Notice to Holders of:

Maryland Economic Development Corporation  
(Purple Line Light Rail Project)

*Cusips:
57422JAA6 57422JAB4 57422JAC2 57422JAD0 57422JAE8 57422JAF5  
57422JAG3 57422JAH1 57422JAJ7 57422JAK4 57422JAL2 57422JAM0  
57422JAN8 57422JAP3 57422JAQ1 57422JAR9 57422JAS7 57422JAT5  
57422JAU2 57422JAV0 57422JAW8 57422JAX6 57422JAY4 57422JAZ1  
57422JBA5 57422JBB3 57422JBC1 57422JBD9 57422JBE7 57422JBF4  
57422JBG2

U.S. Bank National Association serves as trustee (the “Trustee”) for $313,035,000 in principal amount of the Maryland Economic Development Corporation (Purple Line Light Rail Project) Revenue Bonds, Series 2016A, Series 2016B, Series 2016C and Series 2016D (the “Bonds”) issued pursuant that certain Indenture of Trust dated June 1, 2016 (the “Indenture”) between the Maryland Economic Development Corporation (the “Issuer”) and as collateral agent (the “Collateral Agent”) pursuant to that certain Collateral Agency and Account Agreement dated June 14, 2016 (the “Collateral Agreement”) by and among Purple Line Transit Partners, LLC, United States Department of Transportation and the Collateral Agent

Attached as Exhibit A hereto is certain correspondence related to the Purple Line Light Rail Project.

U.S. Bank National Association,  
as Trustee  
October 16, 2020

*Trustee is not responsible for selection or use of CUSIP. It is included solely for holder convenience.
Exhibit A
October 15, 2020

VIA EMAIL AND OVERNIGHT MAIL (DELIVERY RECEIPT REQUESTED)

Kramer Levin Naftalis & Frankel LLP
Attn: Amy Caton, Partner
1177 Avenue of the Americas
New York, NY 10036

SUBJECT: PURPLE LINE PROJECT P3 AGREEMENT
COLLATERAL AGENT CURE PERIOD

Dear Ms. Caton:

Reference is made to that certain Direct Agreement dated June 14, 2016 (the “Direct Agreement”) by and among the Maryland Department of Transportation and the Maryland Transit Administration (“Owner” or “MTA”), Purple Line Transit Partners LLC (“PLTP” or “Concessionaire”) and US Bank National Association (“Collateral Agent”) for the Lenders. Capitalized terms in this letter, not otherwise defined herein, have the meanings assigned to them in the Direct Agreement and P3 Agreement, as applicable.

On September 4, 2020, Kramer Levin Naftalis & Frankel, LLP, counsel to and on behalf of US Bank National Association (in its capacity as trustee for the Project’s bondholders) sent a letter to MTA requesting that the Owner explain the basis of Owner’s position regarding the Collateral Agent’s Cure Period under the Direct Agreement. Owner’s position is that clause (c) of the definition of Cure Period in the Direct Agreement applies to the Concessionaire Default as described in Owner’s notice of Concessionaire default to the Collateral Agent dated June 25, 2020 (“Owner Notice”).

Because the underlying Concessionaire Default was based on PLTP’s abandonment of the Project and therefore was not capable of cure unless the Step-In Party, Collateral Agent or a
Ms. Amy Caton
Page Two

court receiver undertook management, custody or control of the Project, clause (c) of the definition of Cure Period applies. Under clause (c), the Collateral Agent has a period “starting on the date of the receipt by Collateral Agent of such Owner Notice and ending 180 days after the later of (i) receipt by Collateral Agent of such Owner Notice or (ii) expiration of Concessionaire’s cure period (if any) under the P3 Agreement.” However, the Cure Period afforded under clause (c) is conditioned upon, among other things, the Step-in Party initiating and pursuing with good faith, diligence and continuity lawful processes and steps to obtain possession, custody and control of the Project “within the later of (1) five days after expiration of Concessionaire’s cure period, if any, and (2) 60 days after the Collateral Agent receives such notice . . . .”

