

**U.S. BANKRUPTCY COURT
District of South Carolina**

Case Number: **10-04467-dd**

CONSENT ORDER AS TO THE CHAPTER 9 PETITION OF DEBTOR

The relief set forth on the following pages, for a total of 5 pages including this page, is hereby ORDERED.

**FILED BY THE COURT
12/16/2010**



Entered: 12/17/2010

A handwritten signature in black ink, appearing to read "D.R. Duncan", written over a horizontal line.

David R. Duncan
US Bankruptcy Judge
District of South Carolina

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

In re:

Connector 2000 Association, Inc.,

Debtor.

Case No. 10-04467-dd
Chapter 9

CONSENT ORDER AS TO THE CHAPTER 9 PETITION OF DEBTOR

The above-captioned case (the “Case”) was filed by Connector 2000 Association, Inc. (“Debtor”) with the United States Bankruptcy Court for the District of South Carolina (the “Court”) on June 24, 2010. The South Carolina Department of Transportation (“SCDOT”) filed an Objection to the Chapter 9 Petition and Statement of Qualification of the Debtor and Motion to Dismiss the Petition (the “Eligibility Objection”). A response to the Eligibility Objection was filed by U.S. Bank National Association, as the Trustee (the “Senior Bonds Trustee”) for the Debtor’s Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina) (the “Bonds”), Series 1998A and Series 1998B, and discovery commenced pursuant to the Court’s Scheduling Order entered on August 12, 2010, and the Amended Scheduling Order entered on October 29, 2010 (collectively “Scheduling Order”). A trial on the Eligibility Objection was scheduled for December 6, 2010 (“Eligibility Trial”).

Discussions about resolving the Eligibility Objection and substantially all other Case issues have been ongoing among the Senior Bonds Trustee, the Debtor, the SCDOT, certain holders of the Bonds (the “Bondholders”) holding a significant principal amount of the Bonds, HSBC Bank USA, N.A., as the trustee for the holders of the Series 1998C Bonds (the “Subordinate Bonds Trustee”), and their respective advisors to determine if a consensual restructuring plan might be reached for presentation for a full vote by the Bondholders and other

creditors in the Case. As a result of these discussions, the discovery and trial on the Eligibility Objection were stayed to allow the parties to pursue a consensual restructuring plan. An agreement was reached (hereinafter "Settlement Terms") with the general terms and conditions set forth in a Term Sheet dated November 10, 2010 ("Term Sheet") and executed by the Debtor, SCDOT, and certain restricted Bondholders holding a significant principal amount of the Bonds. In addition and based on the Term Sheet and Settlement Terms, the Debtor filed with the Court on November 23, 2010 a proposed First Amended Plan for Adjustment of Debts under Chapter 9 of the Bankruptcy Code ("First Amended Plan"), together with the Debtor's First Amended Disclosure Statement ("First Amended Disclosure Statement"), for consideration by the Court and, as and when approved, subsequent submission to creditors for a vote on the First Amended Plan. It is anticipated that the Debtor will file shortly an Addendum to the First Amended Plan ("Addendum") revising certain language of the First Amended Plan to be consistent with the Settlement Terms and agreement of the parties thereto, with the definitive settlement pursuant to the Settlement Terms to be embodied in the First Amended Plan, as ultimately approved by the Court.

Based on the express Settlement Terms and provisions, as detailed in the Term Sheet, First Amended Plan and Addendum, specifically including, but not limited to, releases of liability as set forth in the Settlement Terms, SCDOT hereby withdraws its Eligibility Objection. The withdrawal of the Eligibility Objection is not, and shall not be construed as, an admission by SCDOT that the Debtor is an instrumentality, public agency or alter ego of the SCDOT or the State of South Carolina, or otherwise controlled by such parties. The withdrawal by SCDOT of the Eligibility Objection shall not be offered in any way as an admission by SCDOT that the Debtor is an instrumentality, public agency or alter ego of the SCDOT or the State of South

Carolina, or otherwise controlled by such parties, by any person or entity in this case or in any other action, judicial or administrative proceeding, whether local, state or federal, agency, court or otherwise.

Based on the above and consent of the parties to this Order, IT IS HEREBY ORDERED THAT:

1. The Eligibility Objection is hereby withdrawn based upon the terms and conditions contained herein.

2. The withdrawal of the Eligibility Objection is not, and shall not be construed as, an admission by SCDOT that the Debtor is an instrumentality, public agency or alter ego of the SCDOT or the State of South Carolina, or otherwise controlled by such parties.

3. The withdrawal by SCDOT of the Eligibility Objection shall not be offered in any way as an admission by SCDOT that the Debtor is an instrumentality, public agency or alter ego of the SCDOT or the State of South Carolina, or otherwise controlled by such parties, by any person or entity in this case or in any other action, judicial or administrative proceeding, whether local, state or federal, agency, court or otherwise.

AND IT IS SO ORDERED.

WE SO CONSENT:

By: /s/ Robert A. Kerr, Jr.
Robert A. Kerr, Jr.
District ID No. 4823

HAGOOD & KERR
654 Coleman Blvd.
Mount Pleasant, South Carolina 29464

Attorneys for South Carolina Department of Transportation

WE SO CONSENT:

By: /s/ Stanley H. McGuffin
Stanley H. McGuffin
District ID No. 2833

HAYNSWORTH SINKLER BOYD, P.A.
Post Office Drawer 11889
Columbia, South Carolina 29211

Attorneys for Debtor Connector 2000 Association, Inc.

WE SO CONSENT:

By: /s/ Elizabeth J. Philp
Elizabeth (Lisa) J. Philp
District ID No. 8033
Michael M. Beal
District ID No. 1253

MCNAIR LAW FIRM
Post Office Box 1431
Charleston, South Carolina 29402

Attorneys for U.S. Bank National Association
As the Trustee for the Senior Bonds