

COUNCIL OF THE DISTRICT OF COLUMBIA

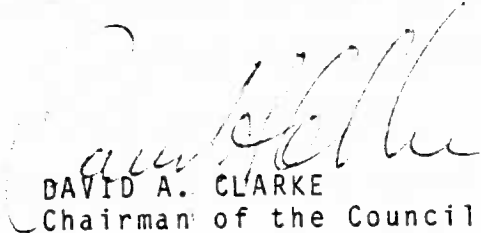
NOTICE

D.C. LAW 6-154

"Maurice Limited Partnership Project Revenue
Bond Act of 1986".

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. 6-464 on first and second readings, June 24, 1986 and July 8, 1986, respectively. Following the signature of the Mayor on July 16, 1986, this legislation was assigned Act No. 6-196, published in the August 8, 1986, edition of the D.C. Register, (Vol. 33 page 4792) and transmitted to Congress on July 22, 1986 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 6-154, effective September 23, 1986.


DAVID A. CLARKE
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

July	22,23,24,25,28,29,30,31
August	1,4,5,6,7,8,11,12,13,14,15
September	8,9,10,11,12,15,16,17,18,19,22

AN ACT

D.C. ACT 6 - 196

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

JUL 16 1986

To authorize the issuance of industrial development revenue bonds of the District of Columbia for the purpose of making a loan to Maurice Limited Partnership to assist in the financing of the construction, rehabilitation, acquisition, renovation, restoration, reconstruction, maintenance, equipping, and improvement in the District of Columbia of a wholesale electrical supply showroom, warehouse, and distribution center serving the Washington, D.C., metropolitan area.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,
That this act may be cited as the "Maurice Limited
Partnership Project Revenue Bond Act of 1986".

Sec. 2. The Council of the District of Columbia
("Council") finds that:

(1) Section 490(a)(1) of the District of Columbia
Self-Government and Governmental Reorganization Act,
approved December 24, 1973 (87 Stat. 809; D.C. Code, sec.
47-334(a)(1)) ("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 that provide loans for the payment of educational expenses for or on behalf of students, pollution control facilities, and industrial and commercial development. The Home Rule Act further provides that a financing or refinancing 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.

(2) Section 485 of the Home Rule Act provides that bonds and the notes issued by the Council pursuant to the Home Rule Act and the interest on these bonds and notes shall be exempt from all federal and District of Columbia ("District") taxation, except estate, inheritance, and gift taxes. Section 103(a) of the Internal Revenue Code of 1954, approved August 16, 1954 (68A Stat. 29; 26 U.S.C. 103(a)), provides for the exemption from federal income taxation of the interest on obligations issued by the District.

(3) 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.

(4) 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.

(5) 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 obligations.

(6) Section 490(a)(3) of the Home Rule Act 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.

(7) 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.

(8) 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 any security interest in any 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.

(9) 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 may give security for the deposit of the funds.

(10) 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:

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

(B) Identify the act authorizing the purpose;

(C) 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;

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

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

(F) Authorize the Mayor of the District of Columbia ("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.

(11) Maurice Limited Partnership has applied to the District for industrial development revenue bond financing and to that end the District and Maurice Limited Partnership ("Applicant") propose to enter into a loan agreement providing for the financing by the District of the construction, rehabilitation, acquisition, renovation, restoration, reconstruction, maintenance, equipping, and improvement of portions of certain property consisting of approximately 73,142 square feet located at 500 Penn Street, N.E., Washington, D.C., and a parcel of land located at 491

Penn Street, N.E., Washington, D.C., that will be operated by the applicant as a wholesale electrical supply showroom, warehouse, and distribution center serving the Washington, D.C. metropolitan area as more fully described in the loan agreement ("Project").

(12) To induce the applicant to undertake the project, the Council adopted the Maurice Limited Partnership Revenue Bond Resolution of 1986, effective March 25, 1986 (Res. 6-597; 33 DCR 2206).

(13) The financing instruments attached to this act provide for the issuance of revenue bonds of the District in the principal amount of \$3,900,000, the proceeds of which will be loaned to the applicant and used to finance the project. The revenue bonds shall be secured by an assignment by the District for the benefit of the bondholders of certain of its rights under the loan agreement and other closing instruments related to the issuance of the revenue bonds, including a security interest in certain collateral, to the trustee for the bonds ("Trustee") pursuant to the financing instruments as security for the bonds.

(14) The project is an undertaking in the area of industrial and commercial development pursuant to section 490 of the Home Rule Act.

(15) The District is authorized and empowered by

the bond act to issue revenue bonds to finance the project as described in the loan agreement.

(16) The financing of the project with proceeds from the District revenue bonds pursuant to the loan agreement is permitted under section 490 of the Home Rule Act.

(17) It is desirable, in the public interest, and will promote the purpose and intent of section 490 of the Home Rule Act for the District to finance the project upon the terms and conditions stated in the loan agreement.

