those described in the exchange documents).

Third, the change from a pro-rata distribution to redemption also introduces a time constraint not currently present in the Indenture. Pro-rata distributions take place on each January 1 Bond Payment Date, without the need for any notices to the beneficial owners of the Term Bonds. However, since by-lot distributions of redemption proceeds involve the selection of certain By-Lot Bonds for payment, the Trustee will send notices of redemption of the By-Lot Bonds under the First Supplemental Indenture (at the times and in the amount of the Sinking Fund Installments set forth in Section 302 of the First Supplemental Indenture). At the time such notices of redemption are delivered, there will not be funds in the debt service accounts for the various Tiers of the By-Lot Bonds, so such notices of redemption will be conditioned on the deposit of funds into such debt service accounts sufficient to pay the Redemption Price of the Sinking Fund Installments to be redeemed. In the event that any mandatory sinking fund redemption of any By-Lot Bonds on any January 1 is cancelled due to insufficient funds being available in the applicable debt service accounts to pay any Sinking Fund Installment in full, the First Supplemental Indenture provides that the Trustee will deliver notice of the redemption of such By-Lot Bonds for February 15 of that same calendar year, as provided in Section 305 thereof, in the aggregate Redemption Price not greater than the available balance in the applicable debt service accounts on such January 1 without further accretion. The Redemption Price of By-Lot Bonds called for redemption on February 15 will be equal to the Accreted Value of such Bonds as of such January 1 (of the same calendar year), not the Accreted Value of such Bonds as of the February 15 Redemption Date. In other words, in the event of any such delayed redemption, the Bondholders selected for redemption will not receive interest accretions on the amount being distributed on February 15 for the period from January 1 to February 15.

As noted in our last notice, if you elect to keep the Retained Term Bonds in accordance with the above, such Retained Term Bonds will retain their feature of having any redemption proceeds paid on a pro rata basis. However, any such Retained Term Bonds also will remain

registered at DTC at their original issuance amount and subject to the resulting negative impact on trading noted in our earlier Notice #2, which is attached hereto for your ease of reference. The CUSIPs for any Retained Term Bonds will not change as a result of the exchange. In connection with this exchange, the Association has provided us to transmit to you for your consideration the attached Exchange Memorandum, which along with this notice and the First Supplemental Indenture comprises the "Exchange Package" approved by the Bankruptcy Court for dissemination, as further set forth in the Motion and Order.

II. Additional Information.

The Trustee directs your attention to the detailed background and historical information (i) set forth in our earlier notices (with the more recent notices available to be viewed on the Municipal Securities Rulemaking Board website at www.emma.msrb.org), and (ii) located at the Association website at www.southernconnector.com under News and Filings, Official Filings. The Bondholders are also directed to other potential sources of information, including the Bankruptcy Court's PACER public document system (fee based; PACER subscription required) found at <https://ecf.scb.uscourts.gov/cgi-bin/login.pl> or accessible with instructions through the Bankruptcy Court's website at www.scb.uscourts.gov.

The Trustee may invest funds held under the Indenture in a mutual fund for which either (a) the Trustee receives a service fee from the fund or fund service provider, or (b) investment or advisory services are provided by the Trustee or an affiliate of the Trustee. As such, the Trustee and its affiliates may receive compensation for the investment advisory, custodial, distribution and other services provided. A prospectus that explains the services and costs, including the rate, formula and method of calculating such compensation, is available by contacting U.S. Bank at (800) 934-6802, option #4, or at the following web address: www.usbank.com/corp_trust/bondholder_contact.html.

Holders should not rely on the Trustee as their sole source of information. We encourage Bondholders to keep themselves informed from other sources of available information. The Trustee may conclude that a specific response to particular inquiries from individual holders is not consistent with equal and full dissemination of information to all holders. The Trustee makes no recommendations and gives no investment advice. Please direct any questions or comments in writing to Susan Jacobsen, U.S. Bank National Association, Corporate Trust Services, 60 Livingston Avenue, EP-MN-WS1D, St. Paul, Minnesota 55107, phone number (651) 495-3954, fax number (651) 495-8100, or by e-mail to susan.jacobsen2@usbank.com.

**U. S. Bank National Association,
as Indenture Trustee**

April 17, 2012

**THE ATTACHMENTS TO THIS DOCUMENT
ARE INCLUDED ELSEWHERE IN THESE CLOSING DOCUMENTS.**

CONNECTOR 2000 ASSOCIATION, INC.

**TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011A, SERIES 2011B AND SERIES 2011C
EXCHANGE ANALYSIS**

CAUSEY DEMGEN & MOORE INC.

Certified Public Accountants and Consultants

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1801 California Street
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May 31, 2012

Connector 2000 Association, Inc.
Post Office Box 408
Piedmont, South Carolina 26973

Haynsworth Sinkler Boyd, P.A.
1201 Main Street, 22nd Floor
Columbus, South Carolina 29201

We have completed our engagement to (a) calculate the Exchange Factor (as defined herein) associated with each of the term bonds of the Original Bonds (as defined herein), and (b) verify the annual difference between (1) the debt service requirements of the Restructured Bonds (as defined herein) and (2) the debt service requirements that would have been due on the Original Bonds assuming the Exchange (as defined herein) did not occur. We express no opinion as to the attainability of the assumptions underlying the computations, the federal income tax impact of the Exchange, or the tax-exempt status of the Restructured Bonds. Our verification was performed solely on certain assumptions and information provided by U.S. Bank National Association (herein referred to as the "Trustee"). In the course of our engagement, we prepared Exhibits A through F attached hereto and made a part hereof.

The scope of our engagement consisted of performing the procedures described herein. These procedures were performed in a manner that we deem to be appropriate.

The accompanying exhibits of proposed transactions were prepared on the basis of assumptions underlying the computations and in accordance with the procedures described herein. We did not independently confirm the information used with outside parties.

OUR UNDERSTANDING OF THE TRANSACTION

On February 11, 1998, Connector 2000 Association, Inc. (herein referred to as the "Association") issued its Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina) consisting of the following series of bonds (herein collectively referred to as the "1998 Bonds") to finance the construction of a limited access toll road (herein referred to as the "Southern Connector") in the southern portion of the Greenville, South Carolina metropolitan area:

- Senior Current Interest Bonds, Series 1998A (herein referred to as the "1998A Bonds"),
- Senior Capital Appreciation Bonds, Series 1998B (herein referred to as the "1998B Bonds"), and

- Subordinate Capital Appreciation Bonds, Series 1998C (herein referred to as the “1998C Bonds”).

Construction of the Southern Connector was completed and it began operating pursuant to the terms of a License Agreement between the Association and the South Carolina Department of Transportation (herein referred to as “SCDOT”) in February 2001. The debt service requirements of the 1998 Bonds were paid as scheduled through the payment due on July 1, 2009 (through a combination of net revenues and unscheduled draws on amounts held in the Debt Service Reserve Funds). Revenues from the Southern Connector were not sufficient to meet the debt service requirements of the 1998 Bonds due on January 1, 2010. As a result, the trustee for the 1998 Bonds made no payment to the bond holders on January 1, 2010 and the Association, the Trustee, SCDOT and certain owners of large blocks of the 1998 Bonds began negotiations regarding a restructuring of the Association’s debt service requirements.

On June 24, 2010, the Association filed a Chapter 9 bankruptcy petition. The Association continued to operate the Southern Connector. The Association submitted a First Amended Plan for Adjustment of Debts (herein referred to as the “Amended Plan”) on January 17, 2011. Under the terms of the Amended Plan, which was confirmed by order of the Court dated April 1, 2011, the 1998 Bonds were to be restructured as three series of capital appreciation bonds (herein collectively referred to as the “Original Bonds”) consisting of the following series of bonds:

- Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A (herein referred to as the “2011A Bonds”),
- Senior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011B (herein referred to as the “2011B Bonds”), and
- Junior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011C (herein referred to as the “2011C Bonds”).

The 2011A Bonds consist of serial capital appreciation bonds maturing on each January 1 from January 1, 2012 through January 1, 2022 and term capital appreciation bonds maturing on January 1, 2032 (herein referred to as the “2011A-1 Bonds”), January 1, 2042 (herein referred to as the “2011A-2 Bonds”) and July 22, 2051 (herein referred to as the “2011A-3 Bonds”) (each with annual mandatory pro rata prepayment requirements beginning on January 1, 2023, January 1, 2033 and January 1, 2043, respectively). The 2011B Bonds consist of term capital appreciation bonds maturing on January 1, 2032 (herein referred to as the “2011B-1 Bonds”) and July 22, 2051 (herein referred to as the “2011B-2 Bonds”) (each with annual mandatory pro rata prepayment requirements beginning on January 1, 2012 and January 1, 2033, respectively). The 2011C Bonds consist of a single term capital appreciation bond maturing on July 22, 2051 with annual mandatory pro rata prepayment requirements beginning January 1, 2012. The term capital appreciation bonds described above are herein collectively referred to as the “Original Term Bonds”.

Beginning in June 2011, the Association was advised by the Trustee that a number of institutional holders of the Original Bonds could not trade their obligations in the secondary securities market since the brokers' and industry pricing systems for trading such bonds were set up on the assumption that zero coupon bonds such as the Original Bonds would be listed by the Depository Trust Corporation (herein referred to as "DTC") at a maturity value equal to their authorized denominations (i.e., \$1.00) rather than at a multiple of their authorized denominations (over \$1.00).

Upon becoming aware of the cause of the problem, the beneficial owners of a majority of the Original Bonds indicated to the Trustee, which has advised the Association, that such bondholders request and support an exchange of, and desire to exchange, their Original Term Bonds for an equivalent value of new term bonds (herein referred to as the "Exchanged Bonds") which provide for the distribution of payments to beneficial owners by lot, in order to allow registration of such new term bonds by the securities depository at a maturity value equal to their authorized denominations. As a result, such new obligations would be listed at a discount for purposes of trading in the secondary market.

On February 7, 2012 the Association filed with the Court its motion for an Order (I) Authorizing Supplement to the Indenture in Aid of Implementation of the Plan; and (II) Approving Bond Exchange Materials and Procedures for Term Bonds (here referred to as the "Exchange Order"), seeking approval of the foregoing, notice of which was provided to all notice parties including the securities depository participants. The Court entered the Exchange Order on April 10, 2012, which authorized the Association to proceed with amending the Master Indenture pursuant to the Court-approved First Supplemental Indenture and to proceed with effectuating the Court-approved exchange of the Original Term Bonds for the Exchanged Bonds (herein referred to as the "Exchange"), all in further implementation of the Plan.

On April 17, 2012, the Trustee caused to be delivered to the beneficial owners of the Original Bonds a notice of mandatory exchange with option to retain under which each such beneficial owner's Original Term Bonds will be exchanged on May 31, 2012 for Exchanged Bonds providing for the distribution of payments made by the Association to the beneficial owners thereof by lot, provided that each such beneficial owner was entitled to affirmatively elect to retain such beneficial owner's Original Term Bonds and thus to opt out of the Exchange if such beneficial owner preferred to retain the current Original Term Bonds with the right to have redemptions of its Term Bonds done on a pro rata basis.

As described in the statements prepared by the Trustee that are attached hereto as Appendix I, the holders of \$364,357.00, \$85,103.00 and \$17,943.00 in original principal amount of 2011A Bonds, 2011B Bonds and 2011C Bonds, respectively, have elected to opt out of the Exchange. Those Original Bonds that are not to be exchanged for Exchanged Bonds are herein referred to as 'Original Unexchanged Bonds'. The Original Unexchanged Bonds and the Exchanged Bonds are herein collectively referred to as the "Restructured Bonds".