In this case, the Concessionaire’s 30-day cure period under the P3 Agreement expired on July 24, 2020. Therefore, under the Direct Agreement, the Collateral Agent had 60 days from receipt of the Owner Notice (i.e. August 25, 2020) to appoint a Step-in Party and to initiate and pursue steps to obtain possession, custody and control of the Project. After sending the Owner Notice and several requests by MTA, MTA has received no correspondence or communication from the Collateral Agent regarding steps that the Collateral Agent has taken or intends to take to cure the Concessionaire Default.

It is therefore MTA’s position that any Cure Period afforded to the Collateral Agent under the Direct Agreement has expired and/or has been waived due to the Collateral Agent’s inaction in initiating steps to obtain possession, custody and control of the Project.

MTA reserves all of Owner’s rights and remedies under the P3 Agreement, Direct Agreement, and applicable Law, including actions at law and in equity.

Sincerely,

Julie T. Sweeney
Assistant Attorney General and Principal Counsel
Maryland Transit Administration

cc: Cheryl Brown-Whitfield, Principal Counsel, Maryland Department of Transportation
Kevin B. Quinn, Jr. Administrator, Maryland Transit Administration
Stephanie E. Haysley, Vice President, U.S. Bank National Association
Christopher H. Gehman, Vice president, U.S. Bank National Association
Peter van der Waart van Gulik, CEO/ Project Manager, Purple Line Transit Partners, LLC
VIA ELECTRONIC DELIVERY

Julie T. Sweeney, Esq.
Maryland Transit Administration
Office of the Attorney General
6 St. Paul Street, 12th Floor
Baltimore, MD 21202
Email: jsweeney@oag.state.md.us

Re: The Purple Line Rail Project (the “Project”)

Dear Ms. Sweeney:

Kramer Levin Naftalis & Frankel LLP represents U.S. Bank National Association, in its capacity as trustee (the “Trustee”) for $313,035,000 in principal amount of the Maryland Economic Development Corporation (Purple Line Light Rail Project) Revenue Bonds (the “Bonds”) issued pursuant to that certain Indenture of Trust dated June 1, 2016 (the “Indenture”) between the Maryland Economic Development Corporation (the “Issuer”) and the Trustee. U.S. Bank National Association also serves as collateral agent (the “Collateral Agent”) pursuant to that certain Collateral Agency and Account Agreement dated June 14, 2016 (the “Collateral Agreement”) by and among Purple Line Transit Partners, LLC (“PLTP”), United States Department of Transportation and the Collateral Agent. The Collateral Agent is also party to that certain Direct Agreement (the “Direct Agreement”) dated as of June 14, 2016, by and among the Maryland Transit Administration (“MTA”), the Maryland Department of Transportation (“MDOT”, and together with MTA, the “Owner”), PLTP and the Collateral Agent. Terms used in this letter, but not defined herein, shall have the meanings given to such terms in the Direct Agreement, or, if not defined therein, in the Collateral Agreement.

We disagree with many of the assertions in your letter, including, without limitation, your interpretation of the definition of “Cure Period” in the P3 Direct Agreement, your application of that definition to the present facts and circumstances, and your allegation that the Secured Parties have waived rights. As you know, the Secured Parties have been subject to conflicting demands by Owner and PLTP, including concerning the existence or lack thereof of a Concessionaire Default (and, consequently, concerning the existence or lack thereof of a Cure Period in respect of such disputed Concessionaire Default). The calculation of any Cure Period that may be available to the Secured Parties may be informed by these continuing conflicting allegations of Owner and PLTP. All rights and remedies of the Secured Parties under the relevant agreements and under
applicable law are reserved, including, without limitation, with respect to actions you may take in reliance on your assumptions.