(18) On December 17, 1985, the United States House of Representatives ("House") adopted the Tax Reform Act of 1985, H.R. 3838, 99th Cong., 1st Sess. (1985), ("H.R. 3838"). H.R. 3838, which as adopted by the House would be applicable generally to tax-exempt bonds issued after December 31, 1985, sets forth annual limitations on the volume of tax exempt bonds that may be issued by each state, including the District, for the benefit of non-governmental persons. The annual volume limitation of the District under the House version of H.R. 3838 would be \$200 million. Under the initial statutory set-aside method in the House version of H.R. 3838, \$30 million would be set aside for bonds for the benefit of organizations described in section 501(c)(3) of the Internal Revenue Code of 1954, approved August 16, 1954 (68A Stat. 163; 26 U.S.C. 501(c)(3)) and unless altered

by a legislative act of the District, \$85 million would be set aside for housing bonds. Under H.R. 3838, the remaining \$85 million may be used for any purpose permitted under the Internal Revenue Code, approved August 16, 1954 (68A Stat. 3; 26 U.S.C. 1 et seq.).

(19) The United States Senate ("Senate") is currently considering the version of H.R. 3838 as ordered reported, with an amendment in the nature of a substitute by the Senate Committee on Finance on May 6, 1986. This version would generally continue existing law volume limitations on the issuance of certain tax-exempt bonds. Due to the retroactive effective date of the House version of H.R. 3838, the District has determined that it is prudent to comply with the volume limitation imposed by the House version or any substantially similar volume limitation imposed by federal tax legislation.

(20) The Council recognizes that the District will allocate to the bonds a portion of any volume limitation imposed by the House version or any substantially similar volume limitation imposed by federal tax legislation equal to the principal amount of the bonds and recognizes the right of the District to make a reallocation of that portion of any volume limitation prior to issuance and delivery of the bonds.

Sec. 3. The District may issue and sell bonds to be

named the "District of Columbia Industrial Development Revenue Bonds (Maurice Limited Partnership Project - Series 1986)" ("Bonds"), in substantially the form appended to this act and in a total principal amount not to exceed \$3,900,000 pursuant to section 490 of the Home Rule Act.

Sec. 4. (a) The Council approves the financing instruments related to the bonds and attached to this act, ("Instruments") and approves the instruments related to the bonds, as executed by the Mayor, which shall be in substantially the form and substance of the instruments attached to this act with changes and insertions approved by the Mayor that are not inconsistent with this act and not adverse to the District. The attached instruments state, among other provisions, the form, terms, provisions, manner, and method of issuing and selling the bonds and the rights and remedies of the holder of the bonds.

(b) The Council approves the form and substance of the bonds attached to this act, and approves the bonds as executed by the Mayor, which shall be in substantially the form and substance attached to this act with changes and insertions approved by the Mayor that are not inconsistent with this act and not adverse to the District. Approval on behalf of the District of the final form and content shall be evidenced conclusively by the Mayor's execution and delivery of the bonds or the instruments.

Sec. 5. (a) The District may issue, execute, sell, and deliver the bonds in an aggregate principal amount of not more than \$3,900,000 in the form approved by this act and pursuant to section 490 of the Home Rule Act, the loan agreement, and the instruments attached to this act.

(b) The bonds issued pursuant to this act shall be issued, executed, sold (including sale by negotiation or competitive bid), and delivered at the time that the Mayor determines, and shall bear interest at the rates and shall be issued according to the terms and conditions stated in the bonds and the instruments attached to this act.

(c) The bonds shall be issued solely for the purpose of providing funds to finance those costs of construction, rehabilitation, acquisition, restoration, reconstruction, maintenance, renovation, furnishing, equipping, and improvement of the project and costs of issuance of the bonds as provided in the loan agreement and as approved by this act.

(d) 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 a lending of the public credit for private undertakings as prohibited by 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 prohibited by section 602(a)(2) of the Home Rule Act.

(e) The bonds shall not give rise to any pecuniary liability of the District, 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 instruments 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, officers, employees, or agents to enforce the provisions of any instrument.

(f) The District shall have no liability or obligation for the payment of any issuance costs, administration costs, or other fees, costs, charges, or expenses incurred in connection with the authorization, preparation, printing,

issuance, sale, and delivery of the bonds, the implementation or administration of the instruments, or any transaction or event to be effected by the instruments.

(g) All covenants, obligations, and agreements of the District contained in this act, the bonds, and the instruments 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 applicant 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, or the instruments, nor as a result of the incorrectness of any representation in or omission from the instruments, unless the District or its elected or appointed officials, officers, employees, or agents have acted in a willful and fraudulent manner.

(h) Nothing contained in the bonds or the instruments shall create an obligation on the part of the District to make any payment except from the revenues and other payments derived pursuant to the instruments.

Sec. 6. The Mayor or his delegate may, on behalf of

the District, execute and deliver the bonds and the instruments, in substantially the form and substance attached to this act with any changes and insertions permitted by this act and approved by the Mayor. The official seal of the District shall be impressed or otherwise reproduced on the instruments and the bonds and attested to by the Secretary of the District.