OUR PROCEDURES

The scope of our engagement consisted of performing the following agreed-upon procedures:

1. We read a copy of our verification report dated April 21, 2011 (herein referred to as the "Prior Report") related to the restructuring of the 1998 Bonds as the Original Bonds. All documents reviewed therein are incorporated in this report.
2. For each Original Term Bond we calculated a retention factor for the related Original Unexchanged Bonds and allocated the number of Original Unexchanged Bonds subject to pro rata prepayment on each payment date in proportion to the number of each respective Original Term Bond that was subject to pro rate prepayment on such dates.
3. For each Original Term Bond, we calculated a conversion (herein referred to as the "Exchange Factor") factor for the Exchanged Bonds.
4. For the 2011B Bonds and 2011C Bonds we calculated a pay down factor based on the total number of Original Bonds outstanding and the total number of Original Bonds outstanding after payment of the Original Bonds redeemed on January 1, 2012.
5. Based on the accreted values of the Original Bonds as shown in the Prior Report and the accreted values of the Exchanged Bonds computed by us, we verified (a) the debt service requirements for the Original Unexchanged Bonds and (b) the debt service requirements for the Exchanged Bonds on each payment date beginning on January 1, 2013.
6. We compared the combined debt service requirements for the Restructured Bonds with the debt service requirements of the Original Bonds and verified that the change in debt service is not greater than \$172.41 in any given year.

KEY ASSUMPTIONS

As provided by the Trustee, in developing our conclusions we relied upon the following assumptions:

1. The assumptions of the Prior Report are incorporated herein.
2. The number of Original Unexchanged Bonds associated with each of the Original Term Bonds is equal to the number of bonds as shown in schedules provided by the Trustee, which we received via email on May 17, 2012 at 3:23 p.m. MDT.
3. The amounts of those 2011B-1 Bonds and 2011C Bonds that were subject to sinking fund redemption on January 1, 2012 are treated by DTC as remaining outstanding for purposes of computing the pay down factor for the 2011B-1 Bonds and 2011C Bonds.
4. In order to determine the number of Exchanged Bonds to be delivered in exchange for Original Bonds, DTC will multiply the Exchange Factor for each Original Term Bond by an amount equal to the difference between the number of Original Term Bonds outstanding as of April 11, 2011 and the number of the Original Unexchanged Bonds for each Original Term Bond.

CONCLUSION

Based on the assumptions, procedures and information set forth above, the computations presented in Exhibits A through F, which indicate (1) that the Exchange Factors are as follows:

2011A-1 Bonds	3.694068
2011A-2 Bonds	8.008494
2011A-3 Bonds	18.451135
2011B-1 Bonds	5.29276
2011B-2 Bonds	32.255200
2011C Bonds	45.63970

(2) that the combined debt service requirements of the Restructured Bonds after the Exchange in any given year does not exceed the debt service that would have been due on the Original Bonds assuming the Exchange did not take place by more than \$84.28 for the Restructured 2011A-1 Bonds, \$93.66 for the Restructured 2011A-2 Bonds, \$147.38 for the Restructured 2011A-3 Bonds, \$18.68 for the Restructured 2011B-1 Bonds, \$57.65 for the Restructured 2011B-2 Bonds and \$20.83 for the Restructured 2011C Bonds and (3) that the aggregate scheduled debt service on the Restructured Bonds is not increased as a result of the Exchange, by more than \$739.00, are mathematically correct.

USE OF THIS REPORT

It is understood that this report is solely for the information of and assistance to the addressees hereof in connection with the Exchange and is not to be used, relied upon, circulated, quoted or otherwise referred to for any other purpose without our written consent, except that (i) reference may be made to the report in any closing documents pertaining to the Exchange, and (ii) the report may be included in the transcripts pertaining to the Exchange.

Users of this report should recognize that the computations are based upon hypothetical assumptions, the reasonableness of which we have not examined, with respect to annual toll revenues, annual revenues from other sources, including investment income, annual operating expenses, annual trustee fees and expenses, cash receipt dates and the resultant distributable cash available to pay debt service and to fund deposits to the R&R Fund. There will usually be differences between the projected and actual results because events and circumstances frequently do not occur as assumed, and those differences may be material.

* * * * *

The scope of our engagement is deemed by the addressees hereto to be sufficient to assist such parties in evaluating the mathematical accuracy of the various computations cited above. The sufficiency of this scope is solely the responsibility of the specified users of this report and should not be taken to supplant any additional inquiries or procedures that the users would undertake in their consideration of the transaction described herein. We make no representation regarding the sufficiency of the scope of this engagement. This report should not be used by any party who does

Connector 2000 Association, Inc.

May 31, 2012

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not agree to the scope set forth herein and who does not take responsibility for the sufficiency and appropriateness of such scope for their purposes.

We have no obligation to update this report because of events, circumstances, or transactions occurring subsequent to the date of this report.

Very truly yours,

Causey Damgen & Moore Inc.

CONNECTOR 2000 ASSOCIATION, INC.
TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011A, SERIES 2011B AND SERIES 2011C

AGGREGATE NET CHANGE IN DEBT SERVICE PAYABLE AFTER CONVERSION OF UNEXCHANGED BONDS

Maturity or Redemption Date	Difference in Debt Service Payable for the:						Total Difference
	2011A-1 Bonds (Exhibit B)	2011A-2 Bonds (Exhibit C)	2011A-3 Bonds (Exhibit D)	2011B-1 Bonds (Exhibit E)	2011B-2 Bonds (Exhibit F)	2011C Bonds (Exhibit G)	
1/1/2012				\$0.00		\$0.00	\$0.00
1/1/2013				(13.14)		3.76	(9.38)
1/1/2014				(12.61)		(11.28)	(23.89)
1/1/2015				3.54		(6.45)	(2.91)
1/1/2016				9.60		2.13	11.73
1/1/2017				(0.03)		(12.17)	(12.20)
1/1/2018				(10.87)		20.83	9.96
1/1/2019				4.18		10.92	15.10
1/1/2020				(10.59)		8.34	(2.25)
1/1/2021				12.43		10.18	22.61
1/1/2022				18.68		(4.74)	13.94
1/1/2023	(\$43.74)			1.14		6.27	(36.33)
1/1/2024	(14.49)			(1.80)		(10.75)	(27.04)
1/1/2025	84.28			9.47		16.92	110.67
1/1/2026	(62.04)			16.54		(3.41)	(48.91)
1/1/2027	(16.30)			17.53		(6.99)	(5.76)
1/1/2028	(29.58)			(14.87)		4.98	(39.47)
1/1/2029	15.55			3.72		9.11	28.38
1/1/2030	6.16			17.40		15.12	38.68
1/1/2031	71.70			2.09		7.44	81.23
1/1/2032	27.81			0.14		(2.46)	25.49
1/1/2033		(\$107.88)			(\$90.28)	15.51	(182.65)
1/1/2034		12.27			31.11	5.63	49.01
1/1/2035		(1.15)			33.05	8.26	40.16
1/1/2036		(62.60)			(18.03)	18.75	(61.88)
1/1/2037		85.54			18.89	2.11	106.54
1/1/2038		93.66			57.65	5.80	157.11
1/1/2039		40.19			(37.26)	15.03	17.96
1/1/2040		25.18			27.82	12.16	65.16
1/1/2041		(5.14)			33.87	8.38	37.11
1/1/2042		(16.94)			18.63	14.78	16.47
1/1/2043			(\$88.84)		(3.92)	12.12	(80.64)
1/1/2044			(37.90)		35.75	8.12	5.97
1/1/2045			65.17		34.18	13.71	113.06
1/1/2046			(91.90)		3.07	11.55	(77.28)
1/1/2047			118.16		36.64	17.61	172.41
1/1/2048			(137.76)		7.67	16.53	(113.56)
1/1/2049			96.88		(6.42)	20.11	110.57
1/1/2050			55.23		(25.79)	18.53	47.97
1/1/2051			147.38		(23.31)	20.11	144.18
7/22/2051			11.83		(0.02)	9.88	21.69
	\$39.35	\$63.13	\$138.25	\$52.55	\$133.30	\$312.42	\$739.00

CONNECTOR 2000 ASSOCIATION, INC.
TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011A, SERIES 2011B AND SERIES 2011C

CALCULATION OF OF PROJECTED DEBT SERVICE FOR THE 2011A-1 TERM BOND EXCHANGED BONDS AND UNEXCHANGED BONDS

Maturity or Redemption Date	Projected 2011A-1 Bond Debt Service*	Number of Original Bonds	Number of Original Bonds	Original Bonds to be Exchanged at 3.694068 (2)	Accreted Value of the:		Debt Service of the		Difference in Amounts of Debt Service Payable
					Original Bonds	Exchanged Bonds	Original Bonds	Exchanged Bonds	
1/1/2023	\$8,521,446.51	4,065,886	16,411	14,959,034	\$2,09584	\$0.56735	\$34,394.83	\$8,487,007.94	\$8,521,402.77 (\$43.74)
1/1/2024	9,007,351.08	4,035,425	16,287	14,846,967	2.23207	0.60423	36,353.72	8,970,982.87	9,007,336.59 (14.49)
1/1/2025	10,334,438.55	4,347,407	17,548	15,994,792	2.37715	0.64351	41,714.23	10,292,808.60	10,334,522.83 84.28
1/1/2026	10,779,134.40	4,257,717	17,185	15,664,812	2.53167	0.68533	43,506.75	10,735,565.61	10,779,072.36 (62.04)
1/1/2027	11,103,067.05	4,117,997	16,621	15,150,760	2.69623	0.72988	44,814.04	11,038,236.71	11,103,050.75 (16.30)
1/1/2028	11,421,188.23	3,977,457	16,054	14,633,690	2.87148	0.77732	46,098.74	11,375,059.91	11,421,158.65 (29.58)
1/1/2029	12,763,078.03	4,173,491	16,846	15,354,927	3.05813	0.82785	51,517.26	12,711,576.32	12,763,093.58 15.55
1/1/2030	13,129,333.76	4,031,224	16,270	14,831,511	3.25691	0.88166	52,989.93	13,076,349.99	13,129,339.92 6.16
1/1/2031	13,506,659.03	3,893,980	15,717	14,326,565	3.46860	0.93897	54,515.99	13,452,214.74	13,506,730.73 71.70
1/1/2032	13,738,464.03	3,719,069	15,010	13,683,044	3.69406	1.00000	55,447.84	13,683,044.00	13,738,491.84 27.81
	\$114,304,160.67	40,619,653	163,949	149,446,102			\$461,353.33	\$113,842,846.69	\$114,304,200.02 \$39.35

* As shown in Prior Verification Report

(1) Derivation of Unexchanged Bonds Factor:

Total Number of Original Bonds Opting out of the Exchange	163,949
Total Number of Original Bonds Outstanding	40,619,653.00
Factor of Unexchanged to Outstanding	0.00404

(2) Derivation of Exchanged Bonds Factor:

Maximum Number of Exchanged Bonds Assuming No Opt-outs	150,051,747.00
Total Number of Original Bonds Outstanding	40,619,653.00
Adjusted Conversion Factor	3.694068

	Number of Bonds	Maturity Value
Unexchanged Original Bonds	163,949	\$605,637.44
Exchanged Bonds	149,446,102	\$149,446,102.00

