

COUNCIL OF THE DISTRICT OF COLUMBIA

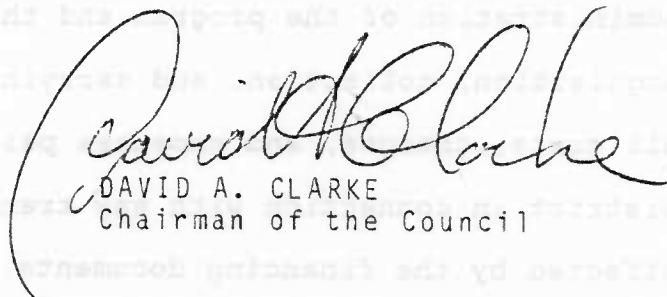
NOTICE

D.C. LAW 6-50

"Student Loan Revenue Bond Act of 1985".

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P. L. 93-198, "the Act", the Council of the District of Columbia adopted Bill No. 6-255 on first and second readings, July 9, 1985, and September 10, 1985, respectively. Following the signature of the Mayor on September 11, 1985, this legislation was assigned Act No. 6-73, published in the September 27, 1985, edition of the D.C. Register, (Vol. 32 page 5479) and transmitted to Congress on September 11, 1985 for a 30-day review, in accordance with Section 602 (c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 6-50, effective October 25, 1985.



DAVID A. CLARKE
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

September 11,12,13,16,17,18,19,20,23,24,25,26,27,30

October 1,2,3,4,7,8,9,10,11,16,17,18,21,22,23,24

D.C. LAW 6 - 50

AN ACT

EFFECTIVE
DATE OCT 25 1985D.C. ACT 6 - 73

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

SEP 11 1985

To authorize and provide for the issuance, sale, and delivery of District of Columbia revenue bonds, to authorize and provide for the establishment of a college and university program to provide loans for the payment of educational expenses for and on behalf of students; and for other purposes.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,
That this act may be cited as the "Student Loan Revenue Bond
Act of 1985".

Note,
D.C. Code
sec. 47-
334
(1986 supp.

Sec. 2. Definitions.

For purposes of this act, the term:

(1) "Administration costs" means all costs, charges, and expenses paid or incurred by the District in connection with the creation, implementation, and administration of the program and the origination, acquisition, collection, and carrying of student loans, and all costs, charges, and expenses paid or incurred by the District in connection with any transaction or event to be effected by the financing documents, including, but not limited to, the compensation of, reimbursement of expenses to, and advances payable to any person or entity performing services on behalf of or as agent for the District pursuant to or in connection with the creation, implementation, or administration of the program, and costs associated with the

participation of banks, insurance companies, and other financial institutions in the program.

(2) "Authorized delegate" means the Deputy Mayor for Economic Development, the Deputy Mayor for Finance, or any officer or employee of the District designated by the Mayor to perform any function authorized by this act to be performed by either the Mayor or the Secretary.

(3) "Bond counsel" means, collectively, Melrod, Redman & Gartlan A Professional Corporation and Reynolds & Mundy.

(4) "Bonds" means the revenue bonds in an aggregate principal amount not to exceed \$50,000,000 authorized to be issued, pursuant to the Home Rule Act and this act, to provide a source of funds for student loans, and generally designated as District of Columbia Supplemental Student Loan Revenue Variable Rate Demand Bonds.

(5) "Borrower" means a student who has received a student loan, a parent or court appointed guardian of a student, or some other financially responsible adult who has received or agreed to pay a student loan.

(6) "Closing documents" means the documents and agreements (other than financing documents) which may be necessary, desirable, or appropriate to issue, sell, and deliver the Bonds, to make the Loan to the Consortium, and to create, implement, and administer the program, including, without limitation, agreements, certificates, letters, opinions, forms, receipts, and other similar instruments.

(7) "Consortium" means The Consortium of Universities of the Washington Metropolitan Area, a non-profit organization organized and existing under the laws of the District of Columbia.

(8) "Consortium student" means a person who is enrolled, or who has been accepted and intends to enroll, as a student at a participating institution for at least 1/2 the credit hours required of full-time students enrolled at the participating institution.