Sec. 7. The Mayor or his delegate may, on behalf of the District, perform the functions specified in this act and in the instruments.

Sec. 8. The Mayor and other officers, employees, and agents of the District may, on behalf of the District, perform the following:

(1) Take all actions provided for by the bonds or the instruments and other actions needed in the opinion of the Mayor to fulfill the purposes of this act;

(2) Prepare, execute, and deliver the additional certificates, instruments, and documents, including official statements of the District relating to the bonds (which certificates, instruments, and documents for purposes of this act shall be included within the term "instruments"); and

(3) Direct the payment of necessary and reasonable fees, charges, and expenses provided in the documents for issuing the bonds and for financing the

project from the proceeds of the bonds.

Sec. 9. Nothing contained in this act, the bonds, or the instruments shall be construed as committing or obligating the District to authorize or issue bonds in excess of \$3,900,000 to finance the project or to issue any bonds other than to finance the project, and the applicant shall have no claims for damages or for any other equitable or legal relief against the District, its officers, agents, or employees as a consequence of a failure to authorize or issue bonds in excess of \$3,900,000 to finance the project or to finance a transaction other than the project.

Sec. 10. (a) The bonds shall not be issued until the Mayor receives, at the time of delivery, an approving opinion from nationally recognized bond counsel and co-bond counsel as to the validity of the bonds and the exemption of the interest on the bonds from federal and District income taxation.

(b) The Mayor shall deliver the bonds with copies of these opinions attached to the bonds.

Sec. 11. True copies of the final instruments shall be filed in the office of the Mayor.

Sec. 12. (a) All rights, powers, and privileges conferred and duties and liabilities imposed upon the District by this act, the bonds, or the instruments 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 or the instruments shall be considered to be a covenant, representation, warranty, 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 or the instruments shall be valid and sufficient for all purposes, notwithstanding the fact that the official ceases to be that official before the delivery of the bonds or the instruments.

Sec. 13. (a) The Council, by enacting this act or by taking any other action in connection with financing the project, does not and cannot provide any assurance that the project is viable or sound, that the applicant is financially sound, or that amounts owing on the bonds or under the loan agreement will be paid. Neither the applicant, any purchaser of the bonds, or any other person shall rely upon the District with respect to these matters.

(b) The District shall have no obligation with respect to the purchase of the bonds.

Sec. 14. If any provision of this act or the

application of this act 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 that can be given effect without the invalid provisions or application, and to this end the provisions of this act are declared to be severable.

Sec. 15. Any action taken by the Mayor that 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.

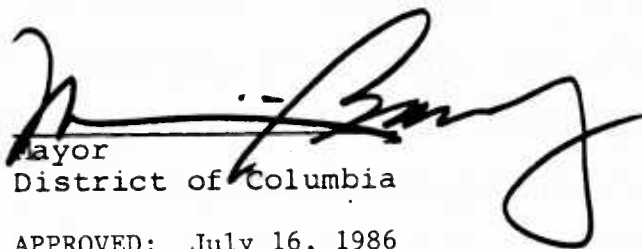
Sec. 16. If the bonds are not issued, sold, and delivered to the original purchaser within 3 years of the effective date of this act, the authorization provided in this act with respect to the issuance, sale, and delivery of the bonds shall expire.

Sec. 17. 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: July 16, 1986



COUNCIL OF THE DISTRICT OF COLUMBIA

Council Period Six — Second Session

RECORD OF OFFICIAL COUNCIL VOTE

DOCKET NO: B 6-464

☐ Item on Consent Calendar

☒ ACTION & DATE: Adopted First Reading, 6-24-86

☒ VOICE VOTE: Unanimous

Recorded vote on request

Absent: all present

☐ 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					MASON					SPAULDING				
SMITH, JR.					RAY					WILSON				
CRAWFORD					ROLARK					WINTER				
JARVIS					SCHWARTZ									
KANE					SHACKLETON									

X — Indicates Vote

A.B. — Absent

N.V. — Present, not voting

CERTIFICATION RECORD

Russell Smith
Secretary to the Council

7/11/86
Date

☒ Item on Consent Calendar

☒ ACTION & DATE: Adopted Final Reading, 7-8-86

☒ VOICE VOTE: Unanimous

Recorded vote on request

Absent: all present

☐ 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					MASON					SPAULDING				
SMITH, JR.					RAY					WILSON				
CRAWFORD					ROLARK					WINTER				
JARVIS					SCHWARTZ									
KANE					SHACKLETON									

X — Indicates Vote

A.B. — Absent

N.V. — Present, not voting

CERTIFICATION RECORD

Russell Smith
Secretary to the Council

7/11/86
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					MASON					SPAULDING				
SMITH, JR.					RAY					WILSON				
CRAWFORD					ROLARK					WINTER				
JARVIS					SCHWARTZ									
KANE					SHACKLETON									

X — Indicates Vote

A.B. — Absent

N.V. — Present, not voting

CERTIFICATION RECORD

Secretary to the Council

Date