CONNECTOR 2000 ASSOCIATION, INC.
TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011A, SERIES 2011B AND SERIES 2011C

CALCULATION OF PROJECTED DEBT SERVICE FOR THE 2011A-2 TERM BOND EXCHANGED BONDS AND UNEXCHANGED BONDS

Maturity or Redemption Date	Projected 2011A-2 Bond Debt Service*	Number of Original Bonds	Number of Original Bonds	Original Bonds to be Exchanged at 8,008,494 (2)	Accreted Value of the:		Debt Service of the		Difference in Amounts of Debt Service Payable
					Original Bonds	Exchanged Bonds	Original Bonds	Exchanged Bonds	
1/1/2033	\$15,762,511.67	3,618,500	14,605	28,861,771	\$4,35609	\$0.54393	\$63,620.69	\$15,698,783.10	\$15,762,403.79 (\$107.88)
1/1/2034	16,038,108.38	3,440,901	13,887	27,445,221	4,66102	0.58201	64,727.58	15,973,393.07	16,038,120.65 12.27
1/1/2035	16,316,502.75	3,271,617	13,205	26,094,973	4,98729	0.62275	65,857.16	16,250,644.44	16,316,501.60 (1.15)
1/1/2036	16,600,451.77	3,110,796	12,555	24,812,244	5,33640	0.66634	66,998.50	16,533,390.67	16,600,389.17 (62.60)
1/1/2037	18,824,831.53	3,296,847	13,307	26,296,210	5,70995	0.71299	75,982.30	18,748,934.77	18,824,917.07 85.54
1/1/2038	19,155,274.05	3,135,249	12,654	25,007,283	6,10965	0.76290	77,311.51	19,078,056.20	19,155,367.71 93.66
1/1/2039	19,491,627.55	2,981,593	12,034	23,781,695	6,53732	0.81630	78,670.11	19,412,997.63	19,491,667.74 40.19
1/1/2040	19,833,067.78	2,835,349	11,443	22,615,234	6,99493	0.87344	80,042.98	19,753,049.98	19,833,092.96 25.18
1/1/2041	22,275,943.80	2,976,245	12,013	23,739,034	7,48458	0.93458	89,912.26	22,186,026.40	22,275,938.66 (5.14)
1/1/2042	22,396,362.88	2,796,574	11,287	22,305,954	8,00850	1.00000	90,391.94	22,305,954.00	22,396,345.94 (16.94)
	\$186,694,682.16	31,463,671	126,990	250,959,619			\$753,315.03	\$185,941,230.26	\$186,694,745.29 \$63.13

* As shown in Prior Verification Report

(1) Derivation of Unexchanged Bonds Factor:

Total Number of Original Bonds Opting out of the Exchange	126,990
Total Number of Original Bonds Outstanding	31,463,671
Factor of Unexchanged to Outstanding	0.00404

(2) Derivation of Exchanged Bonds Factor:

Maximum Number of Exchanged Bonds Assuming No Opt-outs	251,976,624.00
Total Number of Original Bonds Outstanding	31,463,671.00
Adjusted Conversion Factor	8.008494

	Number of Bonds	Maturity Value
Unexchanged Original Bonds	126,990	\$1,016,999.42
Exchanged Bonds	250,959,619	\$250,959,619.00

CONNECTOR 2000 ASSOCIATION, INC.
TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011A, SERIES 2011B AND SERIES 2011C

CALCULATION OF PROJECTED DEBT SERVICE FOR THE 2011A-3 TERM BOND EXCHANGED BONDS AND UNEXCHANGED BONDS

Maturity or Redemption Date	Projected 2011A-3 Bond Debt Service*	Number of Original Bonds	Number of Original Bonds Not Being Exchanged at 0.00404 (1)	Original Bonds to be Exchanged at 18.451135 (2)	Accreted Value of the:		Debt Service of the		Difference in Amounts of Debt Service Payable
					Original Bonds	Exchanged Bonds	Original Bonds	Exchanged Bonds	
1/1/2043	\$22,515,040.48	2,265,970	9,146	41,640,964	\$9,93616	\$0.53851	\$90,876.12	\$22,424,075.52	\$22,514,951.64 (\$88.84)
1/1/2044	22,631,846.80	2,118,813	8,551	38,936,729	10,68138	0.57890	91,336.48	22,540,472.42	22,631,808.90 (37.90)
1/1/2045	24,926,718.74	2,170,848	8,762	39,892,940	11,48248	0.62232	100,609.49	24,826,174.42	24,926,783.91 65.17
1/1/2046	25,061,488.98	2,030,311	8,194	37,310,353	12,34367	0.66899	101,144.03	24,960,253.05	25,061,397.08 (91.90)
1/1/2047	25,193,942.64	1,898,644	7,663	34,890,745	13,26944	0.71917	101,683.72	25,092,377.08	25,194,060.80 118.16
1/1/2048	25,323,205.80	1,775,242	7,164	32,623,045	14,26465	0.77310	102,191.95	25,220,876.09	25,323,068.04 (137.76)
1/1/2049	27,719,960.97	1,807,686	7,296	33,219,239	15,33450	0.83109	111,880.51	27,608,177.34	27,720,057.85 96.88
1/1/2050	27,868,089.14	1,690,555	6,823	31,066,766	16,48458	0.89342	112,474.29	27,755,670.08	27,868,144.37 55.23
1/1/2051	28,013,263.86	1,580,801	6,381	29,049,836	17,72093	0.96043	113,077.25	27,900,333.99	28,013,411.24 147.38
7/22/2051	15,720,022.12	851,982	3,438	15,656,599	18,45112	1.00000	63,434.95	15,656,599.00	15,720,033.95 11.83
	244,973,579.53	18,190,852	73,418	334,287,216			\$988,708.79	\$243,985,008.99	\$244,973,717.78 \$138.25

* As shown in Prior Verification Report

(1) Derivation of Unexchanged Bonds Factor:

Total Number of Original Bonds Opting out of the Exchange	73,418
Total Number of Original Bonds Outstanding	18,190,852
Factor of Unexchanged to Outstanding	0.00404

(2) Derivation of Exchanged Bonds Factor:

Maximum Number of Exchanged Bonds Assuming No Opt-outs	335,641,867.00
Total Number of Original Bonds Outstanding	18,190,852.00
Adjusted Conversion Factor	18.451135

	Number of Bonds	Maturity Value
Unexchanged Original Bonds	73,418	\$1,354,644.33
Exchanged Bonds	334,287,216	\$334,287,216.00

CONNECTOR 2000 ASSOCIATION, INC.
TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011A, SERIES 2011B AND SERIES 2011C

CALCULATION OF OF PROJECTED DEBT SERVICE FOR THE 2011B-1 TERM BOND EXCHANGED BONDS AND UNEXCHANGED BONDS

Maturity or Redemption Date	Projected 2011B-1 Bond Debt Service*	Number of Original Bonds	Number of Original Bonds Not Being Exchanged at 0.00414 (1)	Original Bonds to be Exchanged	Allocation of Exchanged Bonds	Rounded Exchanged Bonds	Accreted Value of the:		Debt Service of the			Difference in Amounts of Debt Service Payable
							Original Bonds	Exchanged Bonds	Original Bonds	Exchanged Bonds	Total	
1/1/2012	\$387,620.08	364,613					\$1,063.10		\$387,620.08		\$387,620.08	\$0.00
1/1/2013	665,042.36	576,563	2,388	574,175	3,120,405.52	3,120,405	1.15346	0.21224	2,754.46	\$662,274.76	665,029.22	(13.14)
1/1/2014	695,619.99	555,829	2,304	553,525	3,008,181.24	3,008,181	1.25150	0.23028	2,883.46	692,723.92	695,607.38	(12.61)
1/1/2015	752,140.60	553,908	2,295	551,613	2,997,790.31	2,997,790	1.35788	0.24986	3,116.33	749,027.81	752,144.14	3.54
1/1/2016	838,388.73	569,055	2,358	566,697	3,079,765.66	3,079,765	1.47330	0.27110	3,474.04	834,924.29	838,398.33	9.60
1/1/2017	1,134,256.14	709,562	2,940	706,622	3,840,200.62	3,840,200	1.59853	0.29414	4,699.68	1,129,556.43	1,134,256.11	(0.03)
1/1/2018	1,253,504.94	722,727	2,995	719,732	3,911,448.09	3,911,448	1.73441	0.31914	5,194.56	1,248,299.51	1,253,494.07	(10.87)
1/1/2019	1,364,639.13	725,166	3,004	722,162	3,924,654.14	3,924,655	1.88183	0.34627	5,653.02	1,358,990.29	1,364,643.31	4.18
1/1/2020	1,484,313.95	726,967	3,013	723,954	3,934,392.93	3,934,393	2.04179	0.37570	6,151.91	1,478,151.45	1,484,303.36	(10.59)
1/1/2021	1,760,561.71	794,714	3,292	791,422	4,301,053.82	4,301,053	2.21534	0.40764	7,292.90	1,753,281.24	1,760,574.14	12.43
1/1/2022	1,861,780.22	774,567	3,210	771,357	4,192,008.78	4,192,008	2.40364	0.44229	7,715.68	1,854,083.22	1,861,798.90	18.68
1/1/2023	1,968,352.87	754,751	3,127	751,624	4,084,768.02	4,084,769	2.60795	0.47988	8,155.06	1,960,198.95	1,968,354.01	1.14
1/1/2024	2,080,592.98	735,288	3,047	732,241	3,979,429.37	3,979,429	2.82963	0.52067	8,621.88	2,071,969.30	2,080,591.18	(1.80)
1/1/2025	2,387,133.73	777,530	3,221	774,309	4,208,051.69	4,208,051	3.07015	0.56493	9,888.95	2,377,254.25	2,387,143.20	9.47
1/1/2026	2,489,851.49	747,454	3,098	744,356	4,045,269.42	4,045,270	3.33111	0.61295	10,319.78	2,479,548.25	2,489,868.03	16.54
1/1/2027	2,564,679.03	709,602	2,940	706,662	3,840,418.00	3,840,419	3.61425	0.66505	10,625.90	2,554,070.66	2,564,696.56	17.53
1/1/2028	2,638,158.29	672,749	2,788	669,961	3,640,963.13	3,640,964	3.92146	0.72157	10,933.03	2,627,210.39	2,638,143.42	(14.87)
1/1/2029	2,948,118.46	692,894	2,870	690,024	3,749,997.30	3,749,998	4.25479	0.78291	12,211.25	2,935,910.93	2,948,122.18	3.72
1/1/2030	3,032,719.48	656,939	2,722	654,217	3,555,400.95	3,555,401	4.61644	0.84946	12,565.95	3,020,170.93	3,032,736.88	17.40
1/1/2031	3,119,876.21	622,874	2,580	620,294	3,371,043.36	3,371,043	5.00884	0.92166	12,922.81	3,106,955.49	3,119,878.30	2.09
1/1/2032	3,173,425.57	583,931	2,420	581,511	3,160,273.67	3,160,274	5.43459	1.00000	13,151.71	3,160,274.00	3,173,425.71	0.14
	<u>38,600,775.96</u>	<u>14,027,683</u>	<u>56,612</u>	<u>13,606,458</u>	<u>73,945,516.00</u>	<u>73,945,516</u>			<u>\$545,952.44</u>	<u>\$38,054,876.07</u>	<u>\$38,600,828.51</u>	<u>\$52.55</u>

* As shown in Prior Verification Report

(1) Derivation of Unexchanged Bonds Factor:

Total Number of Original Bonds Opting out of the Exchange	56,612
Total Number of Original Bonds Outstanding	14,027,683
Paydown Factor (3)	97.40076%
Adjusted Original Bonds Outstanding	13,663,070
Factor of Unexchanged to Outstanding	0.00414

	Number of Bonds	Maturity Value
Unexchanged Original Bonds	56,612	\$307,663.01
Exchanged Bonds	73,945,516	\$73,945,516.00

(2) Derivation of Exchanged Bonds Factor:

Maximum Number of Exchanged Bonds Assuming No Opt-outs	76,234,701.00
Less: Number of January 1, 2012 Bonds Redeemed Expressed as Exchanged Bonds	(1,981,522.00)
Less: Number of Opt-out Bonds Expressed as Exchanged Bonds	(307,663.00)
Maximum Number of Exchanged Bonds Due After January 1, 2012	73,945,516.00
Total Number of Original Bonds Outstanding	14,027,683.00
Total Number of Original Bonds Opting out of the Exchange	56,612.00
Adjusted Number of Original Bonds on DTC's Books	13,971,071.00
Adjusted Conversion Factor	5.29276
Adjusted Number of Original Bonds on DTC's Books	13,971,071.00
Conversion Factor	5.292759
Number of Exchanged Bonds Outstanding	73,945,516.00

(3) Derivation of Paydown Factor:

Total Number of Original Bonds Outstanding	14,027,683.00
Less: Number of Original Bonds Retired on January 1, 2012	364,613.00
Number of Original Bonds Remaining After January 1, 2012	13,663,070.00
Paydown Factor	97.40076%

CONNECTOR 2000 ASSOCIATION, INC.
TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011A, SERIES 2011B AND SERIES 2011C

CALCULATION OF OF PROJECTED DEBT SERVICE FOR THE 2011B-2 TERM BOND EXCHANGED BONDS AND UNEXCHANGED BONDS

Maturity or Redemption Date	Projected 2011B-2 Bond Debt Service*	Number of Original Bonds	Number of Original Bonds Not Being Exchanged at 04/04 (1)	Original Bonds to be Exchanged at 32.255200 (2)	Accrued Value of the:			Debt Service of the		Difference in Amounts of Debt Service Payable
					Original Bonds	Exchanged Bonds	Original Bonds	Exchanged Bonds	Total	
1/1/2033	\$3,640,953.83	558,713	2,256	17,948,631	6,51668	0.20203	\$14,701.63	\$3,626,161.92	\$3,640,863.55	(\$90.28)
1/1/2034	3,704,613.81	521,543	2,105	16,754,576	7,10318	0.22022	14,952.19	3,689,692.73	3,704,644.92	31.11
1/1/2035	3,768,918.26	486,785	1,965	15,637,966	7,74247	0.24004	15,213.95	3,753,737.36	3,768,951.31	33.05
1/1/2036	3,834,509.56	454,364	1,834	14,596,445	8,43929	0.26164	15,477.66	3,819,013.87	3,834,491.53	(18.03)
1/1/2037	4,348,309.81	472,703	1,909	15,185,554	9,19882	0.28519	17,560.55	4,330,768.15	4,348,328.70	18.89
1/1/2038	4,424,641.14	441,285	1,781	14,176,289	10,02672	0.31086	17,857.59	4,406,841.20	4,424,698.79	57.65
1/1/2039	4,502,338.42	411,958	1,663	13,234,147	10,92912	0.33883	18,175.13	4,484,126.03	4,502,301.16	(37.26)
1/1/2040	4,581,199.03	384,563	1,552	12,354,096	11,91274	0.36933	18,488.57	4,562,738.28	4,581,226.85	27.82
1/1/2041	5,145,483.41	396,267	1,600	12,730,063	12,98489	0.40257	20,775.82	5,124,741.46	5,145,517.28	33.87
1/1/2042	5,173,299.21	365,513	1,475	11,742,118	14,15353	0.43880	20,876.46	5,152,441.38	5,173,317.84	18.63
1/1/2043	5,200,698.53	337,109	1,361	10,829,618	15,42735	0.47829	20,996.62	5,179,697.99	5,200,694.61	(3.92)
1/1/2044	5,227,682.20	310,879	1,254	9,987,016	16,81581	0.52134	21,087.03	5,206,630.92	5,227,717.95	35.75
1/1/2045	5,757,779.35	314,131	1,269	10,091,426	18,32923	0.56826	23,259.79	5,734,553.74	5,757,813.53	34.18
1/1/2046	5,788,894.66	289,751	1,169	9,308,270	19,97886	0.61940	23,355.29	5,796,039.87	5,788,897.73	3.07
1/1/2047	5,819,500.57	267,232	1,079	8,584,818	21,77696	0.73591	23,497.34	5,765,542.44	5,819,537.21	36.64
1/1/2048	5,849,363.12	246,425	994	7,916,425	23,73689	0.80214	23,594.47	5,825,776.32	5,849,370.79	7.67
1/1/2049	6,402,972.64	247,475	999	7,950,132	25,87321	0.80214	25,847.34	6,377,118.88	6,402,966.22	(6.42)
1/1/2050	6,437,201.86	228,255	921	7,332,703	28,20180	0.87433	25,973.86	6,411,202.21	6,437,176.07	(25.79)
1/1/2051	6,470,730.84	210,499	850	6,762,270	30,73996	0.95302	26,128.97	6,444,578.56	6,470,707.53	(23.31)
7/22/2051	3,631,129.14	112,575	455	3,616,453	32,25520	1.00000	14,676.12	3,616,453.00	3,631,129.12	(0.02)
	99,710,219.39	7,058,025	28,491	226,739,016			\$402,496.38	\$99,307,856.31	\$99,710,352.69	\$133.30

* As shown in Prior Verification Report

(1) Derivation of Unexchanged Bonds Factor:

Total Number of Original Bonds Opting out of the Exchange
Total Number of Original Bonds Outstanding
Factor of Unexchanged to Outstanding

28,491
7,058,025
0.00404

(2) Derivation of Exchanged Bonds Factor:

Maximum Number of Exchanged Bonds Assuming No Opt-outs
Total Number of Original Bonds Outstanding
Adjusted Conversion Factor

227,658,008.00
7,058,025.00
32.255200

	Number of Bonds	Maturity Value
Unexchanged Original Bonds	28,491	\$918,982.90
Exchanged Bonds	226,739,016	\$226,739,016.00

CONNECTOR 2000 ASSOCIATION, INC.
TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011A, SERIES 2011B AND SERIES 2011C

CALCULATION OF OF PROJECTED DEBT SERVICE FOR THE 2011C TERM BOND EXCHANGED BONDS AND UNEXCHANGED BONDS

Maturity or Redemption Date	Projected 2011C Bond Debt Service*	Number of Original Bonds	Number of Original Bonds Not Being Exchanged at .00848 (1)	Original Bonds to be Exchanged	Allocation of Exchanged Bonds	Rounded Exchanged Bonds	Accreted Value of the:		Debt Service of the			Difference in Amounts of Debt Service Payable
							Original Bonds	Exchanged Bonds	Original Bonds	Exchanged Bonds	Total	
1/1/2012	\$47,908.08	44,603					1.07410		\$47,908.08		\$47,908.08	\$0.00
1/1/2013	82,196.47	69,569	590	68,979	3,215,113.70	3,215,114	1.18151	0.02535	697.09	\$81,503.14	82,200.23	3.76
1/1/2014	85,976.41	66,153	561	65,592	3,057,245.51	3,057,246	1.29966	0.02788	729.11	85,236.02	85,965.13	(11.28)
1/1/2015	92,961.69	65,025	552	64,473	3,005,088.88	3,005,089	1.42963	0.03067	789.16	92,166.08	92,955.24	(6.45)
1/1/2016	103,622.67	65,893	559	65,334	3,045,220.12	3,045,220	1.57259	0.03374	879.08	102,745.72	103,624.80	2.13
1/1/2017	140,190.50	81,042	688	80,354	3,745,302.86	3,745,303	1.72985	0.03711	1,190.14	138,988.19	140,178.33	(12.17)
1/1/2018	154,928.42	81,420	691	80,729	3,762,781.63	3,762,782	1.90283	0.04083	1,314.86	153,634.39	154,949.25	20.83
1/1/2019	168,665.70	80,581	684	79,897	3,724,002.08	3,724,002	2.09312	0.04491	1,431.69	167,244.93	168,676.62	10.92
1/1/2020	183,455.32	79,679	675	79,004	3,682,379.31	3,682,379	2.30243	0.04940	1,554.14	181,909.52	183,463.66	8.34
1/1/2021	217,599.41	85,917	729	85,188	3,970,615.78	3,970,616	2.53267	0.05434	1,846.32	215,763.27	217,609.59	10.18
1/1/2022	230,110.29	82,597	701	81,896	3,817,175.54	3,817,176	2.78594	0.05977	1,952.94	228,152.61	230,105.55	(4.74)
1/1/2023	243,280.78	79,386	674	78,712	3,668,769.18	3,668,769	3.06453	0.06575	2,065.49	241,221.56	243,287.05	6.27
1/1/2024	257,155.21	76,285	647	75,638	3,525,489.93	3,525,490	3.37098	0.07232	2,181.02	254,963.44	257,144.46	(10.75)
1/1/2025	295,040.80	79,567	675	78,892	3,677,158.99	3,677,159	3.70808	0.07956	2,502.95	292,554.77	295,057.72	16.92
1/1/2026	307,735.93	75,446	639	74,807	3,486,756.99	3,486,757	4.07889	0.08751	2,606.41	305,126.11	307,732.52	(3.41)
1/1/2027	316,986.52	70,649	600	70,049	3,264,986.44	3,264,985	4.48678	0.09626	2,692.07	314,287.46	316,979.53	(6.99)
1/1/2028	326,066.10	66,066	561	65,505	3,053,190.43	3,053,190	4.93546	0.10589	2,768.79	323,302.29	326,071.08	4.98
1/1/2029	364,378.19	67,117	570	66,547	3,101,758.09	3,101,758	5.42900	0.11648	3,094.53	361,292.77	364,387.30	9.11
1/1/2030	374,832.28	62,766	533	62,233	2,900,682.39	2,900,682	5.97190	0.12813	3,183.02	371,664.38	374,847.40	15.12
1/1/2031	385,605.58	58,700	498	58,202	2,712,797.34	2,712,797	6.56909	0.14094	3,271.41	382,341.61	385,613.02	7.44
1/1/2032	392,220.05	54,279	461	53,818	2,508,458.94	2,508,459	7.22600	0.15503	3,331.19	388,886.40	392,217.59	(2.46)
1/1/2033	450,009.99	56,615	481	56,134	2,616,407.78	2,616,408	7.94860	0.17054	3,823.28	446,202.22	450,025.50	15.51
1/1/2034	457,878.04	52,368	444	51,924	2,420,179.53	2,420,180	8.74347	0.18759	3,882.10	454,001.57	457,883.67	5.63
1/1/2035	465,819.39	48,433	410	48,023	2,238,353.78	2,238,354	9.61781	0.20635	3,943.30	461,884.35	465,827.65	8.26
1/1/2036	473,933.89	44,797	380	44,417	2,070,277.99	2,070,278	10.57959	0.22699	4,020.24	469,932.40	473,952.64	18.75
1/1/2037	537,433.70	46,181	391	45,790	2,134,273.57	2,134,274	11.63755	0.24968	4,550.28	532,885.53	537,435.81	2.11
1/1/2038	546,871.96	42,720	362	42,358	1,974,307.92	1,974,308	12.80131	0.27465	4,634.07	542,243.69	546,877.76	5.80
1/1/2039	556,470.35	39,518	335	39,183	1,826,321.06	1,826,321	14.08144	0.30212	4,717.28	551,768.10	556,485.38	15.03
1/1/2040	566,221.60	36,555	310	36,245	1,689,380.77	1,689,381	15.48958	0.33233	4,801.77	561,431.99	566,233.76	12.16
1/1/2041	635,963.51	37,325	316	37,009	1,724,990.84	1,724,991	17.03854	0.36556	5,384.18	630,587.71	635,971.89	8.38
1/1/2042	639,396.63	34,115	289	33,826	1,576,631.09	1,576,631	18.74239	0.40212	5,416.55	633,994.86	639,411.41	14.78
1/1/2043	642,785.29	31,178	264	30,914	1,440,902.66	1,440,903	20.61663	0.44233	5,442.79	637,354.62	642,797.41	12.12
1/1/2044	646,127.45	28,491	241	28,250	1,316,733.53	1,316,734	22.67830	0.48656	5,465.47	640,670.10	646,135.57	8.12
1/1/2045	711,638.25	28,527	241	28,286	1,318,411.49	1,318,411	24.94613	0.53522	6,012.02	705,639.94	711,651.96	13.71
1/1/2046	715,489.85	26,074	221	25,853	1,205,009.27	1,205,009	27.44074	0.58874	6,064.40	709,437.00	715,501.40	11.55
1/1/2047	719,273.84	23,829	202	23,627	1,101,255.33	1,101,254	30.18481	0.64762	6,097.33	713,194.12	719,291.45	17.61
1/1/2048	722,935.23	21,773	184	21,589	1,006,264.08	1,006,264	33.20329	0.71238	6,109.41	716,842.35	722,951.76	16.53
1/1/2049	791,357.27	21,667	183	21,484	1,001,370.02	1,001,370	36.52362	0.78362	6,683.82	784,693.56	791,377.38	20.11
1/1/2050	795,605.13	19,803	167	19,636	915,234.67	915,235	40.17599	0.86198	6,709.39	788,914.27	795,623.66	18.53
1/1/2051	799,727.20	18,096	153	17,943	836,323.88	836,324	44.19359	0.94818	6,761.62	792,985.69	799,747.31	20.11
7/22/2051	448,798.45	9,629	81	9,548	445,032.63	445,033	46.60904	1.00000	3,775.33	445,033.00	448,808.33	9.88
	17,094,653.42	2,160,434	17,943	2,097,888	97,782,636.00	97,782,636			\$192,284.12	\$16,902,681.71	\$17,094,965.84	\$312.42

