

CONNECTOR 2000 ASSOCIATION, INC.

EVENT NOTICE NO. 2009-1

January 21, 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 \$200,177,680 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 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 \$200,177,680 Connector 2000 Association, Inc. Toll Road Revenue Bonds (Southern Connector Project, Greenville, South Carolina), Series 1998A, Series 1998B and Series 1998C (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**").

THE MATERIAL EVENT

The Association was informed by the Trustee that on January 1, 2009 the Trustee withdrew (a) \$4,764,800.14 from the Senior Bonds Debt Service Reserve Account to pay a portion of the interest and principal payment due on that date on the Senior Current Interest Bonds, Series 1998A of the Association (the "**Series 1998A Bonds**") and the Maturity Value of the Senior Capital Appreciation Bonds, Series 1998B of the Association (the "**Series 1998B Bonds**"), and (b) \$2,700,000 from the Subordinate Bonds Debt Service Reserve Account to pay the Maturity Value of the Subordinate Capital Appreciation Bonds, Series 1998C of the Association (the "**Series 1998C Bonds**"). Debt service owing on such date on the Bonds came from the following sources:

Source of Payment	Amount Paid for Senior Bonds	Amount Paid for Subordinate Bonds
Net Toll Revenues	\$977,324.86	\$0.00
Reserve Fund Earnings	0.00	0.00
Reserve Fund Principal	4,764,800.14	2,700,000.00
Total Paid	\$5,742,125.00	\$2,700,000.00

These draws from the Senior Bonds Debt Service Reserve Account and from the Subordinate Bonds Debt Service Reserve Account constituted unscheduled draws on a debt service reserve fund reflecting financial difficulties and constituted a "**material event**" as defined in the Disclosure Agreement.

At the time the Bonds were issued, monies on deposit in the Reserve Fund were invested in a

collateralized repurchase agreement dated February 12, 1998 (the “*Repurchase Agreement*”) between the Trustee and Lehman Brothers, Inc. (“*LBI*”) at a guaranteed interest rate of 5.42%. The obligations of LBI under the Repurchase Agreement were secured by collateral posted with Wells Fargo Bank, N.A., as successor to Norwest Bank, N.A., as collateral agent (the “*Custodian*”). On September 19, 2008 the United States District Court for the Southern District of New York entered an order granting the application of the Securities Investor Protection Corporation (“*SIPC*”) for the issuance of a protective decree and appointing a trustee for the liquidation of the business of LBI. On December 29, 2008 the Trustee demanded withdrawal of all collateral held by the Custodian for deposit into the Reserve Fund. The Trustee liquidated a portion of the collateral transferred to the Reserve Fund to make the January 1, 2009 payment described above.