(9) "Costs" means those costs paid or incurred in connection with the creation, implementation, and administration of the program and the origination of student loans, which costs may be financed or refinanced by the issuance, sale, and delivery of the Bonds.

(10) "Costs of attendance" means, as to a student loan made with respect to a Consortium student, the amount defined by the participating institution as the tuition and fees applicable to the student, together with the participating institution's estimate of other expenses reasonably related to the costs of attending the participating institution, including, without limitation, the cost of room, board, transportation, books, supplies, and as to a student loan for a District-based student, the amount certified by the non-participating institution as the tuition and fees applicable to the student, together with the non-participating institution's estimate of other expenses reasonably related to the costs of attending the non-participating institution including, without limitation,

the cost of room, board, transportation, books, and supplies.

(11) "Council" means the Council of the District of Columbia.

(12) "District" means the government of the District of Columbia.

(13) "District-based student" means a person who is (i) a resident of the District during the calendar year for an aggregate of 183 days or more while enrolled, or 183 days prior to acceptance with intent to enroll, as a student at a non-participating institution for that number of credit hours which is not less than 1/2 of the number of credit hours for which full time students are enrolled at the non-participating institution; (ii) not claimed as a dependent for tax purposes; and (iii) as a resident of the District, provides evidence of having complied with the District of Columbia Income and Franchise Tax Act of 1947, as amended. "District-based student" shall also mean a person, whether or not a resident of the District during the calendar year for an aggregate of 183 days or more, whose parent or court appointed guardian (i) has been a resident of the District during the calendar year for an aggregate of 183 days or more during which the person is enrolled, or 183 days prior to acceptance with intent to enroll, as a student at a non-participating institution for that number of credit hours which is not less than the number of credit hours for which full time students are enrolled at the non-participating institution; (ii) claims the student as a

dependent for tax purposes; and (iii) as a resident of the District, provides evidence of having complied with the District of Columbia Income and Franchise Tax Act of 1947, as amended.

(14) "District-based student loan" means a student loan made with respect to a District-based student.

(15) "District set aside" means an amount, not to exceed \$10,000,000, derived from the proceeds received by the District from the issuance, sale, and delivery of the Bonds, to be available under the program as a source of funds for District-based student loans.

(16) "Financing documents" means the executed documents and agreements (other than closing documents) to which the District is a party and which relate to the transactions to be effected by the issuance of the Bonds and the creation, implementation, and administration of the program and the Loan to the Consortium, including preliminary and final official statements and supplements to those statements as may from time to time be required.

(17) "Fund" means, with respect to the Bonds, any moneys required to be set aside as a separate fund pursuant to the financing documents.

(18) "Home Rule Act" means the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 774; D.C. Code, sec. 1-201 et seq.).

(19) "Issuance costs" means all fees, costs, charges, and expenses paid or incurred or to be paid or

incurred in connection with the authorization, preparation, printing, issuance, sale, and delivery of the Bonds, including, without limitations, program fees and administrative fees charged by the District, underwriting, legal, accounting, rating agency, and other financial fees, costs and expenses, fees paid to financial institutions and insurance companies, initial letter of credit fees, compensation to financial advisors and other persons (other than full-time employees of the District) and entities performing services on behalf of or as agents for the District, and all other fees, costs, and expenses incurred in connection with the development of the financing documents, the closing documents, and other documents necessary, desirable, or appropriate in connection with the authorization, preparation, printing, issuance, sale, marketing, and delivery of the Bonds.

(20) "Loan" means the District's loan or loans, authorized pursuant to and in accordance with the Home Rule Act and this act, of proceeds received by the District from the issuance, sale, and delivery of the Bonds to the Consortium for the purpose of creating, implementing, and administering the program.

(21) "Mayor" means the Mayor of the District of Columbia.

(22) "Non-District based student loans" means student loans other than District-based student loans.

(23) "Non-participating institution" means a post-secondary 4-year institution of higher education,

including graduate schools which are part of or are associated with that institution, accredited by the recognized regional accrediting association, which has 1 or more District-based students, and which is not a participating institution.

(24) "Participating institution" means a post-secondary 4-year institution of higher education, including graduate schools which are part of or are associated with that institution, which is a member of the Consortium, and which has executed an agreement for participation in the program, including, but not limited to, those institutions listed in Exhibit A attached to and made a part of this act, and those other institutions that may agree to participate in the program.