* As shown in Prior Verification Report

(1) Derivation of Unexchanged Bonds Factor:

Total Number of Original Bonds Opting out of the Exchange	17,943
Total Number of Original Bonds Outstanding	2,160,434
Paydown Factor (3)	97.93546%
Adjusted Original Bonds Outstanding	2,115,831
Factor of Unexchanged to Outstanding	0.00848

	Number of Bonds	Maturity Value
Unexchanged Original Bonds	17,943	\$836,306.00
Exchanged Bonds	97,782,636	\$97,782,636.00

(2) Derivation of Exchanged Bonds Factor:

Maximum Number of Exchanged Bonds Assuming No Opt-outs	100,697,889.00
Less: Number of January 1, 2012 Bonds Redeemed Expressed as Exchanged Bonds	(2,078,947.00)
Less: Number of Opt-out Bonds Expressed as Exchanged Bonds	(836,306.00)
Maximum Number of Exchanged Bonds Due After January 1, 2012	97,782,636.00
Total Number of Original Bonds Outstanding	2,160,434.00
Total Number of Original Bonds Opting out of the Exchange	17,943.00
Adjusted Number of Original Bonds on DTC's Books	2,142,491.00
Adjusted Conversion Factor	45.63970
Adjusted Number of Original Bonds on DTC's Books	2,142,491.00
Conversion Factor	45.64
Number of Exchanged Bonds Outstanding	97,782,636.00

(3) Derivation of Paydown Factor:

Total Number of Original Bonds Outstanding	2,160,434.00
Less: Number of Original Bonds Retired on January 1, 2012	44,603.00
Number of Original Bonds Remaining After January 1, 2012	2,115,831.00
Paydown Factor	97.93546%

CONNECTOR 2000 ASSOCIATION, INC.
TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011A, SERIES 2011B AND SERIES 2011C

ACCREDITED VALUE TABLE

Maturity or Redemption Date	2011A1 Term Bonds Maturing on:			2011B1 Bonds Maturing on:		2011C1 Bonds Maturing on:
	2011A1-1 Bonds Maturing on:	2011A1-2 Bonds Maturing on:	2011A1-3 Bonds Maturing on:	2011B1-1 Bonds Maturing on:	2011B1-2 Bonds Maturing on:	
	6.50%	7.00%	7.50%	8.50%	9.00%	
	01-Jan-32	01-Jan-42	22-Jul-51	01-Jan-32	22-Jul-51	22-Jul-51
01-Apr-11	\$0.27070	\$0.12487	\$0.05420	\$0.18401	\$0.03100	\$0.02146
21-Apr-11	0.27165	0.12534	0.05442	0.18484	0.03115	0.02157
01-Jan-12	0.28380	0.13137	0.05722	0.19562	0.03307	0.02304
01-Jan-13	0.30224	0.14056	0.06151	0.21224	0.03605	0.02535
01-Jan-14	0.32189	0.15040	0.06612	0.23028	0.03929	0.02788
01-Jan-15	0.34281	0.16093	0.07108	0.24986	0.04283	0.03067
01-Jan-16	0.36510	0.17220	0.07641	0.27110	0.04668	0.03374
01-Jan-17	0.38883	0.18425	0.08214	0.29414	0.05089	0.03711
01-Jan-18	0.41410	0.19715	0.08830	0.31914	0.05547	0.04083
01-Jan-19	0.44102	0.21095	0.09493	0.34627	0.06046	0.04491
01-Jan-20	0.46968	0.22571	0.10205	0.37570	0.06590	0.04940
01-Jan-21	0.50021	0.24151	0.10970	0.40764	0.07183	0.05434
01-Jan-22	0.53273	0.25842	0.11793	0.44229	0.07830	0.05977
01-Jan-23	0.56735	0.27651	0.12677	0.47988	0.08534	0.06575
01-Jan-24	0.60423	0.29586	0.13628	0.52067	0.09302	0.07232
01-Jan-25	0.64351	0.31657	0.14650	0.56493	0.10139	0.07956
01-Jan-26	0.68533	0.33873	0.15749	0.61295	0.11052	0.08751
01-Jan-27	0.72988	0.36245	0.16930	0.66505	0.12047	0.09626
01-Jan-28	0.77732	0.38782	0.18200	0.72157	0.13131	0.10589
01-Jan-29	0.82785	0.41496	0.19565	0.78291	0.14313	0.11648
01-Jan-30	0.88166	0.44401	0.21032	0.84946	0.15601	0.12813
01-Jan-31	0.93897	0.47509	0.22610	0.92166	0.17005	0.14094
01-Jan-32	1.00000	0.50835	0.24305	1.00000	0.18535	0.15503
01-Jan-33		0.54393	0.26128		0.20203	0.17054
01-Jan-34		0.58201	0.28088		0.22022	0.18759
01-Jan-35		0.62275	0.30195		0.24004	0.20635
01-Jan-36		0.66634	0.32459		0.26164	0.22699
01-Jan-37		0.71299	0.34894		0.28519	0.24968
01-Jan-38		0.76290	0.37511		0.31086	0.27465
01-Jan-39		0.81630	0.40324		0.33883	0.30212
01-Jan-40		0.87344	0.43348		0.36933	0.33233
01-Jan-41		0.93458	0.46599		0.40257	0.36556
01-Jan-42		1.00000	0.50094		0.43880	0.40212
01-Jan-43			0.53851		0.47829	0.44233
01-Jan-44			0.57890		0.52134	0.48656
01-Jan-45			0.62232		0.56826	0.53522
01-Jan-46			0.66899		0.61940	0.58874
01-Jan-47			0.71917		0.67515	0.64762
01-Jan-48			0.77310		0.73591	0.71238
01-Jan-49			0.83109		0.80214	0.78362
01-Jan-50			0.89342		0.87433	0.86198
01-Jan-51			0.96043		0.95302	0.94818
22-Jul-51			1.00000		1.00000	1.00000

Appendix I

Description of the Original Unexchanged Bonds



Issuer: Southern Connector Project SERIES 2011A
Entity: US Bank Corporate Trust
Administrator: Susan Jacobsen/Tanya Cody
Expiration Date: 5/17/2012
Processed By: Brandi Steward
DTC Contact: Yolene Lorient

Contra Cusip: 20799AWA4				Target Cusip: 20786LDL2		
Date Received	Sequence Number	Participant Number	Participant Name	Amount Offered	Withdrawals	Uncovered Protects
5/16/2012	1	62	VANGUARD	4,938		
5/16/2012	2	702	CCS LLC	7,842		
5/17/2012	3	141	FIRST CLEARING	8,090		
5/17/2012	4	5198	ML SFKPG	92,430		
5/17/2012	5	418	CITIGROUP	50,649		
			#N/A			
			#N/A			
			#N/A			
			#N/A			
			#N/A			
			#N/A			

Total: 163,949 - -
 Cert Master Balance: 40,619,653
 Balance Outstanding: 40,455,704 99.60% Outstanding



Issuer: Southern Connector Project SERIES 2011A
Entity: US Bank Corporate Trust
Administrator: Susan Jacobsen/Tanya Cody
Expiration Date: 5/17/2012
Processed By: Brandi Steward
DTC Contact: Yolene Lorient

Contra Cusip: 20799AWB2				Target Cusip: 20786LDM0		
Date Received	Sequence Number	Participant Number	Participant Name	Amount Offered	Withdrawals	Uncovered Protects
5/16/2012	1	62	VANGUARD	3,825		
5/16/2012	2	702	CCS LLC	6,074		
5/17/2012	3	141	FIRST CLEARING	6,266		
5/17/2012	4	5198	ML SFKPG	71,592		
5/17/2012	5	418	CITIGROUP	39,233		
			#N/A			
			#N/A			
			#N/A			

Total: 126,990

Cert Master Balance: 31,463,671
 Balance Outstanding: 31,336,681

99.60% Outstanding



Issuer: Southern Connector Project SERIES 2011A

Entity: US Bank Corporate Trust

Administrator: Susan Jacobsen/Tanya Cody

Expiration Date: 5/17/2012

Processed By: Brandi Steward

DTC Contact: Yolene Lorient

Contra Cusip: 20799AWC0				Target Cusip: 20786LDN8		
Date Received	Sequence Number	Participant Number	Participant Name	Amount Offered	Withdrawals	Uncovered Protects
5/16/2012	1	62	VANGUARD	2,211		
5/16/2012	2	702	CCS LLC	3,512		
5/17/2012	3	141	FIRST CLEARING	3,623		
5/17/2012	4	5198	ML SFKPG	41,390		
5/17/2012	5	418	CITIGROUP	22,682		
			#N/A			
			#N/A			
			#N/A			

Total:	73,418	-	-
Cert Master Balance:	18,190,852		
Balance Outstanding:	18,117,434	99.60%	Outstanding



