

CONNECTOR 2000 ASSOCIATION, INC.

EVENT NOTICE NO. 2010-1

January 11, 2010

CUSIP Prefix 20786L

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*”).

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. Capitalized terms not otherwise defined herein have the meaning set forth in the Disclosure Agreement, if defined therein.

THE MATERIAL EVENTS

Payment Default. Traffic on the Southern Connector was inadequate to permit the Association to collect sufficient toll revenues to pay debt service on the Bonds which came due January 1, 2010. The Association has been advised that the Trustee has made no payment of any such debt service. An Event of Default currently exists and is continuing on the Bonds and under the Master Indenture. The Association is actively negotiating the restructuring of its bonded indebtedness with the Trustee, the South Carolina Department of Transportation, and certain owners of large blocks of the Bonds.

Rating Downgrade. As a result of the payment default described above, the Association has been advised that the rating on the Series 1998A Bonds and the Series 1998B Bonds will be further reduced by Standard & Poor’s Ratings Group from the current rating of “C-“ to “D”. The Series 1998C Bonds have never been rated by any nationally recognized municipal credit rating agency.