(25) "Program" means the District's program for the origination of student loans for the benefit of Consortium students and District-based students.

(26) "Revenue bonds" means District of Columbia revenue bonds, notes, or other obligations (including refunding bonds, notes or other obligations) issued to borrow money to finance, to refinance, or to assist in the financing or refinancing of undertakings in the areas of housing, health facilities, transit and utility facilities, recreational facilities, college and university facilities, college and university programs which provide loans for the payment of educational expenses for or on behalf of students, pollution control facilities, and industrial and commercial development.

(27) "Secretary" means the Secretary of the District of Columbia.

(28) "Student" means a person who is a Consortium student or a District-based student.

(29) "Student loan" means a loan made under the program to finance costs of attendance authorized to be financed by a student loan under the program.

Sec. 3. Findings.

The Council finds that:

(a) Section 490(a)(1) of the Home Rule Act provides that the Council may by act authorize the issuance of revenue bonds, notes, or other obligations (including refunding bonds, notes, or other obligations) to borrow money to finance, to refinance, or to assist in the financing or refinancing of undertakings in the areas of housing, health facilities, transit and utility facilities, recreational facilities, college and university facilities, college and university programs which provide loans for the payment of educational expenses for or on behalf of students, pollution control facilities, and industrial and commercial development.

(b) Section 490(a)(1) of the Home Rule Act further provides that a financing or refinancing of facilities undertaken pursuant to section 490(a)(1) of the Home Rule Act may be effected by loans made directly or indirectly to any individual or legal entity, by the purchase of any mortgage, note, or other security, or by the purchase, lease, or sale of any property.

(c) Section 490(a)(2) of the Home Rule Act provides that any revenue bond, note, or other obligation issued pursuant to section 490(a)(1) of the Home Rule Act shall be a special obligation of the District.

(d) Section 490(a)(3) of the Home Rule Act provides that any revenue bond, note, or other obligation issued pursuant to section 490(a)(1) of the Home Rule Act shall be paid and secured (as to principal, interest, and any premium) as provided by the act of the Council authorizing the issuance of the bond, note, or other obligation.

(e) Section 490(a)(3) of the Home Rule Act further provides that any act of the Council authorizing the issuance of a bond, note, or other obligation may provide for the payment of the bond, note, or other obligation from any available revenues, assets, or property and the securing of the bond, note, or other obligation by the mortgage of real property or the creation of any security interest in available revenues, assets, or other property.

(f) Section 490(a)(4)(A) of the Home Rule Act provides that in authorizing the issuance of any revenue bond, note, or other obligation under section 490(a)(1) of the Home Rule Act, the Council may authorize the Mayor to enter into any agreement concerning the acquisition, use, or disposition of funds or property.

(g) Section 490(a)(4)(A) of the Home Rule Act further provides that any agreement entered into pursuant to section 490(a)(4)(A) of the Home Rule Act may create a security interest in funds or property, and may provide for the

custody, collection, security, investment, and payment of any funds (including any funds held in trust) for the payment of the bond, note, or other obligation.

(h) Section 490(a)(4)(C) of the Home Rule Act provides that any funds of the District held for the payment or security of any revenue bond, note, or other obligation issued under section 490(a)(1) of the Home Rule Act, whether or not the funds are held in trust, may be secured in the manner agreed to by the District and any depository of the funds, and that any depository of the funds may give security for the deposit of the funds.

(i) Section 490(e) of the Home Rule Act provides that any act of the Council authorizing the issuance of revenue bonds, notes, or other obligations under section 490(a)(1) of the Home Rule Act may:

(1) Briefly describe the purpose for which the bonds, notes, or other obligations are to be issued;

(2) Identify the act authorizing the purpose;

(3) Prescribe the form, terms, provisions, manner, and method of issuing and selling (including sale by negotiation or by competitive bid) the bonds, notes, or other obligations;

(4) Provide for the rights and remedies of the holders of the bonds, notes, or other obligations upon default;

(5) Prescribe other details with respect to the issuance, sale, or securing of the bonds, notes, or other obligations; and

(6) Authorize the Mayor to take any actions in connection with the issuance, sale, delivery, security, and payment of the bonds, notes, or other obligations, including the prescribing of terms or conditions not contained in the act of the Council.