Issuer: Southern Connector Project SERIES 2011B
Entity: US Bank Corporate Trust
Administrator: Susan Jacobsen/Tanya Cody
Expiration Date: 5/17/2012
Processed By: Brandi Steward
DTC Contact: Yolene Lorient

Contra Cusip: 20799AWD8				Target Cusip: 20786LDP3		
Date Received	Sequence Number	Participant Number	Participant Name	Amount Offered	Withdrawals	Uncovered Protects
5/16/2012	1	62	VANGUARD	1,705		
5/16/2012	2	702	CCS LLC	2,708		
5/17/2012	3	141	FIRST CLEARING	2,794		
5/17/2012	4	5198	ML SFKPG	31,915		
5/17/2012	5	418	CITIGROUP	17,490		
			#N/A			
			#N/A			
			#N/A			

Total:	56,612	-	-
Cert Master Balance:	14,027,683		
Balance Outstanding:	13,971,071	99.60%	Outstanding



Issuer: Southern Connector Project SERIES 2011B

Entity: US Bank Corporate Trust

Administrator: Susan Jacobsen/Tanya Cody

Expiration Date: 5/17/2012

Processed By: Brandi Steward

DTC Contact: Yolene Lorient

Contra Cusip: 20799AWE6

Target Cusip: 20786LDQ1

Date Received	Sequence Number	Participant Number	Participant Name	Amount Offered	Withdrawals	Uncovered Protects
5/16/2012	1	62	VANGUARD	858		
5/16/2012	2	702	CCS LLC	1,362		
5/17/2012	3	141	FIRST CLEARING	1,405		
5/17/2012	4	5198	ML SFKPG	16,006		
5/17/2012	5	5198	ML SFKPG	60		
5/17/2012	6	418	CITIGROUP	8,800		
			#N/A			
			#N/A			
			#N/A			
			#N/A			

Total:

28,491

-

-

Cert Master Balance:

7,058,025

Balance Outstanding:

7,029,534

99.60% Outstanding



Issuer: Southern Connector Project SERIES 2011C
Entity: US Bank Corporate Trust
Administrator: Susan Jacobsen/Tanya Cody
Expiration Date: 5/17/2012
Processed By: Brandi Steward
DTC Contact: Yolene Lorient

Contra Cusip: 20799AWF3				Target Cusip: 20786LDR9		
Date Received	Sequence Number	Participant Number	Participant Name	Amount Offered	Withdrawals	Uncovered Protects
5/16/2012	1	702	CCS LLC	9,893		
5/17/2012	2	5198	ML SFKPG	8,050		
			#N/A			
			#N/A			
			#N/A			
			#N/A			
			#N/A			
			#N/A			

Total:	17,943	-	-
Cert Master Balance:	2,160,434		
Balance Outstanding:	2,142,491	99.17%	Outstanding

CLOSING AND TAX CERTIFICATE OF THE ASSOCIATION

I, William L. Carpenter, hereby certify that I am the Chairman of the Board of Directors of Connector 2000 Association, Inc. (the “**Association**”), that I am authorized to execute this certificate on behalf of the Association. Capitalized terms used but not defined herein have the meanings assigned to them in the First Supplemental Indenture of Trust, dated as of May 1, 2012 and effective as of April 21, 2011 between the Association and U.S. Bank National Association, as trustee (the “**Trustee**”) (the “**Supplemental Indenture**”) relating to the Connector 2000 Association, Inc. Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A1, B1 and C1 (the “**By-lot Bonds**”).

The By-lot Bonds are being issued by the Association this day on behalf of the State of South Carolina Department of Transportation (“**SCDOT**”) in exchange for an equivalent principal amount of (x) Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A (the “**Series 2011A Bonds**”), (y) Senior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011B (the “**Series 2011B Bonds**”) and (z) Junior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011C (the “**Series 2011C Bonds**” and, together with the Series 2011A Bonds and the Series 2011B Bonds, the “**Pro-rata Bonds**”). Such exchange is being undertaken at the request of the beneficial owners of a majority in Original Principal Amount of the Pro-rata Bonds and is authorized by that certain Order (I) Authorizing A Supplement To The Indenture In Aid Of Implementation Of The Plan; And (II) Approving Bond Exchange Materials And Procedures For Term Bonds (the “**Exchange Order**”) entered April 10, 2012 by the United States Bankruptcy Court for the District of South Carolina (the “**Court**”).

1. The Association has complied with all the covenants and satisfied all the conditions contained in the By-lot Bonds, the Pro-rata Bonds, the resolution of the Board of Directors of the Association adopted January 18, 2012 authorizing the exchange (the “**Bond Resolution**”), the Supplemental Indenture, the Master Indenture and the Exchange Order (collectively, the “**Association Documents**”) to be performed or satisfied by it at or prior to the date hereof; and the representations and warranties of the Association contained in the Association Documents, are true and correct as of the date hereof; and

2. The yield, maturity and prepayment provisions of the By-lot Bonds and the Pro-rata Bonds are identical; the exchange merely modifies the method of selection of the beneficial owners of the obligations to receive distributions of debt service; changing the distribution of debt service payments by the Association from a pro-rata distribution to a distribution by lot in accordance with the standard operating procedures of the Depository Trust Corporation (“**DTC**”). In the event such amendment is considered to be a “significant modification” of the Pro-rata Bonds, this certificate is intended to certify the expectations of the Association with respect to the application of the proceeds of the By-lot Bonds within the meaning of IRS Regulation 1.148-2.

respect to the application of the proceeds of the By-lot Bonds within the meaning of IRS Regulation 1.148-2.

3. This certificate may be relied upon by the Trustee, the Association and their respective counsels in connection with the issuance and exchange of the By-Lot Bonds.

EXECUTED as of May 30, 2012.

CONNECTOR 2000 ASSOCIATION, INC.

By: William L. Cayputh
CHAIRMAN, Board of Directors

AUTHENTICATION ORDER

May 31, 2012

U.S. Bank National Association,
as Trustee
Columbia, South Carolina

Re: \$112,688,302.00 Connector 2000 Association, Inc., Toll Road Revenue Bonds
(Southern Connector Project, Greenville, South Carolina) Series 2011

Ladies and Gentlemen:

Pursuant to Section 401 of that certain First Supplemental Indenture of Trust, dated as of May 1, 2012 and effective as of April 21, 2011 between the Connector 2000 Association, Inc. (the "**Association**") and U.S. Bank National Association, as trustee (the "**Trustee**") (the "**Supplemental Indenture**") the undersigned, on behalf of the Association, hereby authorizes and directs you to authenticate the following Toll Road Revenue Bonds of the Association, which are hereby delivered to you: (i) Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A1 (the "**Series 2011A1 Bonds**"), (ii) Senior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011B1 (the "**Series 2011B1 Bonds**") and (iii) Junior Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011C1 (the "**Series 2011C1 Bonds**" and, together with the Series 2011A1 Bonds and the Series 2011B1 Bonds, the "**By-lot Bonds**") in the form of one fully registered bond for each maturity and for each such Series, having the maturities, Original Principal Amounts, Maturity Values and yields set forth in the attached **Schedule "A"**, conforming to the description thereof in the Supplemental Indenture, each of which has been executed on behalf of the Association by the undersigned Chairman of the Board of Directors of the Association, sealed with the corporate seal of the Association and attested by the Secretary of the Association.

You are directed to authenticate the Bonds and thereupon deliver the same to the Depository Trust Corporation ("**DTC**"). The Bonds will be delivered in exchange for an equivalent Original Principal Amount of Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina) Series 2011A, 2011B, and 2011C (the "**Pro-rata Bonds**"). After such exchange the Original Principal Amount and the Maturity Value of the Bonds and the Original Principal Amount of the Pro-rata Bonds not exchanged (the "Retained Bonds") will be reflected on the books of the Bond Register as set forth on **Schedule A**.

We hand you herewith, pursuant to Section 401 of the Supplemental Indenture:

- (1) one fully executed counterpart of the Supplemental Indenture and each of the above-described By-lot Bonds, together with this letter;
- (2) one certified copy of the Order;
- (3) the opinions of Haynsworth Sinkler Boyd, P.A., Bond Counsel, conforming to the description thereof in Section 401(3) of the Supplemental Indenture; and
- (4) evidence of the filing of a UCC-1 financing statement relating to the pledge of the Trust Estate under the Master Indenture.

Your acknowledgment of receipt of the By-lot Bonds, your agreement to authenticate and deliver the same and your acceptance of the accompanying documents, all in accordance with the provisions of the Supplemental Indenture, will be evidenced by the receipt and approval by the Trustee hereon endorsed.

CONNECTOR 2000 ASSOCIATION, INC.

By: William L. Carpenter
William L. Carpenter, Chairman, Board of Directors
Authorized Association Representative

The undersigned acknowledges receipt of the Bonds, agrees to authenticate and deliver the By-lot Bonds in accordance with the foregoing request, and accepts delivery of the documents described in the foregoing letter.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: Raymond L. Gaby
Corporate Trust Officer

SCHEDULE "A"

Details of the Connector 2000 Association, Inc., Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina) Series 2011, By-Lot Bonds Series 2011A1, B1 and C1.

Term Series 2011A1 Capital Appreciation Bonds

<u>Maturity Date</u>	<u>Original Principal</u> <u>Amount</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Maturity Value</u>
1/1/2032	40,455,704.00	6.50%	20786LDS7	149,446,102.00
1/1/2042	31,336,681.00	7.00%	20786LDT5	250,959,619.00
7/22/2051	18,117,434.00	7.50%	20786LDU2	334,287,216.00

Series 2011B1 Bonds Debt Service Table

Term Series 2011B Capital Appreciation Bonds

<u>Maturity Date</u>	<u>Original Principal</u> <u>Amount</u>	<u>Yield</u>	<u>CUSIP</u>	
1/1/2032	\$13,971,071.00	8.50%	20786LDV0	73,945,516.00
7/22/2051	7,029,534.00	9.00%	20786LDW8	226,739,016.00

Series 2011C1 Bonds Debt Service Table

Term Series 2011C Capital Appreciation Bonds

<u>Maturity Date</u>	<u>Original Principal</u> <u>Amount</u>	<u>Yield</u>	<u>CUSIP</u>	
7/22/2051	\$2,142,491.00	10.00%	20786LDX6	97,782,636.00

Details of the Connector 2000 Association, Inc., Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina) Series 2011, Retained Pro-rata Bonds Series 2011A, B and C.

Term Series 2011A Capital Appreciation Bonds

<u>Maturity Date</u>	<u>Original Principal</u> <u>Amount</u>	<u>Yield</u>	<u>CUSIP</u>
1/1/2032	\$163,949.00	6.50%	20786LDL2
1/1/2042	126,990.00	7.00%	20786LDM0
7/22/2051	73,418.00	7.50%	20786LDN8

Series 2011B Bonds Debt Service Table

Term Series 2011B Capital Appreciation Bonds

<u>Maturity Date</u>	<u>Original Principal</u> <u>Amount</u>	<u>Yield</u>	<u>CUSIP</u>
1/1/2032	\$56,612.00	8.50%	20786LDP3
7/22/2051	28,491.00	9.00%	20786LDQ1

Series 2011C Bonds Debt Service Table

Term Series 2011C Capital Appreciation Bonds

<u>Maturity Date</u>	<u>Original Principal</u> <u>Amount</u>	<u>Yield</u>	<u>CUSIP</u>
7/22/2051	\$17,943.00	10.00%	20786LDR9

OFFICER'S CERTIFICATE OF THE TRUSTEE

U.S. Bank National Association, as Trustee (the "*Trustee*") in connection with the delivery of the Connector 2000 Association, Inc. \$112,688,302.00 original aggregate principal amount Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A1, 2011B1, and 2011C1 (collectively, the "*By-lot Bonds*") **DOES HEREBY CERTIFY** as follows:

1. The Trustee, by its duly authorized officers, has heretofore duly authenticated the By-lot Bonds and executed and delivered that certain First Supplemental Indenture of Trust, dated as of May 1, 2012 and effective as of April 21, 2011 between Connector 2000 Association, Inc. (the "*Association*") and the Trustee (the "*Supplemental Indenture*").