Very truly yours,

/s/ Amy Caton

Amy Caton

cc: (via electronic delivery)

Christopher H. Gehman, Vice President, U.S. Bank National Association
Kevin B. Quinn Jr., Administrator, Maryland Department of Transportation
Cheryl Brown-Whittlefield, Principal Counsel, Maryland Department of Transportation
Contracting Officer, Maryland Transit Administration
Peter van der Waart van Gulik, Chief Executive Officer / Project Manager, Purple Line Transit Partners, LLC
Doran Bosso, Deputy Chief Executive Officer, Purple Line Transit Partners, LLC
Director, TIFIA Joint Program Office (HITJ), Federal Highway Administration
Pamela Ross, U.S. Department of Transportation
Jenny Fang, U.S. Department of Transportation
Melvin Waldrop, U.S. Department of Transportation
Tomer Pinkusiewicz, Esq.
NOTICE OF CANCELLATION OF INSURANCE

Policy No.: 108852625 002
Type of Policy: COMMERCIAL INLAND MARINE
Date of Cancellation: The earlier of the date the Named Insured abandons the INSURED PROJECT or 12/30/2020; 12:01 A.M. Local Time at the mailing address of the Named Insured. We are cancelling this policy. Your insurance will cease on the Date of Cancellation shown above.

The reason for cancellation is Material Change In Risk

You may make a written request for additional information regarding the reason(s) for termination as stated in this notice. You must make your request within 30 days of the date of this notice. We will provide a written response no more than 15 days after we have received your request. Mail your request to:

Chubb Limited
1133 Avenue of The Americas, 34th Floor
New York, NY 10036
Attn: Mark Gadaire

Date Mailed: 30th day of September, 2020

Loss Payee

U.S. Bank National Association
1021 East Cary Street, Suite 1850
Richmond, VA 23219
This page is separate and independent from the notice given.
We are informing you that the following parties were notified of this action.

PARTIES NOTIFIED

Named Insured
Purple Line Transit Constructors, LL
  c/o Richard Creaturo
  Fluor Corporation
  6700 Las Colinas Blvd.
  Irving TX 75039

Producer
MARSH RISK & INSURANCE
  17901 VON KARMAN AVENUE
  SUITE 1100
  IRVINE CA 94614

Additional Named Insured
Maryland Transit Administration
  Attn: Contracting Officer
  Transit Development & Delivery
  6811 Kenilworth Avenue, Third Floor
  Riverdale, Maryland 20737

Loss Payee
U.S. Bank National Association
  1021 East Cary Street, Suite 1850
  Richmond, VA 23219
September 30th, 2020

U.S. Bank National Association
1021 East Cary Street, Suite 1850
Richmond, VA 23219

Dear Sir/Madam,

Attached please find a notice of cancellation ACE American Insurance Company has issued relating to Policy No. 108852625 002 issued to Purple Line Constructors, LLC, due to a material change in the risk insured, given the changes in the parties' contractual relationships and responsibilities under the insured project. This NOC will be effective the earlier of the day the Named Insured leaves (abandons) the site or 90 days from the date sent.

In addition, because of these changes in the risk, please be advised the ACE American Insurance Company is immediately suspending insurance under the Delay in Opening Endorsement attached to the policy. Delay due to an occurrence under the policy on or after October 1, 2020 will not be insured under the Delay in Opening Endorsement.

Sincerely,

Mark O. Gadaire
Senior Vice President - Underwriting
Inland Marine
October 13, 2020

CHUBB North American Property & Casualty
1133 Avenue of the Americas
New York, NY 10036
Attn: Mark O. Gadaire
Senior Vice President – Underwriting
Inland Marine
mark.gadaire@chubb.com

Marsh USA Inc.
99 High Street
Boston, MA 02110-2320
Phone: 617 385 0305
Attn: Andrew B. Bullock
Managing Director
andy.bullock@marsh.com

Dear Messrs. Gadaire and Bullock:

The Maryland Office of Attorney General represents the Maryland Department of Transportation (“MDOT”) and the Maryland Transit Administration (“MTA”) (together “Owner”), which is an Additional Named Insured under Ace American Insurance Company (“ACE”) Commercial Inland Marine Policy No. 108852625 002 (the “Policy”) placed by Purple Line Transit Constructors, LLC (“PLTC”), a Named Insured, on behalf of the Owner and Purple Line Transit Partners, LLC (the “Concessionaire”) for coverage of the State of Maryland’s Purple Line light rail transit project (the “Insured Project”). On October 1, 2020 the Owner received from PLTC a copy of Andrew B. Bullock’s October 1, 2020 letter addressed to subcontractors of PLTC. Mr. Bullock’s letter enclosed both Mark O. Gadaire’s September 30, 2020 cover letter and Notice of Cancellation of the Policy on behalf of ACE (the “Notice to PLTC”), which were both addressed to PLTC. The Owner disagrees with ACE’s position regarding the potential timing of the proposed cancellation and the purported reason for cancellation, and respectfully requests that you respond to this letter by no later than October 14, 2020.
The Policy Requires at Least 45 Days’ Notice for Cancellation

The Notice to PLTC states as follows:

“Date of Cancellation: The earlier of the date the Named Insured abandons the INSURED PROJECT or 12/30/2020; 12:01 A.M. Local Time at the mailing address of the Named Insured. We are cancelling this policy. Your insurance will cease on the Date of Cancellation shown above.”

Notably, under the express provisions of the Policy, ACE may not cancel the Policy without at least 45 days’ notice to “all” insureds. Although the base policy form contains generic cancellation provisions, the unnumbered endorsement titled “POLICY CHANGE – POLICY CANCELLATION – ADDITIONAL NAMED INSURED” (the “Endorsement”) superseded all cancellation provisions in the Policy. That endorsement, which sprang directly and intentionally from the agreements between the Owner and Concessionaire and the Concessionaire and PLTC for the development of the Project, states:

“Cancellation Clause

As respects the Additional Named Insureds listed in this endorsement, the provisions of this endorsement supersede other cancellation provisions in this Policy;

Additionally, as respects the Additional Named Insureds, all cancellation clauses within this Policy are deleted and replaced with the following:

CANCELLATION:

Coverage or limits of coverage cannot be canceled, voided, suspended or changed by endorsement or other change in policy language (including for non-payment of premium) except after 45 days’ prior written notice has been given to the Concessionaire, the Collateral Agent and Owner (Maryland Transit Administration and the Maryland Department of Transportation), and any entity succeeding to the powers, authorities and responsibilities of these entities) and during which time no cure has been effected by any insured. Payment of claims under an Insurance Policy is not considered an adverse modification to coverage or to coverage limits.” (Emphasis added).

Based on the express terms of the Endorsement, it is indisputable that the Policy may not be canceled without 45 days’ written notice to the Owner and the other Additional Named Insureds.

In addition, this 45-day notice period has not started running because ACE has not provided the Owner with a notice of cancellation as required by the Policy. The copy of the Notice to PLTC, provided by PLTC to MTA, is not sufficient. Accordingly, we ask that ACE provide, by no later than close of business on October 14, 2020, written confirmation that ACE will honor the terms of the Policy.
Owner’s Ability to Cure the Purported Material Change in Risk

While the Notice to PLTC references the reason for the cancellation as a “Material Change In Risk”, the Notice to PLTC makes clear that the reason for the cancellation is the purported abandonment, as that term may be used or defined in the Policy for the Insured Project. However, the Policy has express provisions that contemplate the ability to cure by “any insured”, which includes the Owner. Indeed, the endorsement referenced above states, “Coverage or limits of coverage cannot be canceled…except after 45 days’ prior written notice has been given to the Concessionaire, the Collateral Agent and Owner…and during which time no cure has been effected by any insured.” (Emphasis Added) The Owner is an Additional Named Insured under the Policy. ACE acknowledged in this Endorsement that “any insured”, including the Owner, may cure the reason for such cancellation.