(j) The Council finds that there is an urgent need to provide financial assistance to students in the form of student loans to finance costs of attendance.

(k)(1) The District and the Consortium have endeavored to provide funding for student loans for the benefit of Consortium students and District-based students through the creation, implementation, and administration of the program.

(2) The Consortium has applied to the District for assistance in connection with the creation, implementation, and administration of the program.

(3) The Consortium has requested the District to issue, sell, and deliver revenue bonds in an aggregate face amount not to exceed \$50,000,000 (the Consortium having determined that the issuance, sale, and delivery of revenue bonds in that amount will provide funds sufficient to pay the initial costs of creation, implementation, and administration of the program) for the purpose of providing a source of funds for the origination of student loans under the program.

(4) The creation, implementation and administration of the program and the origination of student loans under the program constitutes an undertaking in the area of "college and university programs which provide loans

for the payment of educational expenses for or on behalf of students" within the meaning of the Home Rule Act.

(5) The authorization, issuance, sale, and delivery of the Bonds for the purpose of providing a source of funds for student loans, as permitted by the Home Rule Act and this act, are desirable and in the public interest, will promote the purpose and intent of the Home Rule Act, and will assist, facilitate, and expedite the creation, implementation, and administration of the program.

Sec. 4. Authorization for Implementation of the Program and the Financing of Student Loans.

(a) The District is authorized to assist and participate in the creation, implementation, and administration of the program by the issuance, sale, and delivery of the Bonds all pursuant to and in accordance with the Home Rule Act and this act.

(b) The District is authorized to issue, sell, and deliver the Bonds, at any time and from time to time, as 1 or more issues and in 1 or more series, in an aggregate face amount not to exceed \$50,000,000. The District is authorized to use the proceeds received from the issuance, sale, and delivery of the Bonds to make the Loan to the Consortium for the purpose of financing costs related to the creation, implementation, and administration of the program and providing a source of funds for student loans, to pay issuance costs with respect to the Bonds, and to establish any fund with respect to the Bonds, as required by the financing documents.

(c) The District is authorized to make the Loan to the Consortium and to provide security or funds for the payment of District-based student loans, or any portion of District-based student loans, as required by the financing documents, and as is consistent with the authority provided in the Home Rule Act and this act, provided that the obligation of the District to provide security or funds for the payment of District-based student loans, or any portion of District-based student loans, as required by the financing documents, and as is consistent with the authority provided in the Home Rule Act and this act, shall be subject to the availability of the security or funds through an appropriation of District funds for the purpose of providing the security or funds.

(d) The District set aside shall be used under the program as a source of funds for District-based student loans to finance, on terms and conditions acceptable to the District, costs of attendance at non-participating institutions, provided that any unused portion of the District set aside shall be made available periodically for use, under the program and in accordance with the financing documents, as an additional source of funds for non-District based student loans to finance costs of attendance at participating institutions. Unused portion of the amounts derived from the proceeds received by the District from the issuance, sale, and delivery of the Bonds to be used as a source of funds for the non-District based student loans shall be made available periodically for use, under the

program and in accordance with the financing documents, as an additional source of funds for the District-based student loans to finance costs of attendance at non-participating institutions.

(e) In the origination of non-District based student loans, preference shall be given to any person who would qualify as a District-based student if that person were enrolled, or accepted with intent to enroll, as a student at a non-participating institution.

(f) The Mayor is authorized and empowered to take any action he considers necessary, desirable, or appropriate, on the advice of bond counsel or otherwise, to create, implement, and administer the program, on terms and conditions which the Mayor considers to be in the best interests of the District and the students, including the use of legally available funds to provide security for District-based student loans.

(g) The principal of, premium, if any, on, and interest on the Bonds shall be payable solely from the proceeds received from the sale of the Bonds, income realized from the temporary investment of those proceeds, receipts and revenues realized by the District from the Loan to the Consortium and from student loans, income realized from the temporary investment of those receipts and revenues before payment to the bondholders, other moneys which, as provided in the financing documents, may be made available for the payment of the Bonds, and other sources of payment provided for in the financing documents. Except as

otherwise permitted by the Home Rule Act and this act, nothing contained in the Bonds or in the financing documents shall create any obligation on the part of the District to make payment with respect to the Bonds from other than the sources described in this subsection.