2. Attached hereto as Exhibit "A" is a true and correct copy of a portion of the bylaws of the Trustee as in effect as of the date hereof and that the same has been duly adopted and is in full force and effect as of the date hereof.

3. The Trustee is a national banking association duly organized and validly existing under the laws of the United States of America and is duly empowered under such laws to execute and accept the trusts as provided in the First Amended and Restated Master Indenture of Trust (the "*Master Indenture*") dated as of April 1, 2011, between the Association and the Trustee as amended by the Supplemental Indenture. The Trustee has taken all necessary corporate action to authorize the execution, delivery and performance of the Supplemental Indenture.

4. Acting by Tanya H. Cody, its Assistant Vice President, the Trustee has duly authenticated the By-lot Bonds in the form of one fully registered bond for each maturity of each Series of the Bonds, conforming to the description thereof in the attached Exhibit "B".

5. Acting by Tanya H. Cody, its Assistant Vice President, the Trustee has duly executed and delivered the Supplemental Indenture.

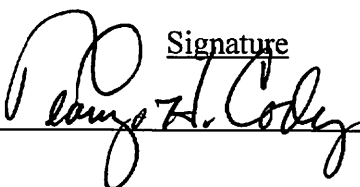
6. Each of the persons indicated above was at the time of the authentication of the By-lot Bonds and the execution of the Supplemental Indenture and is now the duly elected, qualified and acting incumbent of his or her respective office, and pursuant to due corporate authorization each of such persons, in his or her official capacity, is authorized to execute and deliver each of said documents to which he or she is signatory for and on behalf of the Trustee.

7. Appearing opposite the names of the persons indicated below are true and correct specimens of their respective signatures.

Name

Tanya H. Cody

Signature



A handwritten signature of Tanya H. Cody in black ink, written over a horizontal line. The signature is cursive and stylized, with the first letters of the first and last names being capitalized and prominent.

This certificate may be relied upon by the Association and its counsel in connection with the issuance and exchange of the By-lot Bonds and the delivery by them of certificates, opinions or other items relating to the By-lot Bonds.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be executed by its duly authorized officer as of the 31st day of May, 2012.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: Natalie McNamee
Corporate Trust Officer

CONNECTOR 2000 ASSOCIATION, INC.
TOLL ROAD REVENUE BONDS
(SOUTHERN CONNECTOR PROJECT, GREENVILLE, SOUTH CAROLINA)
SERIES 2011A, SERIES 2011B AND SERIES 2011C

ACCREDITED VALUE TABLE

Maturity or Redemption Date	2011A1 Term Bonds Maturing on:			2011B1 Bonds Maturing on:		2011C1 Bonds Maturing on:
	2011A1-1 Bonds	2011A1-2 Bonds	2011A1-3 Bonds	2011B1-1 Bonds	2011B1-2 Bonds	
	Maturing on:	Maturing on:	Maturing on:	Maturing on:	Maturing on:	
	6.50%	7.00%	7.50%	8.50%	9.00%	
	01-Jan-32	01-Jan-42	22-Jul-51	01-Jan-32	22-Jul-51	22-Jul-51
01-Apr-11	\$0.27070	\$0.12487	\$0.05420	\$0.18401	\$0.03100	\$0.02146
21-Apr-11	0.27165	0.12534	0.05442	0.18484	0.03115	0.02157
01-Jan-12	0.28380	0.13137	0.05722	0.19562	0.03307	0.02304
01-Jan-13	0.30224	0.14056	0.06151	0.21224	0.03605	0.02535
01-Jan-14	0.32189	0.15040	0.06612	0.23028	0.03929	0.02788
01-Jan-15	0.34281	0.16093	0.07108	0.24986	0.04283	0.03067
01-Jan-16	0.36510	0.17220	0.07641	0.27110	0.04668	0.03374
01-Jan-17	0.38883	0.18425	0.08214	0.29414	0.05089	0.03711
01-Jan-18	0.41410	0.19715	0.08830	0.31914	0.05547	0.04083
01-Jan-19	0.44102	0.21095	0.09493	0.34627	0.06046	0.04491
01-Jan-20	0.46968	0.22571	0.10205	0.37570	0.06590	0.04940
01-Jan-21	0.50021	0.24151	0.10970	0.40764	0.07183	0.05434
01-Jan-22	0.53273	0.25842	0.11793	0.44229	0.07830	0.05977
01-Jan-23	0.56735	0.27651	0.12677	0.47988	0.08534	0.06575
01-Jan-24	0.60423	0.29586	0.13628	0.52067	0.09302	0.07232
01-Jan-25	0.64351	0.31657	0.14650	0.56493	0.10139	0.07956
01-Jan-26	0.68533	0.33873	0.15749	0.61295	0.11052	0.08751
01-Jan-27	0.72988	0.36245	0.16930	0.66505	0.12047	0.09626
01-Jan-28	0.77732	0.38782	0.18200	0.72157	0.13131	0.10589
01-Jan-29	0.82785	0.41496	0.19565	0.78291	0.14313	0.11648
01-Jan-30	0.88166	0.44401	0.21032	0.84946	0.15601	0.12813
01-Jan-31	0.93897	0.47509	0.22610	0.92166	0.17005	0.14094
01-Jan-32	1.00000	0.50835	0.24305	1.00000	0.18535	0.15503
01-Jan-33		0.54393	0.26128		0.20203	0.17054
01-Jan-34		0.58201	0.28088		0.22022	0.18759
01-Jan-35		0.62275	0.30195		0.24004	0.20635
01-Jan-36		0.66634	0.32459		0.26164	0.22699
01-Jan-37		0.71299	0.34894		0.28519	0.24968
01-Jan-38		0.76290	0.37511		0.31086	0.27465
01-Jan-39		0.81630	0.40324		0.33883	0.30212
01-Jan-40		0.87344	0.43348		0.36933	0.33233
01-Jan-41		0.93458	0.46599		0.40257	0.36556
01-Jan-42		1.00000	0.50094		0.43880	0.40212
01-Jan-43			0.53851		0.47829	0.44233
01-Jan-44			0.57890		0.52134	0.48656
01-Jan-45			0.62232		0.56826	0.53522
01-Jan-46			0.66899		0.61940	0.58874
01-Jan-47			0.71917		0.67515	0.64762
01-Jan-48			0.77310		0.73591	0.71238
01-Jan-49			0.83109		0.80214	0.78362
01-Jan-50			0.89342		0.87433	0.86198
01-Jan-51			0.96043		0.95302	0.94818
22-Jul-51			1.00000		1.00000	1.00000

May 31, 2012

Connector 2000 Association, Inc.
Columbia, South Carolina

U.S. Bank National Association, as Trustee
Columbia, South Carolina

Re: Connector 2000 Association, Inc., Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina) Series 2011A1, 2011B1, and 2011C1

Ladies and Gentlemen:

We have acted as counsel for Connector 2000 Association, Inc. (the “**Association**”) in connection with the issuance and delivery of the above-referenced bonds (the “**By-lot Bonds**”). The By-lot Bonds are being issued this day by the Association under that certain First Amended and Restated Master Indenture of Trust dated as of April 1, 2011 (the “**Master Indenture**”) between the Association and U.S. Bank National Association, as trustee (the “**Trustee**”) as supplemented and amended by that certain First Supplemental Indenture of Trust (the “**First Supplement**”, and the Master Indenture, as supplemented by the First Supplement is referred to herein as the “**Indenture**”) in exchange for an equivalent Original Principal Amount of Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina) Series 2011A, 2011B, and 2011C (the “**Pro-rata Bonds**”) issued on April 21, 2011. Capitalized terms not otherwise defined herein are intended to have the meaning assigned thereto in the First Supplement. The exchange of the By-lot Bonds for the Pro-rata Bonds (the “**Exchange**”) was authorized by an order entered April 10, 2012 (the “**Order**”) by the United States Bankruptcy Court for the District of South Carolina (the “**Court**”) in the Association’s Chapter 9 bankruptcy proceeding Case No. 10-04467-dd. The By-lot Bonds are being delivered to the beneficial owners of the Pro-rata Bonds pursuant to exchange procedures approved by the Court in the Order.

In our capacity as counsel to the Association, for the purpose of rendering this opinion, we have examined the following:

1. The Constitution and statutes of the State of South Carolina that we consider necessary for the purpose of this opinion, including, without limitation, the provisions of Part II, Section 128 of Act No. 497 of the Acts and Joint Resolutions of the General Assembly of South Carolina of 1994, as codified at S.C. Code Ann. § 57-3-200 (Supp. 1997), and the South Carolina Nonprofit Corporation Act of 1994, as codified at S.C. Code Ann. §§33-31-101 *et seq.* (Supp. 1997) (the “**Non-Profit Act**,” and together with S.C. Code Ann. § 57-3-200, the “**Act**”).
2. The Articles of Incorporation and the Bylaws of the Association, as amended to date.
3. The resolution (the “**Bond Resolution**”) adopted January 18, 2012 by the Board of Directors (the “**Board**”), the governing body of the Association,
4. Executed counterparts of the Master Indenture and the First Supplement.
5. One fully executed certificate for each maturity of the By-lot Bonds.

Connector 2000 Association, Inc.
U.S. Bank National Association, as Trustee
Page 2

6. The Order.

7. A certified copy of the Transcript of Proceedings relating to the issuance of the By-lot Bonds as filed with the Office of the Secretary of State of South Carolina.

8. A Closing and Tax Certificate dated as of May 31, 2012 by the Association containing certain representations and covenants relating to the use of the proceeds of the By-lot Bonds and the Southern Connector Project.

In connection with our examination, we have assumed the genuineness of signatures of all parties to the Association Documents (defined below) other than the officers of the Association, the authenticity of all documents, certificates and instruments submitted to us as originals, the conformity to execution counterparts of original documents, certificates and instruments of all documents, certificates and instruments submitted to us as drafts or as certified or photostatic copies, and the authenticity of the originals of such latter documents and the legal capacity to sign of all individuals executing such documents.