Further, consistent with the express language of the Policy, the Owner is in the process of assuming care, custody and control of the Insured Project and is taking every step necessary to secure the Project during PLTC’s transition from the Project. The Owner has formally assumed from PLTC and the Concessionaire certain key contracts and over 230 subcontracts, as well as permits, licenses, leases, real property rights, purchase orders, materials and supplies. The Project’s construction is proceeding as planned. It is therefore inaccurate to state that the Insured Project will be abandoned, or that there is any change in risk to ACE. Accordingly, we also ask that ACE confirm, by no later than October 14, 2020, that the Policy will remain in full force and effect in accordance with the letter and intent of the Endorsement.

Request for Information

Finally, the Notice to PLTC states that “You may make a written request for additional information regarding the reason(s) for termination as stated in this notice.” The Owner, as an Additional Named Insured, hereby formally requests “additional information” regarding the reason for termination.

We look forward to hearing from you no later than close of business on October 14, 2020 on all the requests made in this letter. Please direct your responses by email to me at jsweeney@oag.state.md.us.

Sincerely,

Julie T. Sweeney
Assistant Attorney General and Principal Counsel
Maryland Transit Administration

cc: Cheryl A.C. Brown-Whitfield, Attorney General and Principal Counsel, Maryland Department of Transportation
Gregory Slater, Secretary, Maryland Department of Transportation
Kevin B. Quinn, Jr., Administrator, Maryland Transit Administration
VIA EMAIL AND/OR OVERNIGHT MAIL (DELIVERY RECEIPT REQUESTED)

Name: Christophe Petit  
Title: President 
Address: 165 Roslyn Road, Roslyn Heights, NY 11577  
Telephone: 516-882-4100 
Facsimile: 516-882-4058 
E-mail Address: cpetit@starinfrapartners.com

Name: Mark Melson  
Title: Chief Operating Officer 
Address: 165 Roslyn Road, Roslyn Heights, NY 11577  
Telephone: 516-882-4096 
Facsimile: 516-882-4058 
E-mail Address: mmelson@starinfrapartners.com

Name: Benjamin Goldberg  
Title: Chief Compliance Manager 
Address: 605 3rd Ave, Floor 28, New York, NY 10128  
Telephone: 212-798-8625 
Facsimile: 212-798-8690 
E-mail Address: b.goldberg@meridiam.com

Name: Peter van der Waart van Gulik  
Title: CEO, Purple Line Transit Partners LLC 
Address: 6811 Kenilworth Ave, Suite 400, Riverdale MD 20737 
Telephone: 510-812-1346 
Facsimile: 240-714-5381 
E-mail Address: p.waart@meridiam.com

Name: Terry Towle  
Title: Group President, Infrastructure & Power 
Address: 100 Fluor Daniel Drive, C102B, Greenville, South Carolina 29607 
Telephone: (864) 281-4007 
Facsimile: (864) 281-6868 
E-mail Address: Terry.Towle@Fluor.com

Name: Spencer C. Weiss  
Title: Vice President and Managing General Counsel 
Address: 100 Fluor Daniel Drive, C102B, Greenville, South Carolina 29607 
Telephone: (864) 281-8088 
Facsimile: (864) 281-6868 
E-mail Address: Spencer.Weiss@Fluor.com
U.S. Bank National Association
Attn: Global Corporate Trust Services/EX-VA-URIT Stephanie E. Haysley
1021 East Cary Street, Suite 1850
Richmond, Virginia 23219
E-mail Address: Stephanie.haysley@usbank.com
E-mail Address: Christopher.gehman@usbank.com

The United States Department of Transportation
TIFIA Joint Program Office (HITJ)
Federal Highway Administration
Attn: Director
Room E64-426
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Maryland Economic Development Corporation
300 E Lombard St Suite 1000
Baltimore, MD 21202

J.P. Morgan Securities LLC
383 Madison Avenue, 8th Floor
New York, NY 10179

RBC Capital Markets LLC
Three World Financial Center
200 Vesey Street
New York, NY 10281