



Global Corporate Trust
James Center Two
1021 East Cary Street, 18th Floor
Richmond, Virginia 23219

Notice to Holders of:

**Maryland Economic Development Corporation
Private Activity Revenue Bonds (RSA) Series 2016A, 2016B, 2016C, and 2016D
(Purple Line 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 received by the Trustee and/or Collateral Agent from Purple Line Transit Partners LLC and Maryland Transit Administration and related to the Purple Line Rail Project.

**U.S. Bank National Association,
as Trustee**

August 5, 2020

*Trustee is not responsible for selection or use of CUSIP. It is included solely for holder convenience.

Exhibit A

August 4, 2020

MTA Document ID: 2020.08.04.3185

VIA EMAIL AND OVERNIGHT MAIL (DELIVERY RECEIPT REQUESTED)

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

And addresses listed in Exhibit 1

**SUBJECT: PURPLE LINE PROJECT: CONTRACTOR COORDINATION,
DIRECTION AND INSTRUCTION**

Dear Ms. Haysley:

Reference is made to the Direct Agreement dated June 14, 2016 (“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 U.S. Bank National Association (“Collateral Agent”) for the Lenders. Capitalized terms in this letter, not otherwise defined herein, have the meanings ascribed in the Direct Agreement, Exhibit 5b to the Public-Private Partnership Agreement between Owner and PLTP dated as of April 7, 2016 (as amended, the “P3 Agreement”).

In light of PLTP’s letter to MTA of July 30, 2020, amended to indicate that on “August 4, 2020, PLTP and the Design-Build Contractor will begin terminating any subcontracts that the Owner does not elect for assignment”, (PLTP-MTA-L-1473) attached here as Exhibit 2, and MTA’s response, which was sent to you on August 3, 2020, MTA has sent to PLTP’s design-builder’s subcontractors and suppliers on the Purple Line project a letter notifying them of MTA’s rights to step-in and manage those contracts, subject of course to the Collateral Agent’s rights under the Direct Agreement.

Therefore, enclosed for your records, please find the following additional Exhibits in reference to this correspondence:

- Exhibit 2: PLTP-MTA-L-1473 (PLTP Letter to MTA, July 30, 2020 (regarding contract termination and demobilization)
- Exhibit 3: Form of Contractor Supplier Letter (sent to prime contractors advising of MTA’s step-in rights and plan to manage their contracts)
- Exhibit 4: List of Contractors and Suppliers (sent the Exhibit 3 Letter).

Nothing in this letter shall, nor shall be deemed to, amend the Direct Agreement or P3 Agreement or waive any of the Owner's rights or remedies or any of Collateral Agent's obligations under them or under any applicable Laws, or at law or in equity.

If you have any questions or comments regarding this letter, please do not hesitate to contact me in writing.

Sincerely,



Digitally signed by
Kevin B. Quinn, Jr.
Date: 2020.08.04

Kevin B. Quinn, Jr.
Administrator

cc: Matthew W. Pollack, PE, PMP, Executive Director, TD&D, MTA
Vernon G. Hartsock, PMP, Acting Purple Line Project Director, TD&D, MTA
Anita Rodgers, Deputy Project Director for Administration, MTA
Julie T. Sweeney, Principal Counsel, Assistant Attorney General, MTA
James W. Mitchell, PL PMC Program Director
Ivar Draganja, PL PMC Commercial Director
Steve Mangano, PL PMC Business Manager
John J. Farley, PL PMC Director of Engineering
Jenny Barket, Special Advisor for Executive Director
Purple Line PMC Document Control

VIA OVERNIGHT MAIL (DELIVERY RECEIPT REQUESTED)

Exhibit 1

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

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
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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
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Greenville, South Carolina 29607
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Facsimile: (864) 281-6868
E-mail Address: Spencer.Weiss@Fluor.com

Exhibit 2

PLTP-MTA-L-1473 (PLTP Letter to MTA dated July 30, 2020)

July 29, 2020

Mr. Matthew W. Pollack, PE, PMP
Executive Director
Maryland Transit Administration
6811 Kenilworth Avenue, Suite 300A
Riverdale, MD 20737

Subject: Owner Delay in Acceptance of Transition Plan

Dear Mr. Pollack:

Reference is made to the Public-Private Partnership Agreement, dated as of April 7, 2016, as amended as of June 14, 2016 (the "P3 Agreement"), by and between (i) the State of Maryland, acting by and through Maryland Department of Transportation and the Maryland Transit Administration (together, the "Owner" or "MTA"), and (ii) Purple Line Transit Partners LLC, a Delaware limited liability company ("PLTP"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the P3 Agreement.