On the basis of the foregoing and an examination of such other documents and consideration of such matters of law as we have deemed appropriate to enable us to render this opinion, we are of the opinion that:

(i) the Association is a nonprofit corporation, duly organized and validly existing, with the powers and authority, among others, set forth in the Act. The Association has all necessary power and authority to issue the By-lot Bonds and to carry out and consummate its obligations under the Bond Resolution, the Indenture (collectively, the “**Association Documents**”), the By-lot Bonds and the Order;

(ii) the Association is empowered by the Act and the Bond Resolution, which has been duly adopted by the Board and is currently in full force and effect, to execute, deliver, and perform the Association Documents, and to issue and deliver the By-lot Bonds;

(iii) the Association Documents have been duly authorized, executed, and delivered by the Association, and each of the Association Documents constitutes the legal, valid, and binding obligation of the Association, and, assuming that such documents are the valid and enforceable obligations of the other parties thereto, each of the Association Documents is enforceable against the Association in accordance with its respective terms, except to the extent that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium, or other similar laws and equitable principles of general application (whether applied by a court of law or equity) affecting the rights and remedies of creditors and secured parties;

(iv) the By-lot Bonds have been duly authorized, executed, and delivered by the Association, and constitute the legal, valid, and binding special, limited obligations of the Association, enforceable in accordance with their terms, except to the extent that the enforcement

Connector 2000 Association, Inc.
U.S. Bank National Association, as Trustee
Page 3

thereof may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium, or other similar laws and equitable principles of general application (whether applied by a court of law or equity) affecting the rights and remedies of creditors and secured parties. The By-lot Bonds are payable by the Association solely and only from the Trust Estate derived by the Association from its operation of the Southern Connector Project pursuant to the License Agreement and from the Funds and Accounts. The By-lot Bonds do not now and shall never constitute an indebtedness of the State of South Carolina (the “*State*”) or the South Carolina Department of Transportation (“*SCDOT*”) within the meaning of any state constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability or an obligation (legal, moral or otherwise) of the State, SCDOT, or any agency, department or political subdivision of the State (including, without limitation, the County of Greenville, South Carolina or the City of Greenville, South Carolina) or a charge against the general credit or taxing power of the State, SCDOT, or any agency, department or political subdivision of the State (including, without limitation, the County of Greenville, South Carolina or the City of Greenville, South Carolina);

(v) the Indenture creates the valid pledge of and lien on the Trust Estate which it purports to create, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture; a financing statement with respect to certain rights and interests of the Association has been filed in the office of the Secretary of State of the State of South Carolina; no other recording, filing, rerecording, or refiling is required to perfect the lien of the Indenture (other than the filing of continuation statements to maintain such perfection) against the Trust Estate; and such lien constitutes a valid, duly perfected security interest against the Trust Estate;

(vi) the Order has been duly entered and is final and the time period for any appeal thereof has lapsed; and all conditions precedent in the Order to the delivery of the By-lot Bonds in exchange for the Pro-rata Bonds have been accomplished or waived;

(vii) Interest on the By-lot Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income of the registered owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The opinion set forth in the preceding sentence is subject to the condition that the Association comply with all requirements of the Internal Revenue Code of 1986, as amended (the “*Code*”) and regulations and rulings issued thereunder that must be satisfied subsequent to the issuance of the By-lot Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause interest on the By-lot Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the By-lot Bonds. The Association has covenanted to comply with all such requirements. It should be noted, however, that for the purpose of computing the alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes), interest on the By-lot Bonds is taken into account in determining adjusted current earnings. We

Connector 2000 Association, Inc.
U.S. Bank National Association, as Trustee
Page 4

express no opinion regarding other federal tax consequences arising with respect to the By-lot Bonds;

(viii) Pursuant to Section 12-6-1120 of the Code of Laws of South Carolina, 1976, as amended, interest paid on the By-lot Bonds (including any original issue discount properly allocable to an owner thereof) is exempt from income taxation in the State of South Carolina. No opinion is hereby rendered that the interest on the By-lot Bonds is exempt under the laws of any jurisdiction other than South Carolina;

(ix) The exchange of the By-lot Bonds for the Pro-rata Bonds will not adversely affect the exclusion from gross income of interest on the Pro-rata Bonds retained from the exchange by the beneficial owners thereof for federal income tax purposes, subject to the assumptions and limitations contained in our approving opinion relating to the Pro-rata Bonds dated April 21, 2011.

Only the above addressees (the "*Opinion Recipients*") and the beneficial owners of the By-lot Bonds or the Pro-rata Bonds are entitled to rely upon or to assert any legal rights created by this opinion letter and the Opinion Recipients' reliance on the opinions expressed herein shall be only for the purpose contemplated by the Association Documents. This opinion letter may not be used or relied upon by any other person for any purpose whatsoever, other than in connection with regulatory requirements or in response to court order, without our prior written consent in each instance.

We are members of the Bar of the State of South Carolina and our opinions herein are limited to matters of federal law and the laws of the State of South Carolina.

Haynsworth
Sinkler Boyd, P.A.

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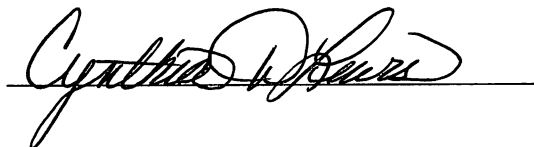
Yohanna Beato being duly sworn, says that she is the Billing Coordinator of the BOND BUYER, a daily newspaper printed and published at One State Street Plaza, in the City of New York, County of New York, State of New York; and the notice, of which the annexed is a printed copy, was regularly published in said BOND BUYER on April 23rd, 2012.



Billing Coordinator

Subscribed and sworn to before me this

May 1st, 2012



CYNTHIA D. LEWIS
Notary Public, State of New York
No. 01LE6202296
Qualified in New York County
Commission Expires March 9, 2013

Bond Redemption Advertisement

Connector 2000 Association, Inc. (the "**Association**"), the operator of the Southern Connector toll road, informs the beneficial owners of the Connector 2000 Association, Inc. Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A, Series 2011B and Series 2011C (the "**Bonds**"), which were issued as of April 21, 2011 under the Amended and Restated Master Indenture of Trust dated as of April 1, 2011 ("**Indenture**"), that on April 10, 2012, the United States Bankruptcy Court for the District of South Carolina issued an order (the "**Order**") in aid of further implementation of the Association's confirmed chapter 9 plan. The Order authorizes an amendment to the Indenture and exchange of the existing six "term" capital appreciation bonds (as more particularly described below, the "**Term Bonds**") to correct a material technical issue relating to the registration of the Term Bonds which has impaired the ability of such Term Bonds to be traded on the public securities markets per holders of the bonds. Series 2011A serial bonds maturing January 1st of the years 2013 through 2022 (inclusive) are not affected by the Order and will not be exchanged. The Term Bonds will be exchanged for new term bonds providing for redemption payments by lot, rather than on a pro rata basis (the "**By-Lot Bonds**") which will enable such bonds to be publicly tradable. However, if a holder wishes to retain its right to pro-rata payments through its existing Term Bonds, such Bondholder may affirmatively elect to opt out of the exchange and continue to hold its current Term Bonds which are subject to redemption on a pro rata basis rather than on a by lot basis. However, such retained pro rata Term Bonds will continue to bear the public trading impediment referenced above, which precipitated the current exchange. No future opportunities to exchange the Term Bonds are contemplated. In addition, the retention election is "all or nothing" and must be consistent. Holders cannot elect to retain part (but not all) of their investment in the Term Bonds. If a bondholder does not opt out, its Term Bonds will be automatically exchanged for By-Lot Bonds, since the exchange is a mandatory exchange with an option to retain. The holders of the Term Bonds will receive a bondholder notice with materials related to the exchange through DTC, including notice that holders may opt out of the exchange by causing a filing through DTC's Automated Tender Offer Program ("**ATOP**") to retain the current Term Bonds. The Order, exchange documents and other information about this exchange also can be located via the Electronic Municipal Market Access ("**EMMA**") system or on the Association's website: www.southernconnector.com/Zbankruptcy.htm

The Term Bonds subject to the exchange are described below:

Series 2011A Bonds:

Maturity Date	Original Principal Amount	Yield	CUSIP
January 1, 2032	40,619,653	6.50%	20786LDL2
January 1, 2042	31,463,671	7.00%	20786LDM0
July 22, 2051	18,190,852	7.50%	20786LDN8

Series 2011B Bonds:

Maturity Date	Original Principal Amount	Yield	CUSIP
January 1, 2032	14,027,683	8.50%	20786LDP3
July 22, 2051	7,058,025	9.00%	20786LDQ1

Series 2011C Bonds:

Maturity Date	Original Principal Amount	Yield	CUSIP
July 22, 2051	2,160,434	10.00%	20786LDR9

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VERIFICATION OF PUBLICATION

COMMONWEALTH OF VIRGINIA COUNTY OF FAIRFAX

Being duly sworn, Toussaint Hutchinson says that he is the principal clerk of USA TODAY, and is duly authorized by USA TODAY to make this affidavit, and is fully acquainted with the facts stated herein: on Monday, April 23, 2012 the following legal advertisement – Connector 2000 Association, Inc - was published in the national edition of USA TODAY.

Principal Clerk of USA TODAY
April 23, 2012

This 23rd day of April month
2012 year.

Notary Public

Connector 2000 Association, Inc. (the "**Association**"), the operator of the Southern Connector toll road, informs the beneficial owners of the Connector 2000 Association, Inc. Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 2011A, Series 2011B and Series 2011C (the "**Bonds**"), which were issued as of April 21, 2011 under the Amended and Restated Master Indenture of Trust dated as of April 1, 2011 ("**Indenture**"), that on April 10, 2012, the United States Bankruptcy Court for the District of South Carolina issued an order (the "**Order**") in aid of further implementation of the Association's confirmed chapter 9 plan. The Order authorizes an amendment to the Indenture and exchange of the existing six "term" capital appreciation bonds (as more particularly described below, the "**Term Bonds**") to correct a material technical issue relating to the registration of the Term Bonds which has impaired the ability of such Term Bonds to be traded on the public securities markets per holders of the bonds. Series 2011A serial bonds maturing January 1st of the years 2013 through 2022 (inclusive) are not affected by the Order and will not be exchanged. The Term Bonds will be exchanged for new term bonds providing for redemption payments by lot, rather than on a pro rata basis (the "**By-Lot Bonds**") which will enable such bonds to be publicly tradable. However, if a holder wishes to retain its right to pro-rata payments through its existing Term Bonds, such Bondholder may affirmatively elect to opt out of the exchange and continue to hold its current Term Bonds which are subject to redemption on a pro rata basis rather than on a by lot basis. However, such retained pro rata Term Bonds will continue to bear the public trading impediment referenced above, which precipitated the current exchange. No future opportunities to exchange the Term Bonds are contemplated. In addition, the retention election is "all or nothing" and must be consistent. Holders cannot elect to retain part (but not all) of their investment in the Term Bonds. If a bondholder does not opt out, its Term Bonds will be automatically exchanged for By-Lot Bonds, since the exchange is a mandatory exchange with an option to retain. The holders of the Term Bonds will receive a bondholder notice with materials related to the exchange through DTC, including notice that holders may opt out of the exchange by causing a filing through DTC's Automated Tender Offer Program ("**ATOP**") to retain the current Term Bonds. The Order, exchange documents and other information about this exchange also can be located via the Electronic Municipal Market Access ("**EMMA**") system or on the Association's website: www.southernconnector.com/Zbankruptcy.htm

The Term Bonds subject to the exchange are described below:

Series 2011A Bonds:

Maturity Date	Original Principal Amount	Yield	CUSIP
January 1, 2032	40,619,653	6.50%	20786LDL2
January 1, 2042	31,483,671	7.00%	20786LDM0
July 22, 2051	18,190,852	7.50%	20786LDN8

Series 2011B Bonds:

Maturity Date	Original Principal Amount	Yield	CUSIP
January 1, 2032	14,027,683	8.50%	20786LDP3
July 22, 2051	7,058,025	9.00%	20786LDQ1

Series 2011C Bonds:

Maturity Date	Original Principal Amount	Yield	CUSIP
July 22, 2051	2,160,434	10.00%	20786LDR9