(h) The issuance of bonds is in the discretion of the District. Accordingly, the District is not obligated by this act to issue, and nothing contained in this act shall be construed as obligating the District to issue, any bonds for the benefit of the Consortium or a participating institution or a non-participating institution or a borrower, or to participate in or assist the Consortium or a participating institution or a non-participating institution or a borrower in any way with the creation, implementation, or administration of the program or the origination of student loans. Neither the Consortium nor a participating institution nor a non-participating institution nor a borrower shall have any claims for damages or for any other legal or equitable relief against the District, its elected or appointed officials, its officers, its employees, or its agents as a consequence of any failure to issue any bonds for the benefit of the Consortium or a participating institution or a non-participating institution or a borrower.

Sec. 5. Bonds.

(a) The Bonds shall be issued pursuant to and in accordance with the terms and conditions of a trust indenture to be entered into by the District and a trustee

to be selected by the Consortium, the selection of the trustee to be subject to the approval of the Mayor.

(b) The Bonds shall be in substantially the form of the bond attached to this act, which form is approved by the Council, except that, within the limitations of the Home Rule Act, the Mayor is authorized and empowered to prescribe, determine, approve, authorize, and effectuate all matters and details relating to the Bonds, and all forms, documents, and procedures necessary, desirable, or appropriate for the authorization, preparation, execution, issuance, sale, delivery of, security for, and payment of the Bonds, including, but not limited to:

(1) The final form, content, designation, tenor, terms and conditions of, and provisions for the registration and transfer of the Bonds;

(2) The face amount of the Bonds (which shall not exceed the aggregate face amount authorized to be issued by this act) to be issued at any 1 time and from time to time and the denominations of the Bonds;

(3) The rate or rates of interest or the method for determining the rate or rates of interest on the Bonds;

(4) The date or dates of issuance, sale, and delivery of the Bonds and the maturity date or dates of the Bonds;

(5) The time or times and place or places of payment of the Bonds;

(6) The security for the Bonds;

(7) The creation of any reserve fund, sinking

fund, or other fund with respect to the Bonds; and

(8) The terms and conditions under which the Bonds may be paid, redeemed, accelerated, tendered, called, or put before their stated maturities.

(c) The Bonds may be issued at any time or from time to time in 1 or more issues and in 1 or more series. Each issue or series of the Bonds shall be identified by the year of issue or by some other additional appropriate designation.

(d) The Bonds shall be executed in the name of the District and on its behalf by the Mayor, with the Mayor's manual or facsimile signature.

(e) The official seal of the District or a facsimile of it shall be impressed, printed, or otherwise reproduced on the Bonds and attested by the Secretary, with the Secretary's manual or facsimile signature.

(f) The Mayor is authorized and empowered to execute the Bonds, on behalf of the District, with those changes, additions, deletions, and modifications that the Mayor considers necessary, desirable, or appropriate, on the advice of bond counsel or otherwise, to carry out the purposes of this act. The Mayor's execution of the Bonds shall constitute conclusive evidence of the Mayor's approval, on behalf of the District, of the final form and content of the Bonds. The Secretary is authorized and empowered to seal the Bonds on behalf of the District. The Mayor is further authorized and empowered to deliver the executed and sealed Bonds, on behalf of the District, to the

trustee for authentication and, after the trustee has authenticated the Bonds, to deliver the Bonds to the original purchasers of the Bonds upon payment of the purchase price.

(g) The trustee or an authenticating agent is authorized, empowered, and directed to authenticate the Bonds and to deposit and disburse the proceeds received from the sale of the Bonds as provided in the financing documents.

(h) The Bonds of any series may be sold at private or public sale at, above, or below par and in a manner, at times, on dates, to a person or entity, and upon terms that the Mayor considers to be in the best interests of the District.

Sec. 6. Financing Documents and Closing Documents.

