



Corporate Trust Services

EP-MN-WS1D
60 Livingston Avenue
St. Paul, MN 55107

Via email and overnight courier

January 23, 2008

Mr. Pete Femia
Executive Vice President, General Manager
Connector 2000 Association, Inc.
3050 Southern Connector
PO Box 408
Piedmont, SC 29673

Re: Notice of an Event of Default Relating to Connector 2000 Association, Inc. Senior Current Interest Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 1998 A" (the "Series 1998A Bonds"), (ii) \$87,385,622 aggregate Original Principal Amount of the Association's Bonds designated as "Connector 2000 Association, Inc. Senior Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 1998B" (the "Series 1998B Bonds" and, together with the Series 1998A Bonds, the "1998 Senior Bonds"), and (iii) \$46,592,058 aggregate Original Principal Amount of the Association's Bonds designated as "Connector 2000 Association, Inc. Subordinate Capital Appreciation Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 1998C Bonds" also referred to herein as the "1998 Subordinate Bonds")

Dear Mr. Femia:

Reference is hereby made to that certain Master Indenture of Trust (the "Master Indenture") dated as of February 1, 1998 between Connector 2000 Association, Inc. (the "Association") and U.S. Bank National Association, as Trustee (as successor to Wachovia Bank, National Association) (the "Trustee"). The master Indenture was amended by that certain First Supplemental Indenture of Trust (the "First Supplemental") dated as of February 1, 1998 and was further amended by that certain Second Supplemental Indenture of Trust (the "Second Supplemental") dated as of October 16, 2002 (the Second Supplemental Indenture is collectively referred to herein with the Master Indenture and the First Supplemental as the "Indenture"). Reference is further made to that Instrument of Appointment and Acceptance of Standby 1998 Subordinate Bonds Co-Trusteeship dated as of October 16, 2002 among the Association, the

Trustee and HSBC Bank USA (the "Standby Co-Trustee"), including in particular numbered Section 3 to the Appointment.

Pursuant to the terms of the Indenture, the Association has, among other things, agreed to comply with various obligations. One of these is the covenant set forth in Section 717 (1)(a) and (1)(b) of the Master Indenture (collectively, the "Revenue Covenant"). The Association has failed to comply with the terms of the Revenue Covenant for the Fiscal Years of 2005, 2006 and 2007. In the Fiscal Years of 2005 and 2006, the failure of the Association to have met the Revenue Covenant did not in itself create an Event of Default pursuant to Section 717(3) of the Indenture. After 36 consecutive months of not meeting the Revenue Covenant, however, the Association's on-going failure to comply with the Revenue Covenant constitutes an Event of Default under the Indenture. Consequently, you are hereby notified that there has occurred an Event of Default under the Indenture. The Indenture provides that upon the occurrence of an Event of Default, the Trustee has various rights that it can take on behalf of holders of 1998 Senior Bonds. Note that those rights are not constrained by the Tolling Agreement.

As to the 1998 Subordinate Bonds, be advised that simultaneously herewith, the Trustee is delivering to the Standby Co-Trustee a copy of this letter as well as a separate notice of the Event of Default. That separate notice is the notice described in Article II of the Second Supplemental as well as the notice described in numbered paragraph 3 of the Appointment. Consequently, the Standby Co-Trustee will hereafter, for so long as provided in the Appointment, exercise the rights and remedies with respect to the 1998 Subordinate Bonds as provided in the Second Supplemental (including the provisions of the balance of the Indenture referred to in the Second Supplemental).

At this point, we are assessing what actions to take on behalf of the holders on the 1998 Senior Bonds as a result of the Event of Default. (Actions if any, on behalf of the holders of the 1998 Subordinate Bonds are as determined by the Standby Co-Trustee as noted above). Note that our not taking action immediately at this point is not a waiver of any rights or remedies of ourself, the Standby Bond Co-Trustee, any holder of the 1998 Senior Bonds or any holder of 1998 Subordinate Bonds. All of such rights and remedies are hereby expressly reserved.

U.S. Bank National Association,
as Trustee



By: Susan E. Jacobsen
Its: Vice President

cc: Sandra Horwitz
Dennis Drebsky, via email
Douglas Darbut, via email
John Van Duys, via email