As you are aware, on June 23, 2020, PLTP provided to MTA a notice of unconditional election to terminate the P3 Agreement for Extended Delay pursuant to Section 19.2.5 of the P3 Agreement. That same day, PLTP also provided MTA a proposed transition plan (the "Transition Plan") setting forth PLTP's plan for the orderly transition of the Work, demobilization, and transfer of Project management, care, custody, and control to MTA pursuant to the requirements set forth in Section 19.7.2 of the P3 Agreement. Section 19.7.2.1 of the P3 Agreement provides for a 15-day period for discussion and finalization of the Transition Plan, which ended on July 8, 2020. During this contractual, 15-day period the Owner met with PLTP once (on July 7, 2020) but otherwise refused to meet to discuss the Transition Plan. During the July 7th meeting, PLTP explained the Transition Plan to the Owner but the Owner provided minimal feedback and did not request any changes or modifications to the Transition Plan. After the expiration of the 15-day contractual period, on July 24, 2020, the Owner met with PLTP to discuss issues related to the Transition Plan, such as the potential assignment of subcontracts, but did not request any changes to Transition Plan or provide feedback regarding which subcontracts, if any, Owner would like assigned.

The Transition Plan contemplates the parties entering into written assignment agreements for subcontracts elected by the Owner by no later July 28, 2020. On July 29, 2020, when the parties met to discuss the Transition Plan, the Owner indicated an interest in taking an assignment of all subcontracts but provided no specific input regarding how to proceed with the possible assignment of subcontracts or when this decision would be made.

As previously explained in PLTP Letter PLTP-MTA-L-1427 dated July 9, 2020 ("PLTP Letter 1427"), Section 19.7.2.4 of the P3 Agreement requires PLTP to comply with the provisions and procedures set forth in Section 19.7 thereof "regardless of any delay in preparation or acceptance of the transition plan." To that end, by way of PLTP Letter 1427, PLTP provided the Owner a transition schedule work plan for

demobilization of the Work and turnover of the Project to the Owner by the effective Early Termination Date of August 22, 2020. As set forth above, the Owner has provided minimal feedback regarding the Transition Plan and no feedback regarding the work plan.

Section 19.7.3.1 of the P3 Agreement requires PLTP to “relinquish and surrender care, custody and control of the Project “[o]n or as soon as possible” after the Effective Early Termination Date – August 22, 2020. Therefore, despite the Owner’s lack of assistance in finalizing the Transition Plan, pursuant to Section 19.7.2.4 of the P3 Agreement, PLTP must proceed with the performance and orderly transition of the Work, demobilization, and transfer of Project management, care, custody, and control to the Owner in accordance with the Transition Plan, P3 Agreement requirements, and the transition schedule work plan previously provided.

In accordance with its contractual obligations, PLTP began demobilization of certain Work on July 22, 2020 starting with minor cleanup. PLTP’s demobilization efforts were increased on July 27, 2020 and will continue to increase through the upcoming weeks, in each case in accordance with the Transition Plan. Additionally, as indicated in the July 29th meeting, PLTP expects MTA’s election of which subcontracts the Owner would like assigned by no later than August 3, 2020. On August 4, 2020, PLTP and the Design-Build Contractor will begin terminating any subcontracts that the Owner does not elect for assignment.

PLTP remains committed to meeting and cooperating with the Owner to ensure the orderly transition and demobilization of the Work.

If you have any questions, please contact me at 240.714.5404.