(a) The forms of the financing documents attached to this act are approved by the Council, except that, within the limitations of the Home Rule Act, the Mayor is authorized and empowered to prescribe, determine, and approve the final form and content of all financing documents and all closing documents which may be necessary, desirable, or appropriate to effectuate and close the issuance, sale, and delivery of the Bonds and the Loan.

(b) Each of the financing documents and each of the closing documents to which the District is a party shall be executed in the name of the District and on its behalf by the Mayor, with the Mayor's manual or facsimile signature.

(c) The official seal of the District or a facsimile

of it shall, as appropriate, be impressed, printed, or otherwise reproduced on the financing documents and the closing documents to which the District is a party and shall be attested by the Secretary, with the Secretary's manual or facsimile signature.

(d) The Mayor is authorized and empowered to execute each of the financing documents and each of the closing documents, on behalf of the District, with those changes, additions, deletions, and modifications that the Mayor considers necessary, desirable, or appropriate, on the advice of bond counsel or otherwise, to carry out the purposes of this act. The Mayor's execution of the financing documents and the closing documents shall constitute conclusive evidence of the Mayor's approval, on behalf of the District, of the final form and content of the executed financing documents and the executed closing documents. The Secretary is authorized and empowered to seal the financing documents and the closing documents, as appropriate, on behalf of the District. The Mayor is further authorized and empowered to deliver the executed and sealed financing documents and closing documents, on behalf of the District, prior to or simultaneously with the issuance, sale, and delivery of the Bonds, and to ensure the due performance of the obligations of the District contained in the executed and delivered financing documents and closing documents.

(e) It is the intent and purpose of this act that any instrument or document executed on behalf of and in the name

of the District in connection with the creation, implementation, and administration of the program and the student loans shall be considered to have been executed pursuant to the authority conferred by this act.

(f) Each of the financing documents and each of the closing documents to which the District is not a party shall be approved, as to form and content, by the Mayor.

Sec. 7. Additional Authority.

In addition to the authority conferred on the Mayor by this act with respect to the Bonds, the financing documents, and the closing documents, the Mayor is authorized and empowered, with respect to the issuance, sale, and delivery of the Bonds, the Loan and the District set aside, or as may be required following the issuance, sale, and delivery of the Bonds, the Loan, and the establishment of the District set aside, on behalf of the District, to execute, acknowledge, seal, deliver, perform, receive, and accept all other documents, agreements, certificates, and instruments as may be necessary, desirable, or appropriate to effectuate the issuance, sale, and delivery of the Bonds, the Loan and the District set aside, and to provide security or funds for the payment of District-based student loans, or any portion of District-based student loans, as required by the financing documents and as is consistent with the authority provided in the Home Rule Act and this act. Pursuant to section 451 of the Home Rule Act, all documents, agreements, certificates, and instruments, including, but not limited to, financing documents and closing documents, entered into,

executed, acknowledged, sealed, delivered, and performed pursuant to the authority contained in this act may extend for the period of time during which any of the Bonds remain outstanding. The Mayor is further authorized and empowered, with respect to the issuance, sale, and delivery of the Bonds, the Loan, and the District set aside, or as may be required following the issuance, sale, and delivery of the Bonds, the Loan, and the establishment of the District set aside, on behalf of the District, to take all other actions consistent with the Home Rule Act and this act which the Mayor considers necessary, proper, expedient, desirable, or appropriate in order to effectuate the issuance, sale, and delivery of the Bonds, the Loan, and the District set aside, including, but not limited to, the establishment of procedures for monitoring the use of the proceeds received from the sale of the Bonds to ensure that they are properly applied to the creation, implementation, and administration of the program and the origination of student loans, and used to accomplish the purposes of the Home Rule Act and this act. The Mayor may also authorize the distribution and use of the preliminary official statement, the final official statement, the trust indenture, and any supplements to those financing documents, and the Mayor may perform all acts necessary to qualify the Bonds under the District of Columbia Security Act, approved August 30, 1964 (78 Stat. 620; D.C. Code, sec. 2-2601 et seq.), and the security laws of any jurisdiction in which the Bonds are marketed.

Sec. 8. Authorized Delegation of Authority.

The Mayor may delegate to an authorized delegate duties required under this act to be performed by the Mayor or by the Secretary.

Sec. 9. Limited Liability.

