

CONNECTOR 2000 ASSOCIATION, INC.

EVENT NOTICE NO. 2009-2

April 24, 2009

CUSIP Prefix 20786L

*Submitted in compliance with the provisions of the Continuing Disclosure Agreement dated February 11, 1998 (the “**Disclosure Agreement**”) between Connector 2000 Association, Inc., a South Carolina non-profit public benefit corporation (the “**Association**”) and U.S. Bank, National Association, as successor in trust to First Union National Bank, in its capacity as dissemination agent (the “**Trustee**”) relating to the Connector 2000 Association, Inc. Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 1998A, Series 1998B and Series 1998C (the “**Bonds**”).*

INTRODUCTION

This is an “Event Notice” filed pursuant to that certain Continuing Disclosure Agreement dated February 11, 1998 (the “**Disclosure Agreement**”) between the Association and the Trustee relating to the Bonds. Capitalized terms not otherwise defined herein have the meaning set forth in the Disclosure Agreement, if defined therein.

The Bonds were sold by the Association on January 27, 1998 to Lehman Brothers, Inc. and Mesirow Financial, Inc., as managing underwriters (the “**Underwriters**”) pursuant to a Bond Purchase Agreement executed on that date between the Association and the Underwriters. A final Official Statement dated February 3, 1998 (the “**Official Statement**”) was prepared in connection with the sale of the Bonds. The closing of the sale of the Bonds took place February 11, 1998 (the “**Closing Date**”).

OTHER INFORMATION

The Association has elected to publicly file certain documents and to disclose certain information to the public in connection with its operation of the Southern Connector Toll Road. No “material event” as defined in Rule 15c2-12 or in the Disclosure Agreement has prompted this filing.

Debt Restructuring Efforts. As previously reported in the Association’s Annual Reports and prior Event Notices, the toll revenues collected on the Southern Connector Toll Road have been and continue to be insufficient to pay debt service on the Association’s outstanding Bonds. The historical shortfall of toll revenues has continued and the growth in traffic and revenue previously enjoyed by the Association stalled due to increased gasoline prices (in 2008) and general economic deterioration.

Management of the Association has been investigating the possibility of effecting a concession transaction and/or restructuring or refinancing of the Bonds. As part of this effort, the Association issued a request for proposals to select financial advisory and investment banking firms to serve as the Association’s special financial consultant. The Association interviewed several firms for this purpose and engaged Goldman Sachs & Co. (“**Goldman**”) on February 2, 2008 as its special financial consultant.

The Association subsequently issued a request for proposals for the engagement of a traffic and revenue consultant for the preparation of an “investment grade” traffic and revenue study to inform the concession or restructuring process. The Association and its advisors, including Goldman, interviewed three finalists for traffic and revenue consultant and engaged Stantec Engineering (“**Stantec**”) on July 16, 2008.

The final Traffic and Revenue Study (the “**Study**”) was issued on April 15, 2009 and is attached to this Notice as **Exhibit A**.

The Association and its advisors have worked diligently in connection with analyzing possible concession or restructuring alternatives. As the Study neared completion, Goldman undertook to evaluate, among other matters, the ability of the Association to effect a long-term concession agreement with a new toll road operator.

The concession agreement alternative does not, however, appear to be feasible at this time. Goldman's preliminary valuation estimate for a concession did not achieve the level necessary to defease all of the outstanding Bonds or to support an effective tender offer for the Bonds. Declining traffic volume on the highway and a deteriorated credit market have impaired the concession alternative. For similar reasons, a conventional refunding of the existing Bonds by the issuance or incurrence of new debt also does not appear feasible at this time.

The Bonds are "book entry only" securities. The Association does not have the names of most of the beneficial owners of the Bonds. In November 2008, Goldman undertook an investigation of the existing Bondholders through the Depositary Trust Corporation (DTC). Due to the fact that many of the beneficial owners of the Bonds have elected to remain anonymous, a complete list of the beneficial owners of the Bonds was unavailable. Data was available regarding the beneficial owners of approximately \$100 million of the outstanding \$222 million principal amount and accreted value of Senior Lien Bonds (Series 1998A and 1998B) and \$29 million of the outstanding \$86 million accreted value of Subordinate Lien Bonds (Series 1998C). This represents less than 42% of the total principal amount or accreted value of the Bonds outstanding and identified 414 registered or beneficial owners. Goldman advised that due to the wide ownership of the Bonds, a restructuring of the Bonds under a composition of Bondholders outside of bankruptcy would be difficult.

Management of the Association is considering the advice of Goldman and the projected toll revenues under the Study and is continuing to evaluate the Association's remaining alternatives, which may include a composition of existing creditors inside or outside of a bankruptcy proceeding or the continued operation of the toll road in default under existing Bond documentation.

PLEASE REFER TO
EVENT NOTICE 2009-3