Sincerely,



Peter van der Waart van Gulik
Chief Executive Officer / Project Manager
Purple Line Transit Partners, LLC

CC:

Vernon Hartsock, MTA
Doran Bosso, PLTP
Scott Risley, PLTC

Anita Rodgers, MTA
Sami Soufi, PLTP
Jeff Cole, PLTC

James Mitchell, MTA/PMC
James Doherty, PLTP
Anne Bickford, PLTO

Exhibit 3

Form of Contractor/Supplier Letter

«Date»

MTA Document ID: «MTA_ID_No_»

VIA OVERNIGHT MAIL (DELIVERY RECEIPT REQUESTED)

«To_Name»

«To_Address_Line_1_Primary_address_line»

«To_Address_Line2_Secondary_Address_line»

«To_City», «To_State», «To_ZIP»

SUBJECT: PURPLE LINE PROJECT: MTA'S EXERCISE OF STEP-IN RIGHTS

Dear Sir or Madam:

Reference is made to the Public-Private Partnership Agreement, dated as of April 7, 2016, by and between the Maryland Department of Transportation and the Maryland Transit Administration ("Owner or "MTA") and Purple Line Transit Partners LLC ("PLTP" or "Concessionaire") for delivery and operation of the Purple Line light rail system (as amended, the "P3 Agreement"). Reference is also made to the design-build contract between PLTP and Purple Line Transit Constructors, LLC ("PLTC") for the design and construction of the Purple Line, also dated April 7, 2016 (as amended, the "Design-Build Contract"). Capitalized terms in this letter, not otherwise defined herein, have the meanings ascribed in the P3 Agreement and/or the Design-Build Contract.

As you may be aware, on June 23, 2020, PLTP delivered to MTA a notice of its unconditional election to terminate the P3 Agreement for Extended Delay ("Extended Delay Termination Notice"). MTA disputes the validity of the Extended Delay Termination Notice and therefore issued to PLTP a Notice of Concessionaire Default on June 24, 2020 requiring, among other things, that PLTP continue performance of the Work. Under the P3 Agreement, PLTP was required to cure the Concessionaire Default by no later than July 24, 2020. However, PLTP did not cure the Concessionaire Default by the required deadline and has taken measures to demobilize from the Project. Also, to date, the Project lenders have not exercised their rights to step in and cure the Concessionaire Default.

This letter is to inform you that MTA intends to exercise its step-in rights under the P3 Agreement and the Design-Build Contract to safeguard the Project and to prevent a work stoppage pending resolution of the parties' disputes and/or until the Project lenders take possession, custody and control of the Project. In fact, PLTP and PLTC both have the contractual obligation to cooperate with MTA in MTA's exercise of these rights. See MTA's letter to PLTP dated August 3, 2020 attached as Exhibit 2. Among these rights, MTA has the authority to:

*Meet with, coordinate with, direct and instruct Contractors and Suppliers,
process invoices and applications for payment from Contractors and Suppliers,*

pay Contractors and Suppliers, and resolve claims of Contractors, Subcontractors and suppliers. P3 Agreement § 17.2.4.2(h).

In furtherance of these rights, MTA wishes to meet and coordinate as soon as possible with the principals of your firm to ensure that your existing contracts remain in place, that work continues and that your invoices are paid while MTA pursues its rights and remedies against PLTP. Therefore, our project team will be contacting you to arrange a date and time to discuss these issues. In the meantime, we ask that you refrain from activities relating to the close out of your contract and demobilization from the Project.

We appreciate your firm's cooperation and hope that you share in the State's objective of ensuring that the Project remains safe, secured and is completed in a timely and efficient manner. MTA also advises that you convey this information to the various firms you have under subcontract as well as your vendors and other suppliers.

Please feel free to contact me if you have any questions or concerns at plcontractors@purplelinemd.com.

Sincerely,

Matthew W. Pollack, PE, PMP
Executive Director
MDOT/MTA Office of Transit Development & Delivery

cc: Vernon G. Hartsock, PMP, Acting Purple Line Project Director, TD&D, MTA
Anita Rodgers, Deputy Project Director for Administration, MTA
James W. Mitchell, PL PMC Program Director
Ivar Draganja, PL PMC Commercial Director
Steve Mangano, PL PMC Business Manager
John J. Farley, PL PMC Director of Engineering
Jenny Barket, Special Advisor for Executive Director
Purple Line PMC Document Control

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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
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New York, NY 10179

RBC Capital Markets LLC
Three World Financial Center
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Title: President
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Form of Contractor/Supplier Letter

Exhibit 4

List of Contractors and Suppliers