(a) The Bonds shall be special obligations of the District. The Bonds shall not be general obligations of the District, shall not be a pledge of or involve the faith and credit or the taxing power of the District, shall not constitute a debt of the District, and shall not constitute lending of the public credit for private undertakings as contained in section 602(a)(2) of the Home Rule Act. The Bonds shall contain a legend which shall provide generally that the Bonds are not general obligations of the District, are not a pledge of and do not involve the faith and credit or the taxing power of the District, do not constitute a debt of the District and do not constitute a lending of the public credit for private undertakings as contained in section 602(a)(2) of the Home Rule Act.

(b) The Bonds shall not give rise to any pecuniary liability of the District other than, as permitted by this act, in connection with the securing of District-based student loans, and neither the elected or appointed officials, officers, employees, or agents of the District nor any person executing the Bonds shall be liable personally for the payment of the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds, except that nothing contained in the financing documents shall be construed to preclude any

action or proceeding, other than that element in any action or proceeding involving a monetary claim, in any court or before any governmental body, agency, or instrumentality against the District or any of its elected or appointed officials, its officers, its employees, or its agents to enforce the provisions of any financing document.

(c) Except as they relate to the District set-aside, the District shall have no liability or obligation for the payment of any issuance costs, any administration costs, or any other fees, costs, charges, or expenses incurred in connection with the authorization, preparation, printing, issuance, sale, and delivery of the Bonds, the Loan, the implementation or administration of the financing documents, the creation, implementation, or administration of the program, the origination of student loans or any transaction or event to be effected by the financing documents.

(d) All covenants, obligations, and agreements of the District contained in this act, the Bonds, the financing documents, and the closing documents to which the District is a party shall be considered to be the covenants, obligations, and agreements of the District to the fullest extent authorized by law, and each of those covenants, obligations, and agreements shall be binding upon the District and its successors, except that no person, including the Consortium, the participating institutions, the non-participating institutions, any borrower, and any bondholder shall have any claims against the District or any of its elected or appointed officials, officers, employees,

or agents for damages suffered as a result of the District's failure to perform any covenant, undertaking, or obligation under this act, the Bonds, the financing documents or the closing documents, or as a result of a misrepresentation in or omission from the financing documents, or the closing documents, unless the District or its elected or appointed officials, its officers, its employees, or its agents have acted in a fraudulent manner.

Sec. 10. District of Columbia Officials.

(a) All rights, powers, and privileges conferred and duties and liabilities imposed upon the District by this act, the Bonds, the financing documents, or the closing documents shall be exercised or performed by those elected or appointed officials, officers, employees, or agents of the District required or permitted by law to exercise or perform them. No representation, warranty, covenant, obligation, or agreement of the District contained in this act, the Bonds, the financing documents, or the closing documents shall be considered to be a representation, warranty, covenant, obligation, or agreement of any elected or appointed official, officer, employee, or agent of the District in the person's individual capacity.

(b) The signature, countersignature, facsimile signature, or facsimile countersignature of any official appearing on the Bonds, the financing documents, or the closing documents shall be valid and sufficient for all purposes, notwithstanding the fact that the person ceases to be that official before the delivery of the Bonds, the

financing documents, or the closing documents.

Sec. 11. Maintenance of Documents.

True copies of the final financing documents and closing documents shall be filed in the Office of the Mayor.

Sec. 12. Information Reporting.

Any action taken by the Mayor which relates to the execution and delivery of the Bonds shall be reported to the Council, for its information, within 10 days after the action is taken. Within 3 days after the Mayor's receipt of the transcript of proceedings relating to the issuance of the Bonds, the Mayor shall transmit a copy of the transcript to the Chairman of the Council.

Sec. 13. Disclaimers.

The Council, by enacting this act or by taking any other action in connection with the creation, implementation, and administration of the program and the origination of student loans does not and cannot provide any assurance to purchasers of the Bonds as to the financial condition of the Consortium, the participating institutions, the non-participating institutions, or the borrowers, or of the sufficiency of revenues to ensure that amounts owing on the Bonds will be paid. Neither the purchasers of the Bonds nor any other person shall rely upon the District with respect to those matters.

Sec. 14. Validity of Bonds.

Bonds issued pursuant to this act shall be considered validly issued by the District.

Sec. 15. Severability.

If any provision of this act or the application of it to any person or circumstance is held to be unconstitutional or beyond the statutory authority of the Council, or otherwise invalid, the invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Sec. 16. Expiration.

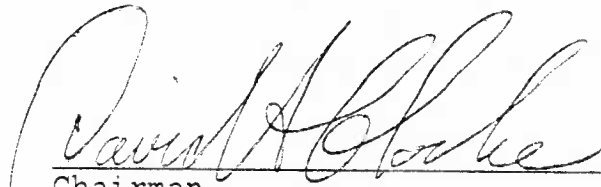
If the Bonds are not issued, sold, and delivered to the original purchaser within 3 years from the effective date of this act, the authorization provided in this act with respect to the issuance, sale, and delivery of the Bonds shall expire.

Sec. 17. Effective Date.

This act shall take effect after a 30-day period of Congressional review following approval by the Mayor (or in the event of veto by the Mayor, action by the Council of the District of Columbia to override the veto) as provided in section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act,

approved December 24, 1973 (87 Stat. 813; D.C. Code, sec.

1-233(c)(1)).


Chairman
Council of the District of Columbia

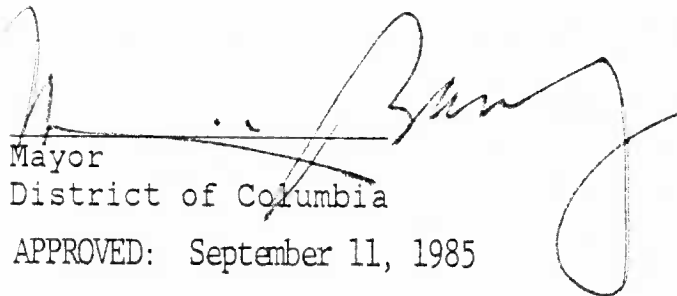

Mayor
District of Columbia
APPROVED: September 11, 1985

EXHIBIT A

The Student Loan Revenue Bond Act of 1985

Participating Institutions

The American University
 The George Washington University
 The Catholic University of America
 Georgetown University
 Mount Vernon College
 Trinity College



COUNCIL OF THE DISTRICT OF COLUMBIA
Council Period Six — First Session

RECORD OF OFFICIAL COUNCIL VOTE

DOCKET NO: B 6-255

☒ Item on Consent Calendar

☒ ACTION & DATE: Adopted First Reading, 7-9-85

☒ VOICE VOTE: Unanimous

Recorded vote on request

Absent: Wilson

☐ ROLL CALL VOTE: — RESULT ()

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					RAY					SPAULDING				
CRAWFORD					ROLARK					WILSON				
JARVIS					SCHWARTZ					WINTER				
KANE					SHACKLETON									
MASON					SMITH, JR.									

X — Indicates Vote A.B. — Absent N.V. — Present, not voting

CERTIFICATION RECORD

Russell A. Smith
Secretary to the Council

9/11/85
Date

☒ Item on Consent Calendar

☒ ACTION & DATE: Adopted Final Reading, 9-10-85

☒ VOICE VOTE: Unanimous

Recorded vote on request

Absent: Wilson and Winter

☐ ROLL CALL VOTE: — RESULT ()

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					RAY					SPAULDING				
CRAWFORD					ROLARK					WILSON				
JARVIS					SCHWARTZ					WINTER				
KANE					SHACKLETON									
MASON					SMITH, JR.									

X — Indicates Vote A.B. — Absent N.V. — Present, not voting

CERTIFICATION RECORD

Russell A. Smith
Secretary to the Council

9/11/85
Date

☐ Item on Consent Calendar

☐ ACTION & DATE: _____

☐ VOICE VOTE: _____

Recorded vote on request

Absent: _____

☐ ROLL CALL VOTE: — RESULT ()

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					RAY					SPAULDING				
CRAWFORD					ROLARK					WILSON				
JARVIS					SCHWARTZ					WINTER				
KANE					SHACKLETON									
MASON					SMITH, JR.									

X — Indicates Vote A.B. — Absent N.V. — Present, not voting

CERTIFICATION RECORD

Secretary to the Council

Date

85-5p993 wd33